# CONDOMINIUM OFFERING PLAN

## THE 844 QUINCY STREET CONDOMINIUM

844 QUINCY STREET
COUNTY OF KINGS, CITY OF NEW YORK
BROOKLYN, NEW YORK 11221

OFFERING PRICE OF 7 RESIDENTIAL UNITS…….…… $5,252,550.00

SPONSOR

844 QUINCY PARTNERS LLC
188 RALPH AVENUE
BROOKLYN, NEW YORK 11233

SELLING AGENT

BROWN HARRIS STEVENS
RESIDENTIAL SALES LLC
445 PARK AVE 11TH FLOOR
NEW YORK, NEW YORK 10022

ATTORNEY FOR SPONSOR

MAVRIDES MOYAL PACKMAN & SADKIN, LLP
276 FIFTH AVENUE, SUITE 404
NEW YORK, NEW YORK 10001

DATE OF ACCEPTANCE FOR FILING: _____

THE TERM OF THE INITIAL OFFER IS TWELVE (12) MONTHS COMMENCING ON THE DATE OF ACCEPTANCE FOR FILING. THE TERM MAY BE EXTENDED BY A DULY FILED AMENDMENT TO THE OFFERING PLAN.

**SEE PAGE (1) OF THE PLAN FOR SPECIAL RISKS TO PURCHASERS**

**BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER PLAN CONSUMMATION, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISK SECTION OF THE PLAN.) THIS OFFERING PLAN IS THE ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.**

**PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THIS PLAN (SEE SPECIAL RISKS SECTION OF THE PLAN)**

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# PART I

# CONDOMINIUM OFFERING PLAN

# THE 844 QUINCY STREET CONDOMINIUM
# 844 QUINCY STREET
# BROOKLYN, NEW YORK

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## A. SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

**Purchase of a Condominium Unit**

1. (a) THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THESE OFFERING MATERIALS CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THE PURCHASE AGREEMENT CONTAINED IN THIS PLAN.

(b) The 844 Quincy Street Condominium (the "Condominium") contains seven (7) Residential Units (and their appurtenant interests in the Common Elements) that are being offered for sale under this Plan. The Residential Units may be used only for residential purposes, and subject to compliance with the Declaration and the By-Laws, for lawful home occupation as defined in the New York City zoning resolution. (See the Sections of the Plan entitled "Rights and Obligations of Unit Owners" and "Use of Units" for further details.)

(c) The Sponsor is reserving the unconditional right to rent rather than sell Residential Units after consummation of this Offering Plan. Accordingly, there is no commitment by Sponsor to sell more than fifteen percent (15%) of the Residential Units or two (2) Residential Units, which is necessary to declare the plan effective. (See the Section of the Plan entitled "Effective Date of the Plan" for further details.)

(d) Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of Units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor or a holder of unsold shares has not sold a substantial percentage of the Units in the building or group of buildings, which in some cases may be as high as seventy percent (70%) of the total units. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original Sponsor has an ownership interest of ten percent (10%) or more of the total units. It may also be difficult for a purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. (See the Sections of the Plan entitled "Procedure to Purchase" and "Financing for Qualified Purchases" for further details.)

(e) As the Sponsor is reserving the unconditional right to rent Units rather than sell Units it may arise that a Unit for purchase will have been previously inhabited. If a Purchaser is purchasing a Unit that has been previously rented the Purchaser will purchase the Unit "as is" and Purchaser is strongly recommended to make a thorough inspection of the Unit before closing. (See the Sections of the Plan entitled "Introduction" for further details.)

(f) No party other than the respective Purchaser shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party (including

without limitation, parties purchasing from Purchasers) shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

(g) TIME IS OF THE ESSENCE as to all of a Purchaser's obligations to Sponsor under the Purchase Agreement, including, without limitation, Purchaser's obligation to close title on the Closing Date and to pay, perform or observe all of Purchaser's other obligations under the Purchase Agreement and to cure any default under the Purchase Agreement within thirty (30) days after Sponsor gives notice to Purchaser of the default. According to Black's Law Dictionary (Revised Fifth Edition), "time is of the essence of contract" means generally that punctual performance by one party at one precise time named or within a period specified in the contract is essential to enable the party to require performance by the other party. A Purchaser who defaults under the Purchase Agreement and fails to cure the default within such thirty (30) day period may not be permitted additional time to cure the default. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

(h) Under current law, if a Purchaser makes a Deposit in excess of Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00) for the purchase of a Unit, the amount in excess of Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00) will not be federally insured. If a Purchaser maintains accounts at the Escrow Bank, the funds in such accounts, together with the Deposit, may be aggregated by the Escrow Bank for purposes of determining the Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00) federally insured limit. Additionally, until such time as Purchaser delivers either an executed W-9 or W-8 Form to Sponsor, the Deposit under the Purchase Agreement shall remain in the non-interest-bearing portion of the Master Escrow Account. While the Deposit is in the non-interest-bearing portion of the Master Escrow Account, the Deposit under the Purchase Agreement may not be federally insured even if the Deposit does not exceed Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00). No representation is made with respect to any further changes in law concerning such accounts. Purchasers should consult with their accountants or financial advisors for further information. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for further details.)

(i) The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in this Plan) including, but not limited to, the Unit, the Building and all Common Elements contained therein. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Building or the Common Elements, except as is otherwise set forth in the Plan. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

(j) Prior to the Closing of Title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or listing agent or advertising or otherwise offering, promoting, holding open houses or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld or delayed in Sponsor's sole and absolute discretion. Any listing or promotion of the Unit for sale and/or advertising by Purchaser in violation of the terms of this Plan shall be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the Deposit made by the Purchaser, together with

interest earned thereon. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

(k) A Unit Owner who acquired title to the Unit from Sponsor ("Sponsor Sale") is prohibited under the Purchase Agreement and this Plan for a period of twelve (12) months from the Sponsor Sale from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Unit for sale or rental, (ii) placing or authorizing any listing in any broker's listing system or other listing service, (iii) advertising or otherwise offering, promoting or publicizing the availability of such Unit for sale or rental, or (iv) selling or otherwise conveying the Unit, except for a deed in lieu of foreclosure. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

(l) A Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on such Purchaser obtaining financing for the purchase of the Unit, so that a Purchaser will remain obligated under the Purchase Agreement whether or not Purchaser has been able to obtain financing. Neither Sponsor nor its principal, managers, members, agents, designees, employees or affiliates (collectively, "Sponsor's Representatives"), nor Selling Agent, hereby makes any representations as to the terms or availability of any mortgage financing (including, without limitation, the availability of financing conforming to FHA or FNMA requirements). Prospective Purchasers may want to finalize their financing arrangements before signing a Purchase Agreement and should be aware that even if a loan commitment is obtained, its term may be limited, and the interest rate lock and or the commitment itself could expire before the Closing Date. Neither Sponsor, Sponsor Representatives nor Selling Agent shall have any liability as a result of any scheduling or adjournment of Closing beyond the expiration of an interest rate lock or any loan commitment. The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

(m) The Sponsor may, at its sole option, consent to permit a mortgage contingency. Factors that the Sponsor considers when deciding whether to offer a mortgage contingency including but are not limited to a Purchaser's pre-approval letter. Purchasers should note, however, that even in the event a pre-approval letter is obtained, Sponsor is not obligated to sell a Unit with a mortgage contingency. In determine whether to permit a mortgage contingency; Sponsor may not discriminate against any person on the basis of race, creed, color, nationality, sex, age or other grounds prohibited by law. In addition, Purchaser will not be required to incur the expense of a mortgage application until it has received a fully executed Purchase Agreement from Sponsor. A purchaser requesting such contingency may condition her or her purchase agreement on obtaining a loan from an institutional lender doing business in New York of not more than seventy-five (75%) of the sales price. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

i. In the event that Sponsor consents to a mortgage contingency, within two (2) weeks of receipt of a fully executed Purchase Agreement, Purchaser must make a mortgage application to either of the Preferred Mortgagee's. (See the Section of the Plan entitled "Identity of Parties" for further details). Within seven (7) days thereafter, the Purchaser must provide the Seller and/or Seller's attorney with the name and address of the bank or mortgage broker to which application has been made. Purchaser shall authorize the mortgage broker or lending institution to talk directly to Seller's attorney regarding the status of the mortgage application. Failure to send such notice will be considered a waiver of the mortgage contingency. If Sponsor does grant purchaser a mortgage contingency, and purchaser has made a good faith effort to extend the commitment and the commitment expires, sponsor must grant purchaser recession. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

ii. If Purchaser is denied by the lender of its choice but is approved by either of Sponsor's Preferred Mortgagees at prevailing rates for a thirty (30) year fixed mortgage, Purchaser shall close with one of Sponsor's Preferred Mortgagees or be deemed to be in default of the Purchase Agreement. Purchaser should be aware that applying to two (2) lenders may carry an additional cost to Purchaser (appraisal, application, etc.), and in the event the Purchaser only applies to the Sponsor's Preferred Mortgagees after receiving a rejection, or failing to receive a commitment, from the Institutional Lender of its choice, a longer period of time that their funds will be held in escrow. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

iii. Note that under New York law, when a mortgage contingency is not fulfilled through no fault of purchaser, performance is excused. Sponsor may not condition purchaser's obligations upon obtaining a commitment. If Purchaser acts in good faith and lender revokes commitment after contingency period expires, performance is excused.

iv. The Sponsor's Preferred Mortgagees are either (i) Kimon Psihudakis, Chase Mortgage Banker, 633 Third Avenue, Ground Floor, New York, New York 10017, Direct: 212-622-5173, Cell: 516-606-2664, E-mail: kimon.a.psihudakis@chase.com; or (ii) Matthew Fox, Citizens Bank, N.A., 340 Madison Avenue, 22nd Floor, New York, New York 10173, Direct: 212-699-2909, Cell: 347-804-8045. Neither the Sponsor nor the Sponsor's Attorney have a beneficial interest in either of the Sponsor's Preferred Mortgagees. (See the Sections of the Plan entitled "Procedure to Purchase" and "Identity of Parties" for further details.)

(n) If a Purchaser fails for any reason to close title to the Unit on the originally Scheduled Closing Date other than due to Sponsor's failure or inability to close title to the Unit: (a) the closing apportionments to be made when the Closing does subsequently occur shall be made as of midnight of the calendar day preceding the original Scheduled Closing Date regardless of when the actual Closing occurs ("Actual Closing Date"), and (b) Purchaser shall be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.04% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the Actual Closing Date. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

(o) All funds received by Sponsor for upgrades or extras must initially be placed in the escrow account. Purchasers should note that such funds may be released from the escrow account by the escrow agent as long as Sponsor uses said funds for such upgrades or extras. As a result, if the event a Purchaser is entitled to a rescission, the Purchaser may not receive a refund of any funds used for upgrades or extras. If however, the Plan is abandoned, unit upgrade funds will be returned to Purchasers. (See the Section of the Plan entitled "Procedure to Purchase for further details.)

(p) In the event that a Purchaser (i) defaults in paying the balance of the Purchase Price on the date scheduled by Sponsor for the closing of title to his/her Unit; or (ii) defaults in performing some other obligation under the Purchase Agreement and fails to cure such default within thirty (30) days after Sponsor sends written notice to Purchaser specifying the nature of the default, WITH TIME BEING OF THE ESSENCE, then Sponsor's sole remedy shall be to cancel the Purchaser Agreement by sending thirty (30) days' written notice to such Purchaser and, if such Purchaser shall fail to cure such default within the said thirty (30) day period, to retain, as and for liquidated damages the full amount of the down payment as well as the actual cost incurred by Sponsor for any special work or upgrades ordered by Purchaser if Purchaser has deposited funds for upgrades with Sponsor's escrow agent. Any payments received by Sponsor in excess of the Deposit plus the actual cost incurred by Sponsor for any special work or upgrades together with any interest earned on such excess payments, if any, shall be refunded to the Purchaser with reasonable promptness after cancellation. (See the Section of the Plan entitled "Procedure to Purchase for details.)

**Closing Costs**

2. (a) Purchaser will be responsible for the following costs at closing, in addition to the purchase price and other closing costs listed in the Section entitled "Unit Closing Costs and Adjustments."

i. Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax which by law are the obligation of Seller, however the burden of paying such charges may be modified by contract, as it is in the Purchase Agreement and in many other purchaser agreements for condominium units in New York City. Be advised that when a Purchaser re-sells their Unit they will be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax as the seller. If the purchase price of the Unit is $1,000,000 or more, Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax", currently one percent (1%) of the purchase price, which by law is the primary obligation of the Purchaser. For purposes of calculating the taxes payable, the amounts of such taxes (other than the Mansion Tax) will be included in the consideration subject to such tax. Regarding the Mansion Tax, the purchase price and transfer taxes payable by Purchaser are added together by the NYS Department of Finance to arrive at total consideration. Therefore, for example, a Unit priced at $985,000, where Purchaser pays transfer tax, would subject purchaser to liability for Mansion Tax as the aggregate of price plus tax would be $1,000,000. (See the Section of the Plan entitled "Unit Closing Costs and Adjustments" for further details.)

ii. Each purchaser will be required to pay an additional $1,500.00 at closing to defray Sponsor's costs, e.g., architectural costs, filing fees, legal fees and other costs incurred in creating the condominium. (See the Sections of the Plan entitled "Schedule A" and "Unit Closing Costs and Adjustments" for further details.)

iii. Each Purchaser shall be obligated to pay (a) Three Thousand and 00/100 Dollars ($3,000.00) to the law firm of Mavrides, Moyal, Packman & Sadkin, LLP, Sponsor's counsel, to defray legal fees incurred in connection with the Closing; Purchaser shall pay Two Hundred 00/100 Dollars ($200.00) to Sponsor or Sponsor's Counsel as reimbursement of the cost of preparing the New York City "ACRIS" transfer documents (b) If, at the request of the Purchaser, or if the Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's counsel, the Closing may be held elsewhere in the County of New York, provided that an additional travel fee is paid to Sponsor counsel in the sum of Seven Hundred Fifty and 00/100 Dollars ($750.00); if the Closing takes place in a County other than New York the sum of One Thousand and 00/100 Dollars ($1,000.00); (c) if the Closing is adjourned through no fault of Sponsor, the Purchaser shall be required to pay to Sponsor's counsel an additional fee of Seven Hundred Fifty and 00/100 Dollars ($750.00) to help defray the cost of preparing for and coordinating the new Closing; and (d) if Sponsor sent a notice of default to Purchaser, a fee of One Thousand and 00/100 Dollars ($1,000.00) Dollars to Sponsor's counsel. (See the Section of the Plan entitled "Unit Closing Costs and Adjustments" for further details.)

iv. Purchasers shall be required to pay at the Closing of Title a sum equal to two (2) months of Common Charges as a contribution to the Condominium Working Capital Fund. The Working Capital Fund shall be used to pay for items in the Condominium Budget which will be payable prior to the time that sufficient monthly Common Charges have accrued to pay these items. (See the Section of the Plan entitled "Working Capital Fund" for further details.)

v. At closing, the Sponsor will collect each purchaser's pro-rated share in the first year's insurance premium from the date of the closing until the end of the first year of condominium operation. This amount will be calculated in proportion to each purchaser's common interest and will be used to reimburse the Sponsor for payment of the first year's premium. Insurance premiums paid as part of common charges from closing until the end of the budget year will be retained by the Board to pay toward the premium for next year. (See the Section of the Plan entitled "Unit Closing Costs and Adjustments" for further details.)

**Sponsor Control of the Condominium Board**

3. (a) The Condominium will have a Condominium Board elected by the owners of Units. Sponsor as the owner of Unsold Units will have voting control of the Condominium Board during the period which continues until the earlier of (i) thirty (30) days after the date when Residential Units representing seventy-five percent (75%) of the Common Interest in the Condominium have been closed or (ii) two years after the First Closing. (the "Initial Control period"). During the period that Sponsor controls the Condominium Board, Sponsor will have control of maintenance, facilities and services to the provided to the United Owners and will determine the Common Charges to be paid by all Unit Owners. At all meetings, each Unit Owner (or his or her proxy) entitled to vote thereat (including Sponsor or its designees with respect to

Unsold Units) shall be entitled to cast one vote for each percentage of Common Interests pertaining to the Unit Owner's Unit. (See the Sections of the Plan entitled "Control by the Sponsor" and "Condominium Board" for further details.)

(b) Until such time as thirty (30) days after the date when Units representing 75% of the Common Interest in the Condominium have been transferred from the Sponsor to a Purchaser, or two (2) years from the First Closing (whichever is sooner), the Condominium Board may not, without the Sponsor's or Sponsor-designee's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges, including Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, Reserve Contribution or surplus fund, except to the extent that the aggregate fund does not exceed five percent (5%) of the budgeted expenses of the Property or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as required to reflect normal annual increases in operation services, or (e) borrower money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to (i) comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium, or (ii) remedy any notice of violation or (iii) to remedy any work order of an insurer or (iv) to ensure the health and safety of the occupants of the Building. (See the Section of the Plan entitled "Control by the Sponsor" for further details.)

(c) As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Condominium Board may not, without the Sponsor's or Sponsor-designee's prior written consent: (i) amend the Declaration or the By-Laws so as to in any way Adversely affect the Sponsor or its designee; or (ii) interfere with the offer and sale or leasing of Units, operation of general or sales and leasing offices at the Property or any actions necessary for construction, renovation, repair or correction at the Property required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the foregoing restrictions, the Sponsor or Sponsor-designee shall not (i) limit its financial obligations to the budget in so far as every Unit owner, including the Sponsor, is obligated to pay their portion of the budget, or (ii) have the right to veto expenses detailed in Schedule B, or expenditures for the making of capital repairs to the Common Elements, or expenditures in connection with any repair or replacement necessary for the preservation or safety of the Condominium or the safety of its residents, or assessment of any Common Charge for expenses required to remedy any notice of violation, comply with applicable law, or cure a work order of an insurance carrier. Any provisions that gives the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. In addition, if there are non-Sponsor members of the board, and there is a vote on whether to sue the Sponsor, the Sponsor's board representatives cannot lawfully vote on that issue. (See the Section of the Plan entitled "Control by the Sponsor" for further details.)

(d) During the Initial Control period, the Condominium Board shall consist of three (3) persons designed by Sponsor. During the Initial Control Period, Sponsor reserves the right to designate fewer than three (3), but not less than two (2) persons to the Condominium Board. Commencing the First Annual Meeting, the Condominium Board shall consist of five (5) persons. (See the Section of the Plan entitled "Control by the Sponsor" for further details.)

(e) The Condominium Board shall have the powers and duties necessary and incidental to the administration of the affairs of the Condominium. As more fully set forth (and except as may otherwise be provided) in the Condominium By-Laws, all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present. (See the Section of the Condominium By-Laws in Part II of the Plan entitled "Meetings" for further details.)

(f) All determinations with respect to the continuance or discontinuance of any of the services in the Building, if initially made available, will be made by the Condominium Board, which will be controlled by Sponsor until the expiration of the Initial Control Period. Please refer to the Description for the Property set forth in its entirety in Part II of the Plan for further details regarding service and facilities at the Property. Neither Sponsor, the Managing Agent nor the Condominium Board will in any event be liable for the availability, interruption, discontinuance or quality of any services in the Building, including, but not limited to any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or person or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or the Condominium Board, as the case may be. (See the Section of the Plan entitled "Description of the Property and Improvements" for further details.)

(g) The sale or lease of Units is subject to a right of first refusal by the Condominium Board. Leases of Units, other than Unsold Units, may not be for terms shorter than one (1) year. The Condominium Board has the right to reject sales and leases to Purchasers and tenants who themselves (or residents of their Units) have diplomatic immunity or have been convicted of violent crimes or child molestation without being required to exercise the right of first refusal. (See the Section of the Plan entitled "Condominium Board" and the Section of the Condominium By-Laws in Part II of the Plan entitled "Selling, Leasing and Mortgaging of the Units" for further details.)

(h) So long as the Sponsor or a Sponsor-designee shall continue to own at least one (1) Unit, the Sponsor or Sponsor-designee shall have the right to designate one (1) of the members of the Condominium Board. While the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interest allocated to all of its Units for all seats on the Board. However, after the Initial Control Period has expired, not more than one less than a majority of the members of the Board will be affiliated with the Sponsor. The balance of the Board will then be elected by all of the Unit Owners of the Condominium, including the Sponsor. Therefore, the Sponsor cannot regain control of the Condominium Board after the Initial Control Period has expired. (See the Section of the Plan entitled "Control by the Sponsor" for further details.)

(i) The By-Laws do not include a provision that after the expiration of the Initial Control period a majority of the Board must be Unit Owner-occupants or members of Unit Owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchases, i.e. purchase as a home as opposed to investment. (See the By-Laws in Part II of the Plan for further details.)

**No Adverse Changes to Condominium Documents**

4. No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations shall be effective in any way, without the prior written consent of Sponsor or its designee or the owner of any Unsold Units, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Units, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Units, as the case may be. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" for further details.)

**Effectiveness of the Plan**

5. (a) Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Section 20.3(q) of Title 13 NYCRR (i.e., purchase agreements signed by bona fide purchasers for fifteen percent (15%) of Units offered under the Plan). Sponsor may declare the Plan effective after selling a minimum of fifteen percent (15%) of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than a minimum number of sales if purchasers counter towards effectiveness do not ultimately purchase a Unit. (See the Section of the Plan entitled "Effective Date" for further details.)

(b) Sponsor will endeavor in good faith to sell all of the Units in a reasonably timely manner, however, there is no certainty as to the period of time required to sell all of the Units. Notwithstanding, the fact that not all of the purchasers used for purposes of declaring the plan effective may actually close, sponsor must re-declare the Plan effective in order to consummate the Plan in accordance with 13 NYCRR Section 20.1(c)(6). If all purchase agreements are either rescinded or terminated prior to the date of the first unit closing, regardless of whether the condominium declaration has been recorded, Sponsor must re-declare the Plan effective. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

**No Bond or Other Security Posted**

6. To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor will have sufficient resources to fund all of its obligations under the Plan. However, no bond or other security has been posted by Sponsor to secure Sponsor's obligation to pay Common Charges,

special assessments and real estate taxes with respect to Unsold Units. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

**Timing of Closings**

7. There is no assurance in which order, or at what pace, Unit Closings will occur after the First Closing. (See the Section of the Plan entitled "Terms of Sale" for further details.)

**Purchaser's Right to Rescind**

8. (a) A Purchaser will be afforded the right to rescind his or her Purchase Agreement if the First Closing does not take place within twelve (12) months of the date the first year of condominium operation is projected to begin (currently March 1, 2019 or one year from the date of the Purchase Agreement, whichever is later. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

(b) The Sponsor anticipates that the First Closing of a unit will occur by March 1, 2019. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than February 28, 2020, twelve months after the project date for the First Closing. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers will be entitled to an offer of rescission if the First Closing occurs more than twelve months beyond that amended, later date. However, if the First Closing occurs before March 1, 2020, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSABILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

**Sponsor's Rights: Excess Development Rights**

9. Currently, there are no Excess Development Rights appurtenant to the Property. However, if applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Excess Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent amount of transferable Excess Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall any right or interest in any Excess Development Rights. If any Excess Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Terraces may be affected. Notwithstanding the foregoing, Excess Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" and the Declaration in Part II of the Plan for further details.)

**Principals of Sponsor Have Executed the Certification of Sponsor and Principals Solely for Martin Act Purposes.**

10. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of a private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from such principals' execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 106 A.D. 3rd 542 (1st Dept. May 16, 2013).

**Sponsor's Right to Lease Unsold Units/Retain Units for Future Sale or Lease**

11. (a) In accordance with the terms of the Plan, Sponsor reserves the unconditional right to lease Units to others. Sponsor also reserves the right to retain Units for future sale or lease to the Purchaser thereof or to any other party. As such, Purchasers may be acquiring a Unit which has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. (See the Section of the Plan entitled "Introduction" for further details.)

(b) Sponsor also reserves the unconditional right to lease rather than sell Units, exercisable in Sponsor's sole discretion. Accordingly, residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or other Unit Owners. Because Sponsor is not limiting the conditions under which it will lease rather than sell Units, there is no commitment to sell more than fifteen percent (15%) of the Units necessary to declare the Plan effective (i.e. 2 Units). Purchasers are advised that as a result, owner-occupants may never gain control and management of the Condominium. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their difficult reasons for purchasing, i.e., purchasing as a home as opposed to an investment. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" for further details.)

**Unit Power of Attorney**

12. Each Purchaser will be obligated to enter into a power of attorney at the closing of title to a Unit. The form power of attorney, set forth in part II of the Plan, grants broad powers to the Condominium Board, to enter into agreements affecting the Common Elements. The power of attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to any Unsold Unit. (Please refer to the form power of attorney set forth in its entirety in Part II of the Plan.)

**Window Guards**

13. Unit Owners must notify the Condominium Board in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in their Unit(s).

Each such Unit Owner shall install at the Unit Owner's own cost and expense, the required window guards in all windows of the Unit and shall not remove them until permitted by law in any event, without the full knowledge of the Condominium Board. (See the Section of the Plan entitled "Terms of Sale" and the Section of the Condominium By-Laws in Part II of the Plan entitled "Operation of the Property" for further details.)

**Sales and Leasing Activity**

14. (a) Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Units as sales, rental offices and model units and in any other manner in compliance with Law. In the event Sponsor thereafter elects to sell any such Unsold Unit, Sponsor may require Purchaser to purchase all or any of the furniture, furnishings, finishes, equipment or decorations (including wall coverings, built-in cabinetry and carpeting ("FFE") therein and pay, in addition to the Purchaser Price for the Unit, such amounts as Sponsor may determine. In no event shall the presence of any FFE in any Unsold Unit or any model unit imply or represent that any Unit will contain such FFE upon delivery of the Unit to Purchaser. The presence of FFE in an Unsold Unit or any model unit and the location, size, and quantity of such FFE therein are only illustrative and will not be installed by Sponsor in any Unit. The layout, size and dimensions of any model Unit are only illustrative of the style and fee of the Units in the Building that will be renovated by Sponsor and may not correspond to the exact layout, size or dimensions of any particular Unit. (See the Section of the Plan entitled "Interim Leases to Purchasers" for further details.)

(b) In no event shall the presence of any FFE in any Common Elements of the Building (including without limitation, the lobby) or set forth in any marketing materials and/or advertisements, including, websites used in connection with the sales and marketing of the Units imply or represent that any such FFE will be located within any such portion of the Building. The present of FEE in such marketing materials is for illustrative purposes only. In addition, marketing materials may designate or label or use nomenclature to describe certain areas or rooms within Units that differs from the designations utilized on the Floor Plans of the Units set forth in Part II of the Plan, including, without limitation, closets, hallways, dens and powder rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligated Sponsor to deliver such areas or rooms designed or fitted out in a manner depicted or implied in the marketing materials.

(c) While Unsold Units are being offered for sale or lease by Sponsor, there may be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Sponsor shall not be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Building's or Condominium's security system, procedures, including, without limitation, those procedures with regard to visitors and any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its respective agents. No representation or warranty is made and no assurance is given that the security systems and procedures in the Building are adequate and will prevent personal injury or damage to or loss of personal property. (See the Section of the Plan entitled "Description of the Property and Improvements" for further details.)

(d) Sponsor reserves the right without prior notice or amendment to the Plan and without charge to Sponsor, to use any Common Elements, including without limitation, the lobby and residential amenity areas in connection with the sales and leasing of Residential Units. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

**Construction**

15. (a) Sponsor's obligation, regardless of any limitations in the warranty, is to construct the Building in accordance with all applicable Laws and codes and Department of Buildings ("DOB") Plans and Specifications, and any conflict between (a) the disclaimers and (b) Sponsor's obligation to construct the Building in accordance with all applicable Laws and codes and DOB Plans and Specifications, shall be resolved in favor of the latter. In no event will Sponsor be liable for incidental, special or consequential damages.

(b) Purchasers are advised that in New York City, newly constructed and newly renovated building are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

(c) Both TCOs and FCOS are issued by the DOB. A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance or sell units. In New York City, it is common for sponsors to commence unit closings when some or all of the units are covered by a TCO rather than an FCO. Sponsor anticipates that this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to the expiration thereof and ultimately for obtaining an FCO covering the entire building. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within two years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of an FCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owner and the Condominium Board shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings. Purchasers should be advised that because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual units prior the procurement of an FCO, such renovations may cause additional delays in the issuance thereof. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

(d) Purchasers should be aware that they may be living in an active construction site after they close on their Unit. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction noises, unfinished areas of the Building and other inconveniences which are normal in a Building undergoing construction.

**Foreign Government Purchaser**

16. Any purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e. diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent ("Waiver and Consent") to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement of the Condominium Documents, pursuant to a Waiver and Consent Form that Purchaser will be required to sign at closing. At Closing, a Foreign Government Purchaser shall designate ("Designation") and authorize a lawful agent to received process for an on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents, pursuant to the Designation Form that Purchaser will be required to sign at closing. A Foreign Government Purchaser will also be required to Closing to deposit with the Condominium an amount equal to two (2) years' Common Charges ("Security") in effect for the Unit which will be in addition to the required contribution to the Working Capital Fund, pursuant to a Security Agreement that Purchaser will be required to sign at closing. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

**Reserve Fund**

17. (a) A law enacted by the New York City Counsel provides a formula for determining the amount of the Reserve Fund. The exact amount of the Reserve Fund cannot be ascertained until the Plan is declared effective. Sponsor reserves a right to take a credit against the Reserve Fund for qualifying work performed in the Building. (See the Section of the Plan entitled "Reserve Fund" and the Reserve Fund Law (Local Law 70) in Part II of the Plan for further details.)

(b) No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against Unit Owners. The Reserve Fund may only be used for capital expenditures and replacements and may not be used to reduce Common Charges while Sponsor is in control of the Condominium Board. (See the Section of the Plan entitled "Reserve Fund" for further details.)

(c) The contingency provided for in Schedule B - First Year's Budget is intended to provide a fund for unanticipated expenses not included in the budget and for possible increases in operating expenses above the amounts projected if the Working Capital Fund is not sufficient to cover such costs. The contingency is not intended and may not be sufficient to meet

the cost of any major capital repairs or replacements which may be required. If additional funds are required to meet such costs, it may be necessary for the Condominium Board to increase Common Charges or impose Special Assessments. (See the Section of the Plan entitled "Reserve Fund" for further details.)

**Budget for First Year of Operation**.

18. The projections for the first year of operation of the Condominium contained in the budget are only estimates. Actual expenses may vary from the amounts shown. Purchasers should further note that premiums for insurance have been extremely volatile and have increased substantially in recent years. Sponsor cannot predict whether or not the insurance rates will continue to increase or stabilize. Sponsor makes no representation that the premium costs for the insurance reflected in the proposed first year budget will be applicable at the time of the First Closing of a Unit in the Condominium. (See "Schedule B, the Projected Budget for First Year of Operation" and the footnotes to "Schedule B" immediately following thereto for further details.)

**Self-Management**

19. The Condominium shall initially be self-managed by the Condominium Board. Accordingly, individual Unit Owners and the Condominium Board shall be responsible for performing the duties usually performed by a managing agent such as billing and collecting Common Charges, purchasing supplies and contracting for services. In the future, if the Board decides to hire a managing agent, the Condominium Budget will have to be increased approximately fourteen percent (14%) ($70.00 per Unit per month), which projection is comparable to other similar condominiums in the City of New York. (See "Schedule B, the Projected Budget for First Year of Operation" and the footnotes to "Schedule B" immediately following thereto for further details.)

**No Superintendent**

20. The Projected Budget for First Year of Operation set forth in Schedule B of this Plan, for the first year of condominium operation does not provide for the hiring of a building superintendent. The Projected Budget for First Year of Operation presumes that the Unit Owners will manage the Condominium themselves including sharing such responsibilities as putting out the garbage, snow removal and other services as are otherwise typically performed by a superintendent in a multiple dwelling building in the City of New York. No representation is made as to the ultimate cost, terms or availability of a managing agent or superintendent. (See the Sections of the Plan entitled "Condominium Board" and "Schedule B, the Projected Budget for First Year of Operation" and the footnotes to "Schedule B" immediately following thereto for further details.)

**Special Rights of Sponsor**

21. (a) Sponsor shall have an exclusive right and easement (i) to erect, use, lease, license, maintain, repair, replace and operate pipes, risers, ducts, flues and equipment necessary or desirable to provide heart, air-conditioning, exhaust, or ventilation as required or, as permitted by

Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces appurtenant to Units), to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

(b) Sponsor reserves the right, in its sole and absolute discretion to sell, lease, license or otherwise transfer to a Unit Owner, a non-material portion of the Common Elements (such as a portion of a hallways) for exclusive use of such Unit Owner provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan, and the Declaration and Floor Plans will be amended, if required. (See the Sections of the Plan entitled "Changes in Prices and Units" and "Rights and Obligations of Sponsor" for further details.)

(c) During the Initial Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges pursuant to the foregoing, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in an amendment to the Plan filed prior to the First Closing. In the event the Condominium Board elects to extend the Waiver Period, Sponsor will amend the Plan to disclose the extended Waiver Period. Sponsor shall file an amendment to the Plan disclosing the expiration of the Waiver Period at least thirty (30) days prior to such expiration. Upon commencement of collection of Common Charges from all Unit Owners, there will not be a Special Assessment for any expense set forth in the approved budget for which Common Charges were not collected during the Waiver Period. The Condominium Board shall remain obligated to update the budget for the Condominium in accordance with the terms of the Plan. (See the By-Laws in Part II of the Plan for further details.)

(d) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of the Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and Adversely Affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of Equal or Better Quality and Design. A decrease in a Unit's area of three percent (3%) or less will not affect a Purchaser's obligations unless such decease is determined to be a material change. There is a rebuttable presumption that a decrease in the square footage of a Unit by three percent (3%) or less is not a material and/or adverse change. If there is decrease in a Unit's area and it is determined to be a material and adverse change, Purchasers will be offered a right of rescission. (See the Section of the Plan entitled "Changes in Prices and Units" for further details.)

(e) For as long as Sponsor owns at least one (1) or more Units in the Condominium, no amendment, modification, addition or deletion of the Declaration, By-Laws or any Residential Rules and Regulations (other than those required by Law) shall be effective (i) against Sponsor unless Sponsor has given its written consent thereto.

**Real Estate Taxes an Tax Exemption Benefits**

22. (a) The Building will be eligible for a fifteen (15) year 421-a tax abatement pursuant to a preliminary certificate of eligibility dated February 9, 2017, assuming the project is completed within thirty-six (36) months from the start of construction, November 2, 2015. The Sponsor will make an application for partial exemption from real estate taxes pursuant to Section 421-a of the New York State Real Property Tax Law ("Section 421-a) and Section 11-245 of the Administrative Code for the Property. If the Section 421-a benefits are not granted, Purchasers will have to pay real estate taxes for the respective Units and will not have the right to cancel their purchase agreements. (See the Section of the Plan entitled "Real Estate Taxes" for further details.)

(b) The application for a Preliminary Certificate of Eligibility for Section 421-a benefits must be filed after the commencement of construction, but prior to the issuance of a Temporary Certificate of Occupancy. The application for the Final Certificate of Eligibility for 421-a benefits must be filed prior to the first taxable status date following the completion of construction. The Sponsor will comply with these requirements. (See the Section of the Plan entitled "Real Estate Taxes" for further details.)

(c) A property which is granted a partial real estate tax exemption under Section 421-a of the New York Real Property Tax Law and is to be converted to condominium use subject to an offering plan which is not declared effective within fifteen (15) months of the issuance of the Section 421-a final certificate of eligibility becomes subject to rent regulation under the Rent Stabilization Laws and Code. This will impose a registration requirement on owners and grant tenants the right to reside for the duration of the Section 421-a partial real estate tax emption. Leases must contain language advising when the Section 421-a partial real estate tax exemption will expire and rents cannot be increased above Rent Guidelines Board restrictions plus 2.2% annually. (See the Section of the Plan entitled "Real Estate Taxes" for further details.)

(d) Sponsor, in Schedule A, has estimated the real estate tax obligations (both with and without exemption benefits) based on the projected Common Interest for each Unit. The assessor may use a different indicator. As the first year of condominium operation is projected to partially fall within the 2018/2019 and 2019/2020 tax years, the real estate taxes for the first year of operation will be based on assessed values that will not reflect the entire increase in valuation of a building in the course of construction. Accordingly, the real estate taxes after the first year of operation will be higher, reflecting a fully completed building in full operation. (See the Sections of the Plan entitled "Real Estate Tax Opinion of Eligibility" and "Counsel's Tax Opinion" for further details.)

(e) PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) that the New York City tax assessor will allocate individual Unit assessments on the basis of each Unit's Common Interest; (ii) of the tax rate during the first year of Condominium operation or (iii) whether the Condominium Building will qualify for benefits under the Section 421-a Program. (See the Section of the Plan entitled "Real Estate Taxes" for further details.)

(f) No representation is made nor is any warranty given with respect to (i) whether or not there will be (1) a further increase in the assessed valuation for the Property, or (2) an increase in the tax rate or (3) an increase in the assessed valuation of the property by reason of its conversion to condominium ownership; or (ii) the method of determining the assessed valuation of the Property or (iii) the amount of any increase in the assessed valuation of the Property. (See the Section of the Plan entitled "Real Estate Taxes" for further details.)

(g) If, prior to consummation of this Plan, the Sponsor rents any Residential Unit (or any portion thereof) to any person other than an interim lessee, Sponsor shall be obligated to abandon this Plan in accordance with the provisions of 13 N.Y.C.R §20.1(l)(2) and §20.5(g). Additionally, Sponsor must inform the New York City Department of Housing Preservation and Development ("HPD") of its intent to operate as a rental building and all units will be subject to rent stabilization.

**Costs of Enforcing and Defending Purchase Agreement**

23. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in successfully defending Sponsor's rights under the Purchase Agreement or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in cancelling this Agreement or otherwise enforcing Purchaser's obligations thereunder. (See the Purchase Agreement in Section II of the Plan.)

**Unit Measurements**

24. Each Unit is measured horizontally from the exterior face of the exterior wall and or window system (columns, mechanical pipe shafts, shaft ways, chases, chase ways and conduits are not deducted) to the centerline of the partition separating one Unit from another Unit, or the centerline of a shear-wall separating one Unit from another Unit to the corridor face of common corridors, to the shaft face of shear-walls of stairs, elevators and to the mechanical side face of walls of other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior face of the opposite exterior wall and/or window system. Each Unit is measured vertically from the top of the concrete floor to the underside of the concreate slab or dropped ceiling. Common Elements located within a Unit shall not be considered part of such Unit. Each Terrace is measured from the exterior face of the exterior wall to the outside face of the parapet wall. This method of measurement is applicable to all Units. All dimensions of rooms and other interior areas shown on the floor plans were calculated from the interior faces of walls exclusive of structural and mechanical enclosures projecting into the space. Accordingly, as the measurements are not measured from the interior to interior, the square foot areas of each Unit as set forth in Schedule A and the Declaration may significantly exceed the useable floor areas of each Unit. The

measurements referenced herein are each within reasonable tolerances. (See the Footnotes to "Schedule A" in Part I of the Plan and the Section entitled "Description of Property and Improvements" set forth in Part II of the Plan for further details.)

**Interim Leases**

25. (a) In the event Purchaser enters into an Interim Lease and Purchaser defaults on the Purchase Agreement fails to close, and after notice from Sponsor to vacate Purchaser fails to vacate, Purchaser will pay Sponsor Two Hundred Fifty and 00/100 Dollars ($250.00) per day for each day he/she remains in possession beyond the thirtieth (30th) day following mailing of the Notice to Vacate. (See the Section of the Plan entitled "Interim Leases" in Part I of the Plan and the form Lease Agreement in Part II of the Plan for further details.)

(b) If a Purchaser becomes a tenant or actually occupies a Unit before the closing of title and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage to his/her personal belongings and any other property not covered by the insurance for the Condominium, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees or workmen. (See the form Purchase Agreement in Part II of the Plan for further details.)

(c) An uncured default under the Purchase Agreement is a default under an Interim Lease and an uncured default under an Interim Lease is a default under the Purchase Agreement. If Sponsor desires to declare a default of the Purchase Agreement as a result of the uncured default under the Interim Lease Sponsor must either obtain an order of eviction, or other judgment or order from a court or agency of competent jurisdiction against the lessee. (See the Section of the Plan entitled "Interim Leases" for further details.)

**Terraces**

26. Terraces must remain open as built and may not be used for any type of use that is classified as habitable space as defined in the New York City Building Code, such uses include but are not limited to using a Terrace or Balcony as a living room, bedroom or kitchen. To do so may result in a violation being issued against the building by the Buildings Department. Unit Owners shall not have any right to install structures or perform any construction on private balconies, terraces, or roof areas without approval of a third-party architect retained by the Condominium Board. Plants maintained on any Terrace or Balcony shall be contained on boxes of wood lined with metal or other material impervious to dampness and standing on supports of at least two (2") inches from the terrace surface. Suitable weep holes will be provided in the boxes to draw off water. It will be the responsibility of the Unit Owner to maintain the containers in good condition, and weep holes in operating condition. (See the Section of the Plan entitled "Introduction" for further details.)

**Housing Merchant Implied Warranty Law**

27. Because each Unit is contained in a multi-unit residential structure of five stories or less in which title to the individual Units is transferred to owners under a condominium regime, the Housing Merchant Implied Warranty Law (General Business Law, article 36-B) applied. The Sponsor has chosen to limit its liability under the Housing Merchant Implied Warranty Law and each Unit Owner will be given a Limited Warranty in the form set forth in Schedule E of the Purchase Agreement in Part II of this Plan. Sponsor's obligation, regardless of any limitations in the warranty, is to construct the Building in accordance with all applicable Laws and codes and DOB Plans and Specifications, and any conflict between (a) the disclaimers and (b) Sponsor's obligation to construct the Building in accordance with all applicable Laws and codes and DOB Plans and Specifications, shall be resolved in favor of the latter. In no event will Sponsor be liable for incidental, special or consequential damages.

**Accessory Rooms**

28. Accessory rooms in the cellar may not be used for bedroom, dining rooms or any other use considered being a "habitable space" as defined by the New York State Building Code. A Purchaser should note that the cellar space has less light and air and is more susceptible to dampness. Additionally, spaces in the cellar may not be rented independently. Rental or use of the cellar as a living or sleeping quarter may result in an Environmental Control Board (ECB) violation being issued by the New York City Department of Buildings, which would be the responsibility of the Unit Owner to cure (See the Footnotes to "Schedule A" in Part I of the Plan).

**Wood Floors and Noise**

29. (a) The Sponsor is installing oak hardwood flooring strips in each Unit including in the kitchens. Wood floors should be maintained in accordance with manufacturer's specifications or recommendations set forth by the National Wood Flooring Association (Visit http://www.nwfa.org for further information). (See the Section of the Plan entitled "Description of Property and Improvements" for further details.)

(b) The development is located in a densely populated area. Exterior noise levels are consistent with that of an urban area and may be audible inside the Units. Some Units may install amplified loud speakers and television monitors on walls within their Unit which share a common wall with another Unit and this may result in vibration and sound transmission to adjoining Units. Units which are adjacent to equipment on the roof of the Building may also experience high noise levels.

**Mold**

30. Purchasers are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains his/her Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. (See Part II of the Plan entitled "Purchase Agreement" for further details.)

**Smoking Policy**

31. New York City law prohibits smoking and using e-cigarettes of any kind in indoor common areas, including but not limited to, lobbies, hallways, stairwells, mailrooms, fitness areas, storage areas, garages and laundry rooms in any building with three or more residential units. (See New York City Admin. Code, § 17-505 for further details.) Purchasers are advised that Smoking shall be prohibited in (i) the Common Elements including but not limited to (all to the extent that they are utilized or service the Units), hallways, stairs, corridors, lobby, mail room, package room, laundry room, electrical and air-conditioning room, trash compactor room, emergency generator, exhaust and fan room, fire staircases, landings and stairs, fire safety systems servicing the Units, (ii) inside of Residential Units, (iii) inside of Limited Common Elements, including gardens, areas under the stoop, or the roof deck patios, (iv) and outdoor areas within 15 feet of entrances, exits, windows, and air intake units of the Building (the "Smoking Policy"). The term "Smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, Electronic Cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke. The term "Electronic Cigarette (e-cigarette)" shall mean a battery-operated device that heats a liquid, gel, herb or other substance and produces vapor for people to inhale. The Smoking Policy shall be conspicuously posted in the Building and shall be included in all Unit leases and/or Interim Leases. The Smoking Policy is incorporated into the Residential Rules and Regulations of the Condominium (See section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" for further details.)

**Tax Cuts and Jobs Act of 2017**

32. On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. With respect to deductions related to ownership of a Residential Unit at the Condominium, please see the tax opinion of Mavrides Moyal Packman & Sadkin, LLP ("Sponsor's Counsel"), set forth in the Section of Part I of this Plan titled "Counsel's Income Tax Opinion Letter." As set forth therein, it is the opinion of Sponsor's Counsel that a Unit Owner who itemized his deductions and whose unit is used by him for residential purposes, will for Federal income tax purposes be entitled to a deduction limited to $10,000.00 ($5,000.00) in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his or her Unit in the year paid under Section 164 of the Internal Revenue Code, as amended. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Unit Owner may deduct for real estate taxes and state and local income taxes combined is $10,000.00 ($5,000.00 in the case of a married individual filing a separate return). Though the foregoing limitation is in effect as of the date of filing of this Plan, neither Sponsor nor Sponsor's counsel make any representations as to whether the same will be in effect, or what the Internal Revenue Code or state or local code will provide, at any time in the future, as such applicable law is subject to change without notice. (See section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" for further details).

**Title Company Reporting**

33. On November 15, 2018, the U.S. Financial Crimes Enforcement Network ("FinCen") issued an updated order (superseding the order issued on January 13, 2016 as later supplemented on July 22, 2016, February 21, 2017 and August 22, 2017; as superseded and supplemented, the "Order") requiring title companies to collect and report certain information about persons involved in residential real estate transactions in the Boroughs of Bronx, Brooklyn, Queens, Manhattan and Staten Island for closings occurring until the expiration of the effective period for such Order.

Pursuant to the Order, title companies are required to disclose the identities of the beneficial owner(s) or holder(s) of 25% or more of the direct or indirect equity or beneficial interests in a purchasing entity in residential real estate transactions where (a) Purchaser is a legal entity as defined in the Order; (b) the total Purchase Price is $300,000.00 or more; (c) Purchaser does not obtain a bank loan or other similar form of external financing; (d) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.

Purchasers and their attorneys should confer with the purchaser's title company immediately to determine the applicability of these new requirements to this transaction, and to the extent the same are applicable, make arrangements with the title company to provide it in advance of closing with any necessary information in order to permit the title company to insure title and comply with the title company's closing and reporting requirements under the Order. Sponsor shall have no obligation whatsoever in connection with satisfying any requirements of purchaser's title insurer or otherwise with respect to the FinCEN Order; and Purchaser will be fully liable for any additional costs or delays to Closing relating thereto.

For as long as the Order remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria and occurring on or after November 17, 2018 (the revised Order's effective date)

As of the date of filing of this Offering Plan, "legal entity" is defined in the Order means as a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state, or of the United States, or a foreign jurisdiction

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## B. INTRODUCTION

**Nature of the Transaction**

844 Quincy Partners LLC, a New York limited liability company organized and existing under the laws of the State of New York ("Sponsor"), hereby presents this offering plan (the "Plan") for the establishment of condominium ownership of certain land consisting of approximately 2,500 square feet located on the south side of Quincy Street between Patchen Avenue and Ralph Avenue (the "Land"), including a building with four (4) floors, a roof level, and Cellar (the "Building") containing seven (7) units (the "Units"). The Land and the Building are collectively referred to herein as the "Property." The condominium will be known as the "The 844 Quincy Street Condominium" and is called the "Condominium" in this Plan. Sponsor acquired title to the Land on November 22, 2017 and simultaneously therewith obtained an acquisition loan and construction loan to fund in part the construction of the Property, which was subsequently consolidated and refinanced into a single first mortgage loan currently held by MIOF Credit 1 LLC, 660 Madison Avenue, Suite 1700, New York, New York 10065 (the "Lender"). The Sponsor represents it has sufficient financial resources to complete construction of the Building. The minimum release price for the loan is 100% of the net sales price. The Lender has not set any limits or requirements for Sponsor to rent rather than sell Units, and there is no restriction by the Lender as to the number of Units that must be in contract for the lien on a Unit to be released.

**The Offering Plan**

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of the seven (7) Units. The Plan may be amended from time to time to reflect changes in the terms of the offering when such amendment is filed with the New York State Department of Law and served on Purchasers and Unit Owners in accordance 13 NYCRR Section 20.1(d).

The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth the general description of the Plan and Part II contains all of the material terms of the transaction and the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property, certifications of Sponsor and Sponsor's architect, certifications of an expert selected by Sponsor concerning the adequacy of the budget for the first year of Condominium operation and certain agreements to which the Condominium will be bound. The Plan, including all Schedules and Exhibits set forth herein, constitutes the entire offering of the Sponsor to sell Units at the Condominium. Sponsor shall not make, and has not authorized any other party to make, any oral representations or statements concerning this Plan, and no such representations or statements shall be considered part of this Plan. No information, data or representations other than those contained herein or in the documents annexed hereto as exhibits in Part II of this Plan may be relied upon. Copies of the Plan and the exhibits will be available for inspection by prospective Copies of the Plan and the exhibits will be available for inspection by prospective Purchasers without charge by appointment and for copying at reasonable fees at Sponsor's office and the offices of the Department of Law, 28 Liberty Street, New York, New York 10005. All of these documents are important and should be carefully read by prospective Purchasers. Prospective Purchasers are also advised to consult with their owner attorneys and other

advisors before agreeing to purchase. All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Certain Definitions", unless otherwise indicated.

**The Condominium and the New York State Condominium Acts**

The Condominium will be organized pursuant to the New York State Condominium Act (New York Real Property Law, Article 9-B, Sections 339-d to 339-kk) by Sponsor's recording of a Declaration of Condominium Ownership in the Office of the Register of the City of New York, County of New York. From and after the recording of the Declaration, Sponsor will be the owner of each Unit until such time as such Unit is conveyed to a Purchaser. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York. The Declaration and By-Laws of the Condominium are set forth in Part II of the Plan.

**Offering Of Units for Sale**

Sponsor hereby offers the Units for sale pursuant to the Plan. The Purchase Prices for each of the Units are listed in the Section of the Plan entitled "Schedule A – Purchase Prices and Related Information" ("Schedule A"). **THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

Schedule A also contains a listing of the approximate square footage of each Unit. (See the Sections of the Plan entitled "Description of Property and Building Condition" and "Plans of the Building and the Units" for further details.)

**Basic Aspects of Condominium Ownership**

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to the Unit and is entitled to exclusive possession and use thereof and is obligated to comply with the terms of the Condominium Documents and any other requirements implemented by the Condominium Board. Each Unit Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements (as defined in the Definitions hereinafter). The Common Elements are comprised of: (i) portions of the Property serving and benefiting all Units, generally including, for example the Land upon which the Building stands and foundations and supports of the Building, the Common Elements being more specifically designated as "General Common Elements," and (ii) portions of the Building exclusively serving or benefiting one Unit such as a terrace, these Common Elements being more specifically designated as "Limited Common Elements". The total square feet of the Limited Common Elements allocated to each Unit are set forth in Schedule A of the Plan.

A Unit may be used only as a residence and, subject to compliance with the By-Laws and applicable laws, for a lawful home occupation and use.

Each Unit Owner may mortgage their Unit with such lender and in such amount as the Unit Owner chooses, provided only that the Unit Owner notifies the Board of the name and address of the lender, files a copy of the note and mortgage with the Board and satisfies all unpaid liens

against his or her Unit prior to making such mortgage. However, Sponsor makes no representations about the financeability of any Unit. Each Unit is separate and will not be subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Operation of the Condominium will be vested in a Condominium Board, the members of which will be elected by all Unit Owners, subject to the rights of Sponsor to designate members of the Condominium Board, as set forth in the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board." When voting for members of the Condominium Board, each Unit Owner shall be entitled to cast one vote for each .01% of Common Interest (as defined in the Definitions Section hereinafter) attributable to their Unit, per member to be elected.

A Unit Owner may decorate and construct the interior of the Unit in any way the Unit Owner desires, subject to compliance with the Condominium Documents and Law, and will be solely responsible for the cost and maintenance and interior repairs to the Unit after Closing. Pursuant to the By-Laws, each Unit Owner shall, at the Unit Owner's cost and expense, obtain and keep in full force and effect: (i) comprehensive personal liability insurance against any and all claims for bodily injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with a minimum combined single limits of liability of Three Hundred Thousand and 00/100 Dollars ($300,000.00) arising out of any one occurrence, (ii) umbrella liability insurance with a minimum combined single limit of One Million and 00/100 Dollars ($1,000,000.00), and (iii) "Special causes of loss" property insurance in respect of property damage occurring in, upon or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations, improvements and betterments). The limits of liability set forth in (i) and (ii) above may be increased by the Condominium Board from time to time, provided that for so long as Sponsor owns at least one (1) Unsold Unit, any change or elimination of the requirements set forth above may only be made upon Sponsor's written consent. Evidence of such insurance must be provided by the Purchaser at the Closing of Title of each Unit and thereafter, whenever requested by the Condominium Board or Managing Agent. In addition, in the event a Unit Owner performs alterations in the Unit, among other requirements (including the execution of an alteration agreement and the payment of certain fees), such Unit Owner's contractors must maintain certain types and amounts of insurance during the performance of the work, as set forth in the By-Laws.

Each Unit will be taxed as a separate tax lot for real estate tax purposes and may be separately mortgaged by the Unit Owner thereof. A Unit Owner will not be responsible for, nor will the Unit be subjected to any lien arising from, the non-payment of real estate taxes assessed against other Units. In the opinion of Tax Counsel to Sponsor, which opinion is set forth in Part II of the Plan, a Unit Owner who itemizes deductions may be eligible, under current Law, to deduct from income for income tax purposes, real estate taxes and interest paid on the Unit Owner's mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in Part II of the Plan. (See the Section of the Plan entitled "Income Taxes – Deductions to Unit Owners and Tax Status of the Condominium" for further details.)

The cost of operating the Condominium will be borne entirely by the Unit Owners in accordance with the Condominium Budget set forth in Schedule B – Projected Budget for the First Year of Condominium Operation. As more particularly set forth in the By-Laws, the Board will

determine the amount of Common Expenses. On a monthly basis or at such other times as the Board determines, the Board will assess Unit Owners for Common Charges to meet Common Expenses. Common Charges will be assessed against Unit Owners in the same proportion that the Common Interest allocated to their respective Unit bears to the aggregate Common Interests of all Units. The estimated Common Charges for each Unit for the First Year of Condominium Operation, projected to being as of March 1, 2019, are set forth in Schedule A. Purchasers are obligated to pay Common Charges monthly and otherwise in accordance with Sections 339(i) and (m) of the New York Condominium Act.

While the costs and expenses of ordinary maintenance to the terraces including the obligation to keep drains free and clear of snow, ice and debris and maintenance of pavers and/or decking, are borne by the individual Unit Owners, the costs and expenses of any structural, capital or extraordinary repairs or replacements to any terrace (with the exception of certain specified elements on the terrace) will be charged to all Unit Owners as a Common Expense unless caused by the responsible Unit Owner.

The Common Interest of each Unit in the Common Elements has been allocated pursuant to the method set forth in the Real Property Law Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

On initial sales of Units by Sponsor, the Purchaser of each Unit shall be required to make a non-refundable contribution at the Closing of such Unit to the working capital fund of the Condominium ("Working Capital Fund"). Such contribution shall be in the amount equal to two (2) months' Common Charges in effect at the time of such Closing of Title assessed against such Unit.

With certain exceptions set forth in the By-Laws, any sale or lease of a Unit will be subject to a right by the Board to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered by the owner of such Unit. Sponsor or Sponsor's designees may sell or lease any of their respective Units without any restriction or limitation.

With certain exceptions set forth in the By-Laws, each Unit Owner who leases such Unit Owners Unit will be required to make a non-refundable contribution to the Working Capital Fund in an amount equal to two (2) months' Common Charges in effect and assessed against such Unit on the commencement date of such initial lease (which initial lease may not exceed three (3) years). The Condominium Board has the authority to increase or decrease from time to time the amount of such payments to be made with respect to the leasing of Units, except with respect to leases of Units by Sponsor and other parties set forth in the By-Laws.

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of real estate taxes which will be separately assessed against the Unit, interest and amortization payments on any mortgage and charges for electricity consumed in the Unit.

The Sponsor will obtain at least a temporary certificate of occupancy for residential use of a Unit prior to closing title to the Unit. The Sponsor and its principals are obligated to (i) complete the renovation of the Building and obtain a final certificate of occupancy for the entire project (i.e., not on a per Unit basis) and (ii) extend, renew or replace the applicable temporary certificate of occupancy as necessary until the final certificate of occupancy has been obtained. This period may extend longer than two (2) years from the First Closing. (See the Section entitled "Rights and Obligations of Sponsor" for further details.)

The Units are intended to be sold as Condominium Units in accordance with the Plan at the prices noted in Schedule A. These prices have been established by the Sponsor and are not subject to approval by the Department of Law or any other governmental agency. However, Schedule A is subject to the review of the Department of Law. The offering prices are conditioned upon the use of the standard finishes, fixtures and appliances as described in Part II of the Plan.

**Construction Data for Units and Common Elements**

The Units and the Common Elements will be constructed in the manner set forth in the Building Plans filed with the City of New York, which plans will not be changed so as to Adversely Affect the Unit Owners. Construction of the Units has commenced and the completion and closing of title to the first Units are expected to commence by approximately March 1, 2019, barring any strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor. Sponsor anticipates completion of the construction of the last Unit in the Condominium by March 1, 2019, barring any unforeseen circumstances such as possible strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor.

**Terms of Offer**

The Units and their appurtenant Common Elements are being sold "as is" in the condition in which they exist on the Filing Date of the Plan, subject to ordinary wear and tear and further subject to Sponsor's obligations to maintain the Building until the First Closing and to make repairs, improvements or decorations as may be otherwise set forth in the Plan.

Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Condominium Board, any Unit Owner or mortgagee, to refuse to approve or execute a Purchase Agreement for any Unit; provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, sex, disability, marital status or national origin, or as otherwise Prohibited by applicable law.

All Deposits received by Sponsor directly or through its agent or employees will be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements."

A copy of the form of Purchase Agreement that will be used by Sponsor in connection with the sale of the Units is set forth in Part II of the Plan. Sponsor reserves the right to revise the form of Purchase Agreement from time to time by amendment to the Plan. All material and adverse changes in the terms of a signed Purchase Agreement will entitle the affected Purchaser to recession.

No binding obligation shall arise for the sale of a Unit unless and until a Purchase Agreement, executed by both Purchaser and Sponsor has been exchanged, and Sponsor has collected the Deposit. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

For further details concerning the Closing of Title to Units, the costs and adjustments with respect thereto and the time periods which must elapse before closings may occur, see the Section of the Plan entitled "Effective Date," "Closing Costs and Adjustments" and "Terms of Sale."

Additionally, each purchase of a Unit will be required to make a non-refundable contribution to the Working Capital Fund. Such contribution, to be made at the time of Closing Title of the Unit, shall be in an amount equal to two (2) months' Common Charges in effect at the time of such Closing assessed against such Unit, for each Unit purchase. (See the Section of the Plan entitled "Working Capital Fund" for further details.)

**Sponsor's Right to Lease Unsold Units/Retain Vacant Units for Future Sale or Lease**

In accordance with the terms of the Plan, Sponsor reserves the unconditional right to rent rather than sell Units after the consummation of the Plan. As such, Purchasers may be acquiring a Unit which has bene previously occupied, but such Unit will be delivered at Closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Accordingly, residents of the Condominium may be comprised of Unit Owners and tenants leasing from Sponsor or other Unit Owners. Because Sponsor is not limiting the conditions under which it will lease rather than sell Units, there is no commitment to sell more than fifteen percent (15%) of the Units necessary to declare the Plan effective (i.e. two Units). Purchasers are advised that as a result, owner-occupants may never gain control and management of the Condominium. The By-Laws do not include a provision that after the Initial Control Period a majority of the Condominium Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchasing a home as opposed to an investment.

Prospective Purchasers should be aware that potentially they may be living with non-purchasing occupants in some of the Units for an indefinite period, depending on market conditions. In Sponsor's sole discretion, non-purchasing occupants may receive the same Building services and use the Building's amenities as owner-occupants; however, they have no investment in their Units and, therefore, may not share the same economic interests as owner-occupants in the maintenance and care of the Building's facilities and amenities.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of Units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor or a holder of unsold shares has not sold a substantial percentage of the Units in the building or group of buildings, which in some cases may be as high as seventy percent (70%) of the total units. Moreover, some lenders will not provide

financing in a building or group of buildings where an investor other than the original Sponsor has an ownership interest of ten percent (10%) or more of the total units. It may also be difficult for a purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

Residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or other Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective leases, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit which has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases and tenancies, except as may otherwise be agreed to in writing by the parties. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

**Real Property Law – Section 339-kk**

Set forth in Part II of the Plan is a copy of Section 339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice on any tenant occupying a Unit to pay rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, Special Assessments or late fees for such Unit within sixty (60) days after the expiration of any grace period.

**Income Taxes**

In the opinion of Tax Counsel to Sponsor, under present income tax laws, certain Unit Owners who are United States citizens or permanent residents of the United Sates and who itemize their deductions may deduct from income for income tax purposes the real estate taxes paid in connection with an owned Unit, and any interest paid to a lender with respect to a mortgage on such Unit, provided the Unit Owner uses the Unit as a principal residence or a secondary residence and the mortgage indebtedness does not exceed the Unit Owner's cost of the residence plus the cost of any improvements thereto. Purchasers are advised to consult with their own tax counsel regarding the availability or non-availability of such deduction on a case-by-case basis. A copy of Attorney's Income Tax Opinion is set forth in Part II of the Plan.

**Bulk Sales**

Sponsor will endeavor in good faith to sell rather than rent the Units. However, Sponsor is retaining the unconditional right to rent rather than sell the Units after the consummation of the Plan. As a result, this plan may not result in the creation of a Condominium in which a majority of the Units are owned by owner-occupants or investors unrelated to the Sponsor. Purchasers for their own occupancy may never gain control of the Condominium Board under the terms of this Plan. If Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor Sponsor shall be bound by the representations and terms in this paragraph. The Sponsor has not obtained construction financing and therefore, there is no obligation by any lender on Sponsor to sell rather than rent any Units.

**General**

Under the Condominium Act, a Unit may be owned by an individual, or entity and used for any legal purpose, subject to the provisions of the Declaration, this Plan, By-Laws and any and all Rules and Regulations promulgated thereunder. Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years old or incompetent under Law.

**THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.**

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## C. DEFINITIONS

For convenience, general definitions of certain of the items used in the Plan are set forth below, which definitions are subject in most cases to the more particular definitions of such terms set forth in the Declaration and the By-Laws.

"**Adverse effect**" or "**Adversely Affect**" shall mean any action or proposed change and with respect to any Unit Owner(s), that such action or change could, if realized, (i) increase the Common Charges payable over those set forth in the budget in effect at the time in question by twenty-five percent (25%) or more, (ii) materially and permanently interfere with such Unit Owner's access to the Unit, or (iii) otherwise permanently materially diminish use and enjoyment of the Unit.

**Building**" Shall mean the structure containing seven (7) residential Units with a street address of 844 Quincy Street, Brooklyn, New York 11221.

"**Buildings Department**" shall mean the office of New York City Department of Buildings or any successor agency.

"**By-Laws**" shall mean the by-laws governing the operations of the Condominium, which are set forth as Schedule B to the Declaration, as the same may be amended from time to time, which is set forth in Part II of the Plan.

"**Certificate of Occupancy**" shall mean a temporary or permanent certificate of occupancy for the Building issued by the Buildings Department.

"**Closing**" or "**Closing of Title**" or "**Closing Date**" shall mean the date, time, place and procedure by which, among other things, fee title to a Unit and its appurtenant Common Interest is conveyed pursuant to a fully-executed Purchase Agreement.

"**Common Charges**" shall mean the charges allocated and assessed by the Board to the Unit Owners, pro-rata, in accordance with Schedule A allocations and as provided in the Declaration or in the By-Laws to meet the Common Expenses.

"**Common Elements**" shall mean, as used in the Condominium Act, consisting of all parts of the Property, other than the Units. The Common Elements shall include the General Common Elements (such as the foundations, roofs and supports of the Building), and the Residential Limited Common Elements.

"**Common Expenses**" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for Working Capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease or sublease by the Condominium Board or its designee, corporate or otherwise,

on behalf of all Unit Owners, of any Unit whose Owner has elected to sell, lease, transfer or convey the same (to the extent permitted in the Condominium Documents) or that is to be sold at foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium. The Common Expenses are paid by the Unit Owners as Common Charges and include the Residential Common Expenses and General Common Expenses.

"**Common Interest**" or "**Percentage of Interest in Common Elements**" shall mean the proportionate, undivided percentage interest of each Unit in the Common Elements, as set forth in the Declaration. The Common Interests are the basis of determine, among other things, a Unit Owner's (i) voting power for the election of members of the Condominium Board, (ii) liability for a share of the Common Expenses and (iii) share of any distributions upon the termination of the Condominium.

"**Condominium Board**" or "**Board**" shall mean the executive and administrative entity, whose members are selected pursuant to the terms of the By-Laws and the Offering Plan, which is to act for the Unit Owners in govern the affairs of the Condominium.

"**Condominium**" shall mean a form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan "Condominium" specifically refers to "844 Quincy Street Condominium"

"**Condominium Act**" shall mean the New York Condominium Act, as same may be amended from time to time (New York Real Property Law, Article 9-B).

"**Condominium Documents**" shall mean the Declaration, the By-Laws, the Rules and Regulations and the Floor Plans, each of which will be recorded or filed simultaneously with (or soon after) the recording of the Declaration, pursuant to the provisions of the Condominium Act. Any amendment or certification of any Condominium Document shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected Condominium Document, so long as such amendment or certification was made in accordance with the provisions of the Condominium Act. The Condominium Documents shall be construed together and shall be deemed to incorporate one another to the extent that any requirement of the Condominium Act as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others. If any conflict exists among the Condominium Documents, the Declaration controls, except that a construction consistent with the Condominium Act controls in all cases over any inconsistent construction

"**Declarant**" shall mean 844 Quincy Partners LLC, and its successors and assigns.

"**Declaration**" shall mean the instrument creating the Condominium, which is set forth in Part II of the Plan, as may be amended from time to time.

"**Department of Law**" shall mean the Real Estate Finance Bureau of the Department of Law of the State of New York having an address at 28 Liberty Street, New York, New York 10005.

"**Deposit**" shall mean all deposits, advances and payments made by a Purchaser prior to the Closing of a Unit.

"**Effective Date**" shall mean the date the Plan is declared effective in accordance with the terms of the Plan.

"**Equal or Better Quality and Design**" shall mean comparable or better in quality recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

"**Facilities**" shall mean all personal property and fixtures now or hereafter existing in, on or under the Land or the Building and either existing for the common use of one or more of the Units or the Unit Owner or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchanges mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, Siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls or detention tanks, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, sheetrock, interior walls, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits, and rigs for window cleaning.

"**Family Members**" the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law, grandparents, great-grandparents, and aunts and uncles of the Unit Owners or persons unrelated by blood or marriage who reside in such Unit Owner's Unit, as permitted by Law. The term "spouse", as used herein, shall mean a "domestic partner", i.e., an adult person to whom the Unit Owner is married or an adult lifetime partner whose relationship with the Unit Owner is characterized by an emotional and financial commitment and interdependence. The definition of Family Members may be modified by the Condominium Board by amendment to the Rules and Regulations of the Condominium.

"**Filing Date**" shall mean the date a letter is issued by the Department of Law accepting the Plan or an amendment to the Plan, as the case may be, for filing.

"**First Annual Meeting**" shall mean the First Annual Meeting of the Unit Owners.

"**First Closing**" shall mean the Closing of Title with respect to the first Unit in the Condominium to be conveyed to a Purchaser pursuant to the terms of the Plan.

"**First Year of Condominium Operation**" shall mean the first twelve (12) months of operation of the Condominium beginning on or about the date of First Closing, which may be a calendar or fiscal year.

"**First Year's Budget**" shall mean the Section of the Plan entitled "Schedule B - Budget for First Year of Condominium Operation." The First Year's Budget is sometimes referred to as "Schedule B."

"**Floor Plans**" shall mean the floor plans of the Building and the Units described in Section 339-p of the Condominium Act. The set of Floor Plans will show the layout, location and approximate dimensions of the Units, state the Sponsor's name and bear the verified statement of a licensed architect or professional engineer, certifying that it is an accurate copy of portions of the Plans as filed with the New York City Department of Buildings and filed in the Register's Office simultaneously with the recording of the Declaration. Such Floor Plans may be amended or supplemented from time to time, as required by the Sponsor and provisions of the Condominium Act.

"**Force Majeure**" shall mean unavoidable delays due to acts of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargoes, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor union, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor, however for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond control.

"**GBL**" shall mean Section 352-eeee of the New York State General Business Law.

"**General Common Elements**" or "**Common Elements**" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, either existing for the common use of all of the Units or all the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in the Declaration and the Floor Plans.

"**Immoral**" shall mean any improper or offensive activity not consistent with principles of personal and social ethics as determined by the Condominium Board in their sole discretion.

"**Initial Control Period**" shall mean the period ending on the earlier of (i) thirty (30) days after the date when Residential Units representing seventy-five percent (75%) of the Common Interest in the Condominium have been closed or (ii) two years after the First Closing.

"**Inner Sidewalks**" shall mean those portions of the Property located between the property line and the public sidewalk.

"**Institutional Lender**" shall mean a holder of a mortgage that has been recorded and is security by the Property (with respect to the construction financing) or by a Unit, which is holding of one or more of the following: a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, a federal, state, municipal, teacher's or union employee, welfare, pension retirement fund or system.

"**Institutional Mortgage**" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or an Institutional Lender.

"**Land**" shall mean that certain tract, plot, piece or parcel of land, situate, lying and being in the County of New York City and State of New York, on which the Condominium is to be developed, as more particularly described in the Declaration (Block: [__], Lot: [__] of the Tax Map of the Division of Land Records of the City of New York).

"**Law**" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, the rules, regulations, order and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over Property and/or the Condominium and/or the direction of any public officer pursuant to Law which are applicable at the time in question.

"**Limited Common Elements**" shall mean the Common Elements appurtenant to a Unit or Units, the use and enjoyment of which is restricted to the owners of such Unit or Units to the exclusive of all other Unit Owners (e.g., Terraces). The respective responsibilities of such Unit Owners and the Condominium Board for repair and their maintenance of Limited Common Elements are set forth in the Declaration and By-Laws.

"**Majority of Unit Owners**" shall mean Unit Owners of more than fifty percent (50%) in aggregate Common Interest appurtenant to all Units or Unit Owners of more than fifty percent (50%) in aggregate Common Interest of only those Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present.

"**Managing Agent**" shall mean the management company or manager named in the Plan or any successor management company or manager which manages the Property at the time in question.

"**Permitted Encumbrances**" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title as more particularly described on Schedule A to the form of Purchase Agreement and the standard printed exceptions contained in the form of title insurance policy promulgated by the New York Board of Title Underwriters or the American Land Title Association, whatever shall be applicable.

"**Permitted Mortgage**" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws, and shall include any mortgage placed upon a Unit owned or retained by Sponsor.

"**Permitted Mortgagee**" shall mean any holder or guarantor of a Permitted Mortgage at the time in question.

"**Permitted User**" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee or other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements, or (ii) the Condominium Board, or (iii) the Condominium Documents, or (iv) Sponsor.

"**Person**" shall mean any natural person, partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"**Plan**" shall mean this Condominium Offering Plan relating to the Property, as accepted for filing by the Department of Law pursuant to Section 352-e of the General Business Law of the State of New York and any amendments thereto.

"**Presentation Date**" shall mean the date on which an amendment to the Plan is personally delivered or the fifth day after mailing following the acceptance of an amendment for filing by the Department of Law.

"**Property**" shall mean the Land, the Building (and any structures attached thereto), the Units, all the improvements erected on the Land, all easements rights and appurtenances pertaining thereto and all other property, real, personal or mixed, used or intended to be used in connection therewith, which shall be submitted to Condominium Ownership.

"**Purchase Agreement**" shall mean the agreement of Purchaser in a Purchase Agreement which has been duly executed by such Person and accepted by Sponsor.

"**Purchaser**" shall mean any Person named as Purchaser in a Purchase Agreement which has been duly executed by such Person and accepted by Sponsor.

"**Register's Office**" shall mean the Office of the Register of the City of New York, County of Kings.

"**Rules and Regulations**" shall mean the Rules and Regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws, it being agreed that the Rules and Regulations shall apply only to Unit Owners and their Permitted Users.

"**Schedule A**" shall mean the schedule set forth in the Section of the Plan entitled "Schedule A – Purchase Prices of Units and Related Information."

**Schedule B**" shall mean the schedule set forth in the Section of the Plan entitled "Schedule B – Budget for First Year of Condominium Operation." Schedule B is sometimes referred to as the "First Year's Budget."

"**Selling Agent**" shall mean Brown Harris Stevens Residential Sales LLC located at 445 Park Avenue, 11th Floor, New York, New York 10022.

"**Special Assessment**" shall mean the charges allocated and assessed by the Condominium Board to all Unit Owners or the Unit Owners only, pro-rata in accordance with their respective Common Interest as the case may be (except as otherwise provided in the Declaration or in the By-Laws).

"**Sponsor**" shall mean 844 Quincy Partners LLC, its successors and assigns, as well as any other Person(s) designated by Sponsor in writing to the Condominium Board or by amendment to the Plan to retain Sponsor's rights under the Plan and the Condominium Documents.

"**Terrace**" shall mean any terrace, balcony, or garden which is appurtenant to a Unit as a Limited Common Element and shall include any pavers, decking and drains, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are collectively referred to as the "Terraces."

"**Title Company**" shall mean GlobalServe Title Agency, having an address at 1981 Marcus Avenue, Suite E123, Lake Success, New York 11042, or any successor Title Company at the time in question.

**Unit**" as defined in the Condominium Act. It specifically refers to any of the seven (7) Units to be offered for sale under the Plan. The Unit is designated as such in the Declaration, the Floor Plans, together with the Unit's Appurtenant Common Interest.

"**Unit Owner**" shall mean any Person (including Sponsor, if Sponsor owns any Unsold Unit) who holds fee title to one or more Units at the time in question. Each Unit shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety, a majority vote of such owners shall be necessary to case the Unit' Owner's vote referred to in the Declaration. All such owners are collectively referred to as "Unit Owners."

"**Unsold Unit**" shall mean any Unit owned or retained by Sponsor (or Sponsor's designee as a fee owner, tenant, subtenant or party responsible for the management and financial obligations with respect to such Unit) which may or may not be offered pursuant to the Plan and to any Unit for which there is a signed Purchase Agreement but for which a Closing has not yet occurred.

"**Unsold Unit Owner**" shall mean Sponsor, a principal of Sponsor or any Person(s) designated by Sponsor.

All other capitalized terms used in Part I of the Plan, which are not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be. Unless the context otherwise requires, words used in the singular include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

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## D. DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

**Location**

The Property is located on the south side of Quincy Street between Patchen Avenue and Ralph Avenue in the Bedford Stuyvesant section of Brooklyn. The Property has ground area of 2,500 square feet, frontage along Quincy Street of 25 feet and depth of 100 feet.

**Parking**

No off-street parking will be provided. There is limited alternate side of the street parking. The Condominium is located on a public road owned and maintained by the City of New York. No new roads are to be constructed by the Sponsor.

**The Building – Improvements – General Description of Units.**

The Building is located at 844 Quincy Street in the Bedford-Stuyvesant neighborhood in Brooklyn, New York. The Sponsor is renovating the Building and replacing all the major systems and roof. The Building will be renovated in accordance with all applicable zoning and building laws and requirements, and all NYC Department of Buildings regulations apply.

The Building as fully developed will consist of seven (7) residential Units located in one (1) four-story Building in the manner set forth in Part II of the Plan. There are four (4) different types of Units: a two-bedroom, one bathroom and one toiler room duplex model; a two-bedroom, two-bathroom model; a three-bedroom, two-bathroom model; and a four-bedroom, two-bathroom duplex model, the square footages of which are set forth on Schedule A.

Purchaser should refer to the Description of Property and Building Condition contained in Part II of the Plan for more details.

**Units**

Purchasers are urged to consult the "Plans of the Building and Units" and the "Description of the Property and Building Condition" contained in Part II of the Plan for details regarding the Units. The Plans of the Units contained in Part II of the Plan may not reflect changes in layout or other alterations performed by tenants within particular Units.

**Services and Facilities**

The services and facilities described below will be provided to Unit Owners and the costs associates with the maintenance of such services and facilities are included in the Common Charges, unless otherwise specified below.

**Telecommunications**

Residents will be able to subscribe for telephone, television and internet services. Charges for activating any of these services including installing and attaching appropriate receptacles,

additional installations and monthly usage charges will be determined by and payable directly to the service provider by each resident subscribing for and activating such service(s).

**Mail**

All incoming mail will be delivered to the Building by the U.S. Postal Service and deposited in mailboxes in the mailroom adjacent to the residential lobby.

**Utilities**

Each Unit will contain connections for all utilities, including electricity, domestic hot and cold water, telephone, and cable. Electricity will be provided by Consolidated Edison and Gas for hot water heating and cooking for the Units will be provided by National Grid and metered to each Unit. Services for lighting the common space are metered to the Building as an entity. Water and sewer services will be provided by The City of New York and paid for as part of the Common Charges.

**Refuse Disposal**

Refuse disposal will be provided by the City of New York Department of Sanitation. The residents of the building will be responsible for placing the refuse in the front of the building.

**Security Procedures**

There will be an intercom system that communicates with each unit and the exterior door. No presentation or warranty is made, and no assurance is given that the security system and procedures of the Building will prevent personal injury or damage to or loss of personal property.

**Smoke and Carbon Monoxide Detectors**

Smoke detectors and Carbon Monoxide detectors shall be provided in each Unit in compliance with applicable legal requirements.

**Laundry**

Each Unit will have hook ups for washers and dryers. Unit Owners will be responsible for the purchase of washer and dryer units and installation of same.

**General**

Except as set forth above or elsewhere in this Plan, use of the services and facilities shall be available only to individuals who reside in a Unit in the Building (i.e., a Unit Owner or permitted tenant, or permitted subtenants) and, subject to the Rules and Regulations implemented by the Condominium Board, such individual's guests, provided that such Unit Owner or tenant accompanies the guest during such use. In addition, use of the services and facilities are subject to such Rules and Regulations as may be promulgated from time to time by the Board, including, without limitation, the right to impose fees and restrictions on hours of access and use.

The Building will be maintained, operated and staffed in a manner to be determined by the Condominium Board. Prospective Purchasers are urged to carefully review Schedule B in Part I of the Plan and the Description of Property set forth in Part II of the Plan, for a description of the services presently being provided. Sponsor makes no representation that the aforesaid services will continue to be provided. The Condominium Board shall not impose any charge or fee against the tenants or occupants of the Units owned by Sponsor or against Sponsor on account of any services provided to such tenants and occupants. If the Common Charges are insufficient to cover the cost of providing such service(s), then such additional cost will be included in Common Charge or levied as special assessments, and in either event, borne by all Unit Owners based on their Common Interest.

Except as otherwise noted above, all determinations with respect to the continuance of services and facilities for the Building will be made by the Condominium Board, which, until the expiration of the Initial Control Period, will be controlled by Sponsor. (See the Section of the Plan entitled "Control by the Sponsor" for further details.)

Neither Sponsor, Selling Agent, Managing Agent, nor the Condominium Board will in any event be liable for the interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, including Building personnel or otherwise.

A detailed description of the Covenants and Restrictions and Easements are set forth in the Declaration.

**Common Charges**

All sums assessed as Common Charges by the Board of the Condominium but unpaid, together with interest thereon at the rate of ten (10%) percent per annum, or together with any interest or late charges imposed by the Board, but in no event greater than the highest interest rate permitted by law, chargeable to any Unit Owner shall, when filed in the New York County office of the Register of the City of New York, constitute a lien on his/her Unit prior to all other liens except: (a) tax or assessment liens on the Unit by any governmental taxing authority, including but not limited to, State, County, and City taxing agencies, if any; and (b) all sums unpaid on any mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York by the Condominium in like manner as a mortgage on real property, and costs incurred including reasonable attorney's fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale, his/her successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges shall be charges to all other Unit Owners as a Common Expense. The term "institutional mortgage" used herein shall be a mortgage granted

by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, real estate investment trust, real estate mortgage investment conduit, agency of the United States Government or the City and State of New York, or other similar institutional lender or a purchase money mortgage granted by the Seller or any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans.

Every Unit Owner shall pay the Common Charges assessed against his/her Unit when due and no Unit Owner may except himself/herself from liability for the payment of his/her Common Charges by waiver or the use or enjoyment of any of the Common Elements or by the abandonment of his/her Unit. However, no Unit Owner shall be liable for the payment off any Common Charges accruing subsequent to a sale, transfer or other conveyance by him/her of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of the Declaration and the By-Laws.

**Common Elements**

The Common Elements, include, among other things, the following (all to the extent that they are utilized or service the Units) and are not Limited Common Elements or Units: (a) residential hallways, stairs, residential corridors, lobby, mail room, package room, laundry room, electrical and air-conditioning room(s); (b) trash compactor room; (c) emergency generator, exhaust and fan room(s); (d) all fire staircases, landings and stairs; (e) fire safety systems servicing the Units; (f) the apparatus, installations, systems, equipment and Facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of the Units; (g) roofs over the residential portion of the Building. A detailed description of the General Common Elements and Common Elements is set forth in the Declaration.

**Limited Common Elements**

The Limited Common Elements include those portions of the Building available for the exclusive use of a particular Unit or Unit Owner. Terraces appurtenant to certain Units as identified on Schedule A and on Exhibit B to the Declaration are the only Limited Common Elements.

A Unit Owner who has a rear yard, garden or terrace appurtenant to such Unit Owner's Unit shall have the exclusive use of same and shall be responsible for all normal maintenance thereto, including, but not limited to, keeping drains free of debris, snow and ice, replacing light bulbs and maintaining, replacing and repairing light fixtures, electrical outlets and any pavers and/or decking over the structural surface of the Terrace. The costs and expenses of any extraordinary maintenance, structural repairs or replacement of any rear yard, garden or terrace or appurtenances thereto shall be performed by the Condominium and shall be charged to all Unit Owners as a Common Expense (unless caused by the Unit Owner having exclusive access thereto).

A Unit Owner who has a rear yard, garden or terrace may not remove, replace, alter or modify the rear yard, garden or terrace or any appurtenances thereto.

The Condominium Board shall have the right to require a Unit Owner to remove plantings and other installations which are placed on the rear yard, garden or terrace if the Condominium Board determines, in its reasonable discretion that such plantings or other installations Adversely Affect the integrity of the Terrace or impede necessary access or are otherwise in violation of any Law. Further, the Condominium Board may establish such other Rules and Regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants

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## E. LOCATION AND AREA INFORMATION

**Location**

The Property is located at and known as 844 Quincy Street, Brooklyn, New York in a highly developed urban area. The site is located in a R6B zone which permits residential use. The site has no landmark designation.

**Area Surroundings**

The Condominium is located in the neighborhood known as Bedford Stuyvesant. Bedford Stuyvesant is a New York City Historic District. Its surroundings are fully developed and comprised of multiple family dwellings; commercial and retail stores. The site and adjacent properties are located in a R6B zone which permits residential use. Adjacent to the east is a newly constructed four-story building. The adjacent property to the west is a 2-story masonry building over cellar. The properties adjacent to the Condominium are owned by someone other than the Sponsor or its principals.

**Educational Institutions**

*Grade Schools:*

P.S. 003 The Bedford Village, 50 Jefferson Avenue, Brooklyn, New York 11216

P.S. 256 Benjamin Banneker, 114 Kosciusko Street, Brooklyn, New York 11216

P.S. 056 Lewis H. Latimer, 170 Gates Avenue, Brooklyn, New York 11238

P.S. 305 Dr. Peter Ray, 344 Monroe Street, Brooklyn, New York 11216

Brooklyn Excelsior Charter School, 856 Quincy Street, Brooklyn, New York 11221

*Intermediate/Junior High Schools*

JHS 117 Francis Scott Key, 300 Willoughby Avenue, Brooklyn, New York 11205

JHS 258 David Ruggles, 141 Macon Street, Brooklyn, New York 11216

*High Schools:*

Boys and Girls High School

Bedford Academy High School

Bedford Stuyvesant Preparatory High School

Sponsor makes no representation as to whether these will be the schools children in the Condominium will attend or whether transportation is provided by the City of New York. No

representation is provided as to the cost or entrance requirements of the private schools set forth above.

**Transportation Services**

New York City is served by three major airports: LaGuardia Airport, Kennedy International Airport and Newark Liberty International Airport.

The G Subway stop at Bedford-Nostrand Avenue Station on Lafayette Avenue in between Bedford Avenue and Nostrand Avenue provides access to Queens and other parts of Brooklyn and is located approximately 0.4 miles from the Property. The A and C Subway Stop at Nostrand Avenue Station on Fulton Street between Bedford Avenue and Nostrand Avenue provides access to Manhattan and is located approximately .06 miles from the Property. Further, the driving distance to the Brooklyn-Queens Expressway (I-278) is approximately 1.3 miles from the Property.

**Municipal Services**

Fire – Fire Protection is supplied by the City of New York, Fire Department, Battalion 57, Engine 235 and is located at 206 Monroe Street, Brooklyn, New York 11216, approximately 0.14 miles from the Property.

Police – The New York City Police Department services the Community. The 88th Precinct is located at 298 Classon, Avenue, Brooklyn, New York 11205, approximately 0.46 miles from the Property.

EMS – The nearest EMS Station, Division 3, is located at 131 Throop Avenue, Brooklyn, New York 11206, approximately 1.09 miles from the Property.

Electric and Gas – Consolidated Edison will provide electric service and National Grid will provide gas service, and each Unit will be metered separately.

Telephone – Verizon will provide telephone service, and each Unit will be separately billed.

Library – The nearest library is the Bedford-Brooklyn Public Library located at 496 Franklin Avenue, Brooklyn, New York 11238, approximately 0.33 miles from the Property.

Water and Sewage – Water for the Units will be supplied by the City of New York and will be an individual expense. Sewage in the property will flow into the New York City Sewer System.

Post Office – The nearest Post Office is the Bushwick Station located at 1369 Broadway, Brooklyn, New York 11221, approximately 1.69 miles from the Property.

**Medical Facilities**

Interfaith Medical Hospital providing medical, surgical and emergency services is located at 1545 Atlantic Avenue, Brooklyn, New York 11213, approximately 0.98 miles from the Property.

The Brooklyn Hospital Center – Downtown Campus providing medical, surgical and emergency services is located at 121 Dekalb Avenue, Brooklyn, New York 11217, approximately 1.32 miles from the Property.

**Parks and Recreation**

Herbert Von King Park

Clifton Memorial Park and Garden

John Hancock Playground

**Refuse Removal**

Refusal Removal will be provided by the New York City Department of Sanitation.

**Snow Removal**

Snow removal and road maintenance for all public streets adjoining the Condominium will be provided by the New York City Sanitation Department.

**General**

Because the Bedford-Stuyvesant area of Brooklyn area is undergoing rapid redevelopment, the surrounding and nearby properties may be renovated, and/or new buildings may be developed in their entirety. The Property does not have landmark status. The site has no landmark designation. Air development rights were not obtained for this development. The Sponsor is not retaining any air development rights for future expansion of the Building. Neither Sponsor nor its Principal has an option or right to acquire any of the adjoining areas. In the event any change in the vicinity occurs while sales are continuing that is required to be disclosed will be so in an amendment within thirty (30) days after the information becomes known to the Sponsor.

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# OFFERING PRICES AND RELATED INFORMATION

## SCHEDULE A - THE 844 QUINCY STREET CONDOMINIUM
## PURCHASE PRICE, ALLOCATION OF COMMON INTEREST AND OTHER FINANCIAL DETAILS
## FIRST YEAR OF OPERATION COMMENCING MARCH 1, 2019 TO FEBRUARY 28, 2020

| | | | | | | | Estimated Monthly Real Estate Taxes | | Estimated Annual Real Estate Taxes | | Estimated Monthly Carrying Charges | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Unit No. | Location | Approx. Floor Area | #BR/BA | Offering Price | Percent Common Element | Total Estimated Monthly Common Charges | Without 421a Benefits | With 421a Benefits | Without 421a Benefits | With 421a Benefits | Without 421a Benefits | With 421a Benefits |
| | | (2) | (2) | (1) | (5) | | | | | | | |
| 1A | Cellar<br>1st Floor | 319.99<br>444.93 | STUDIO/1.5 BTH | $723,900 | 13.78% | $397.61 | $481.99 | $19.41 | $5,783.88 | $232.88 | $879.60 | $417.02 |
| 1B | Cellar<br>1st Floor | 589.79<br>636.35 | 1 BR/1.5 BTH | $1,164,700 | 22.17% | $637.35 | $775.45 | $31.22 | $9,305.41 | $374.67 | $1,412.80 | $668.57 |
| 2A | 2nd Floor | 637.33 | 1 BR/1 BTH | $605,150 | 11.52% | $331.29 | $402.94 | $16.22 | $4,835.29 | $194.69 | $734.23 | $347.51 |
| 2B | 2nd Floor | 624.92 | 1 BR/1 BTH | $593,750 | 11.31% | $324.84 | $395.60 | 15.93 | $4,747.15 | $191.14 | $720.44 | $340.77 |
| 3A | 3rd Floor | 637.33 | 1 BR/1 BTH | $605,150 | 11.52% | $331.29 | $402.94 | $16.22 | $4,835.29 | $194.69 | $734.23 | $347.51 |
| 3B | 3rd Floor | 624.92 | 1 BR/1 BTH | $593,750 | 11.31% | $324.84 | $395.60 | $15.93 | $4,747.15 | $191.14 | $720.44 | $340.77 |
| 4A | 4th Floor | 1,051.11 | 2 BR / 2 BTH | $966,150 | 18.39% | $546.37 | $643.23 | $25.90 | $7,718.83 | $310.79 | $1,189.60 | $572.27 |
| Total | | 5,566.67 | 7 BR /9 BTH | $5,252,550.00 | 100.00% | $2,893.58 | $3,497.75 | $140.83 | $41,973.00 | $1,690.00 | $6,391.34 | $3,034.42 |

| Limited Common Elements | Unit | Square Feet |
|---|---|---|
| Patio | 1B | 124.83 |
| Rear Yard | 1B | 472.33 |
| Rear Yard | 2B | 513.23 |
| Terrace | 4A | 272.91 |

Notes:

* Cellar space may not be used for bedroom, living room or any other use considered to be habitable space as defined by the New York City Building Code. Any use as living or sleeping may result in a violation being issued against the building and a fine imposed. The Cellar has less light and air than ordinary living space and it is more susceptible to dampness.

** Unit #1A and Unit #1B are both Duplexes located on the Cellar and 1st Floor.

*** The Building will be eligible for a fifteen (15) year 421-a tax abatement pursuant to a preliminary certificate of eligibility dated February 9, 2017.

Floor plans for all Units are included in Part II of the Plan

## FOOTNOTES TO SCHEDULE A

1. No change in the sales price will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sale prices below the offering prices without filing an amendment to the Plan at any time during the offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Purchase Agreement.

2. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. The measurements are approximate within reasonable tolerances. Each Unit is measured horizontally from the exterior face of the exterior wall and or window system (columns, mechanical pipe shafts, shaft ways, chases, chase ways and conduits are not deducted) to the centerline of the partition separating one Unit from another Unit, or the centerline of a shear-wall separating one Unit from another Unit to the corridor face of common corridors, to the shaft face of shear-walls of stairs, elevators and to the mechanical side face of walls of other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior face of the opposite exterior wall and/or window system. Each Unit is measured vertically from the top of the concrete floor to the underside of the concreate slab or dropped ceiling. Common Elements located within a Unit shall not be considered part of such Unit. Each Terrace is measured from the exterior face of the exterior wall to the outside face of the parapet wall. This method of measurement is applicable to all Units. All dimensions of rooms and other interior areas shown on the floor plans were calculated from the interior faces of walls exclusive of structural and mechanical enclosures projecting into the space. Accordingly, as the measurements are not measured from the interior to interior, the square foot areas of each Unit as set forth in Schedule A and the Declaration may significantly exceed the useable floor areas of each Unit. The interior floor areas shown do not include available space on the balconies, terraces or gardens appurtenant to each of the Units, as Limited Common Elements, other than the 2nd Floor Unit. The type of the exterior space appurtenant to each of such Units, as Limited Common Elements, as shown in this Schedule is designated as follows: "(T)" – Terrace; "(B)" – Balcony; and "(G)" – Garden.

   The measurements are not based upon the measurements from interior surfaces of interior walls and, thus, the actual area compromising the unit is significantly less than the area listed in Schedule A. Any floor plan or sketch contained in this Plan or shown to a prospective Purchaser is accurate within reasonable tolerances. Each Unit should be inspected prior to signing a Purchase Agreement in order to determine such Unit's actual dimensions, layout and physical condition. See also, "Description of the Premises and Improvements" (Section D).

3. Certain Units have amenities that are appurtenant to the particular Unit, such as a rear yard, garden or terrace; these amenities are Limited Common Elements. Limited Common Elements are not included in the approximate floor area measurements of individual Units, rather the approximate square footage of the Limited Common Elements is separately disclosed on the Schedule A. For a description of the rights and obligations of Unit Owners with respect to the repair and alteration of the Limited Common Elements see the Section, entitled "Rights and Obligations of the Unit Owners and the Condominium Board." The use of the Limited Common Elements by Unit Owners is governed by the terms of the Declaration and By-Laws,

including the following: No alteration or improvement may be made to the Limited Common Elements without the consent of the Condominium Board, including alterations (such as decking) which do not require the consent of the Building Department or other City agency. Certain improvements may also require the consent of the Building Department and the Board of Standards and Appeals. The Condominium Board must approve any application to such agencies. All alterations are subject to the Regulations of the Condominium regarding the time and manner of performance, security, insurance, responsibility for interruption of services, and liability for future repairs. Unit Owners may be required to execute an Alteration Agreement incorporating such terms, which agreement may be recorded and will bind future owners of the Unit. The Condominium Board will have the right to enter any Limited Common Element for the purpose of inspecting or making repairs to the General Common Elements. The Unit Owner will be responsible for removing all personal property or improvements to a Unit in order to provide such access, at his or her expense. Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Condominium Board at the expense of the Unit Owner having direct and exclusive access, if the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of leaks) or (b) the Unit Owner having direct and exclusive access to the Limited Common Element, at his sole cost and expense, if involving nonstructural or ordinary Repairs. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board.

4. Any material change will be set forth in an amendment to the Plan. No material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement which has been countersigned by Sponsor and returned to the Purchaser. In such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchaser, offer the affected Purchaser(s) the right, for at least fifteen days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with all interest earned thereon. Any change in size of a unit may be "material" and could trigger a right of recession for the purchaser. Sponsor reserves the right to change the location of any demising walls used in defining the spaces of any Unit, and thereby change the approximate gross square footage, a Purchaser who has signed a Purchase Agreement will be given the right to rescind if this results in a reduction of more than three percent (3%) of the square footage of the apartment. A decrease in a Unit's area of three percent (3%) of less will not affect a Purchaser's obligations unless such decrease is determined to be material in nature. There is a rebuttable presumption that an area that is diminished by three percent (3%) or less is not material. If there is decrease in a Unit's area and it is determined to be a material and adverse change, Purchasers will be offered a right of rescission.

5. The aggregate Common Elements of all the Units equal one hundred percent (100%).

6. After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. In addition, pursuant to the provisions of the Internal Revenue Code of 1986, the real

estate taxes payable by a Unit Owner which are assessed against his Unit by any governmental taxing authority, are a proper deduction in connection with the Federal and State Income Taxes payable by such Unit Owner. Tax deductions in future years may vary due to changes in real estate taxes. The projection for the real estate taxes that will be payable for each of the Units, during the first year of condominium ownership is based on the estimate of Sponsor's tax expert.

No representation or warranty is made that the actual taxes or assessed valuation will be as projected above, or that the projected tax rate will not change. In no event will Sponsor, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind his Purchase Agreement, in the event the actual taxes differ from those projected. Actual taxes may vary depending on such factors as purchase price, optional extra ordered, premium location, end units, type of building cluster, etc.

7. The amount of the Common Charges necessary to defray the cost of the interim services and facilities, as well as the manner of allocating such Common Charges among the Unit Owners who are exclusively benefited by any of the same, will be determined by the Board, which will be controlled by Sponsor during such period. However, such allocation will be made in compliance with Section 339-m of the New York State Real Property Law, and in no event will Purchasers be assessed Common Charges during such interim period – that are more than the Common Charges listed in Schedule A as the same may theretofore have been amended.

8. In addition to the payment of Common Charges, each Unit Owner will incur additional expenses for: mortgage payments under any loan or loans obtained to finance the purchase of the Unit; the cost of electricity supplied to the Unit, which will be separately submetered and payable as and when billed; the cost of interior repairs to, and the maintenance, painting and decoration of, the Unit, including, without limitation, the equipment and appliances contained in same, and any appurtenant Limited Common Elements; the cost of insurance that the Unit Owner may desire to carry covering the furniture belongings, equipment and other personal property in the Unit, as well as his or her liability to others for personal injury or property damage as a result of occurrences in the Unit; telephone and cable television and real estate taxes.

9. The Sponsor is not offering and has not procured mortgage financing. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. in the event a Purchaser obtains a mortgage, his monthly carrying charges will increase. Any Purchaser who applies for a mortgage from a lending institute should check with that institution as to the monthly mortgage costs as well as any closing costs that the Purchaser will be obligated to pay the lending institution.

**PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY BY ANYONE THAT THE ANNUAL CARRYING CHARGES OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE, OR THAT SUCH CARRYING CHARGES OR EXPENSES WILL NOT VARY FROM THE AMOUNTS SHOWN IN SCHEDULE A.**

## G. SCHEDULE B

## PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
## AT
## THE 844 QUINCY STREET CONDOMINIUM

**For the year beginning March 1, 2019**

**ESTIMATED INCOME**

| | | |
|---|---|---|
| Common Charges (7 Units) (Footnote 1) | **$34,723.00** | |

**PROJECTED EXPENSES**

| | | |
|---|---|---|
| Electricity & Heating & Fire Alarm Monitoring (Footnote 2) | **$7,981.00** | |
| Gas/Cooking (Footnote 3) | **$ --** | |
| Water and Sewer (Footnote 4) | **$7,586.00** | |
| Supplies (Footnote 5) | **$1,500.00** | |
| Repairs and Maintenance (Footnote 6) | **$6,463.00** | |
| Insurance (Footnote 7) | **$5,193.00** | |
| Legal/Accounting (Footnote 8) | **$1,500.00** | |
| Labor (Footnote 9) | **$ --** | |
| Management (Footnote 10) | **$ --** | |
| Contingency (Footnote 11) | **$1,500.00** | |
| Reserve (Footnote 12) | **$3,000.00** | |
| **TOTAL EXPENSES** | | **$34,723.00** |

***Note: All figures are rounded to the nearest dollar**

The Notes to Schedule B below are an integral part of this Schedule and should be read in conjunction herewith.

In the event the estimated first year differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the plan to include a revised budget. See explanatory notes. If the amended budget exceeds this budget by twenty five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind the purchase agreement. Purchasers shall have not less than fifteen (15) days after the date of presentation of the notice to purchasers of the exercise the right, whether or not Sponsor offers to guarantee the previous budget projection. If a Purchaser rescinds their Purchase Agreement based on the foregoing, their deposits will be returned within a reasonable period.

If the actual or anticipated date of Initial Closing is delayed more than six (6) months from the budget year projected, the Plan must be amended to include a revised budget disclosing then-current projections. If such amended projections exceed the original projections by twenty five percent (25%) or more, the Sponsor shall offer each Purchaser under a Purchase Agreement then in full force and effect the right to rescind his or her Purchase Agreement for a period of fifteen (15) days after the Date of Presentation of such amendment and receive a prompt refund of his or her Deposit. In addition, Sponsor may not declare the Plan effective where there are any material changes to the Budget if such changes have not been disclosed by a duly-filed amendment to the Plan. See also, Section N, "Effective Date of Plan".

## FOOTNOTES TO SCHEUDLE B

Amounts are projected on the assumption that the First Year of Operation will be the twelve-month period beginning on the Condominium Commencement Date. The actual First Year of Operation may be earlier or later than the aforesaid twelve-month period.

**(1) Common Charges – ($36,963.00)**

The estimates of income and operating expenses have been made by Sponsor's Expert Concerning the adequacy of operating budget based upon the income and expenses of comparable developments in the New York City Metropolitan Area. It cannot be construed as an assurance of the final expenses and is merely based upon information available at this time.

**(2) Electricity & Heating & Fire Alarm Monitory – ($7,981.00)**

This cost includes electricity supplied to the Common Elements, including lighting, heating, booster pumps, fire alarm monitoring, and other miscellaneous uses. Each Unit will otherwise be separately metered for electricity. Electric is assessed by Consolidated Edison and is charged at a rate $.21 per kilowatt hour. Based upon an estimate provided by ARC Architecture Design Studio, 71-01 Austin Street, Suite 201A, Forest Hills, New York, dated February 5, 2018 (a copy of which is included in the Plan in Schedule B-1), the projected annual electric consumption for the Common Elements is 12,141 kilowatt hours multiplied by $.21 per kilowatt hour for a total of $4.381.00 plus $3,600.00 annual for fire alarm monitoring, for a grand total of $7,981.00. The cost is based upon current rates from Consolidated Edison. Projections from ARC Architecture Design Studio were based on numbers from buildings of comparable size and scope.

It is impossible to predict how closely the budgeted figure will reflect the actual cost of electricity during the projected First Year of Condominium Operating because such costs will vary with the level of consumption and price of electric.

No Warranty is made that the projection for electricity will be in accordance with the actual electric costs during the projected First Year of Condominium Operation.

**(3) Cooking Gas – ($----)**

The Common Elements will not utilize gas service. Please refer to Schedule B1 for individual Residential Unit gas costs.

**(4) Water/Sewer – ($7,586.00)**

This cost includes all water and sewer supplied to the Building, including Common Elements and individual Units. Individual Units will not be separately assessed. Water and sewer charges are assessed by the City of New York on the actual amount of usage. The City of New York currently charges $9.87 per hundred cubic feet of water and sewer. Based upon an estimate provided by ARC Architecture Design Studio, 71-01 Austin Street, Suite 201A, Forest Hills, New York, dated February 5, 2018 (a copy of which is included in the Plan in Schedule B-1), the projected annual water consumption for the Building is 769 hundred cubic feet of water multiplied by $9.87 per hundred cubic feet of water and sewer for a total of $7,586.00. The cost is based upon rates currently charged by the City of New York.

It is impossible to predict how closely the budgeted figure will reflect the actual cost of water and sewer during the projected First Year of Condominium Operating because such costs will vary with the level of consumption. Projections from ARC Architecture Design Studio were based on numbers from buildings of comparable size and scope.

No Warranty is made that the projection for water and sewer will be in accordance with the actual water and sewer costs during the projected First Year of Condominium Operation.

**(5) Supplies – ($1,500.00)**

This item includes the cost of various services and supplies for cleaning of the Common Elements, materials, bulbs and garbage bags.

**(6) Repairs and Maintenance - $6,463.00**

The budgeted amount for repair and maintenance includes $3,963.00 per year for weekly cleaning services by an independent cleaning company; $1,000.00 for miscellaneous Common Element repairs and $1,500.00 for annual maintenance/testing of the Sprinkler System and Backflow Prevention Device. Janitorial services will be provided by an outside contractor and not an employee or superintendent of the Condominium. The budget amount is based on an estimate from Sunrise Cleaning Services, Inc., 247 Prospect Avenue, 4th Floor, Brooklyn, New York 11215. Services provided will include cleaning public areas inside and outside the building, sweeping, mopping, cleaning baseboards, dusting fixtures and cleaning all glass and frontage areas. Services provided for under this section shall commence prior to the Closing of the first Unit.

**(7) Insurance – ($5,193.00)**

Insurance budgeted is based upon an estimate of coverage by GM Insurance Brokerage, 60 Rutledge Street, Suite 208, Brooklyn, New York 11249, dated January 1, 2018 (a copy of which is included in the Plan in Schedule B-1).

The Sponsor represents that it will deliver at the Condominium's expense, on or before the Closing of Title to the first Unit, a fire and liability binder of policy containing all the coverage described in this footnote and meeting the requirements of the Condominium By-Laws.

Unit Owners are advised to obtain insurance at their own cost to cover sucks risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage to protect them against third party liability claims.

- Property coverage under a blanket policy includes Replacement Costs and Agreed Amount subject to a $1,000.00 deductible per occurrence. Property coverage is limited to $1,177,380.00 based on the cost of construction of the Property which has been deemed adequate to replace the building and avoid co-insurance.

- Commercial general liability insurance covers comprehensive protection for all Common Elements with a general aggregate coverage of $2,000,000.00 limit, $1,000,000.00 limit per occurrence.

- $1,000,000.00 limit for Personal and Advertising Injury.

- $5,000.00 medical expense limit.

- $100,000.00 limit for damage to Units rented.

The terms of the insurance will provide (i) that notice of cancellation is sent to all named insured, (ii) a waiver of subrogation, (iii) Intentional acts and/or illegal acts are not, nor can they be covered, (iv) that the insurance meets the requirements of any mortgage lender or management contracts, (v) a waiver of invalidity because of acts of the insured and Unit Owners, (vi) a waiver of pro-rata reduction if Unit Owners obtain additional coverage, (vii) that coverage would cover the cost to repair/replace the building with the like kind and quality materials and (viii) when the project is completed insured prospered will be secured from insurance companies willing to add the Unit Owners as additional insured's as respects to Common Elements.

The coverage does not include claims for personal injury or property damage resulting from occurrences in the Units or Limited Common Elements, not does it include coverage of the furniture or personal property of the Unit Owner. No coverage is provided for Directors and Officers Policy or for an Umbrella Policy. The Condominium Board may acquire additional coverage which will require an increase to the common charges.

**(8) Legal/Accounting ($1,500.00)**

A portion of the budgeted amount, $1,000.00, is expected to be used in connection with preparation of the Condominiums first year's audited financial statement and preparation and filing of annual required tax returns. An allowance of $500.00 is provided for miscellaneous (but not major) legal services, in the event the Condominium Board determines to engage an attorney. Mavrides, Moyal, Packman & Sadkin, LLP, with an address at 276 Fifth Avenue, Suite 404, New York, New York 10001, telephone number (212) 396-4288, shall serve as the attorney for the Condominium.

**(9) Labor ($----)**

There is no budgeted amount for labor as it is expected the Unit Owners will bring their refuse and recycling to the appropriate receptacles and bring curbside on collection days. Unit Owners will also perform snow cleaning of the sidewalk as per NYC regulations. If the Unit Owners wish to hire a part-time janitor to perform the services, it is anticipated they would need to increase their budget and common charges estimating six (6) hours per week at a rate of $20.00 per hour plus applicable taxes.

**(10) Management ($----)**

Due to the size of the Condominium, it is anticipated the Condominium will be self-managed. If the Unit Owners wish to retain the services of a professional management company, they would need to increase their budget and common charges in an estimated amount of $3,600.00 per year.

**(11) Contingency ($1,500.00)**

The budgeted amount provides 5% contingency for expenses not included in the budget.

**(12) Reserve ($3,000.00)**

The budgeted amount is provided for a 10% reserve fund for possible for capital improvements or repair.

The Reserve Fund will be deposited into the Condominium's Reserve Fund account from the monthly Common Charges in order to finance any needed capital expenditures such as the renewal or replacement of building components or systems or to remedy major building defects. If additional funds are required, the Condominium will have to increase Common Charges and/or impose a specific assessment. No representation is made as to the actual or anticipated cost or timing or nature of any such capital work or the adequacy of any such reserve. Sponsor has no knowledge of any capital improvements that may have to be made during the first five years of condominium operation.

**THE FOREGOING SCHEDULE B IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY THAT THE ANNUAL COMMON CHARGES OR EXPENSES FOR THE INITIAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE, OR THAT THE FIRST YEAR OF CONDOMINIUM OPERATION SHALL COMMENCE ON THE PROJECTED DATE.**

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## SCHEDULE B-1

ESTIMATED ANNUAL BUDGET FOR INDIVIDUAL ENERGY COSTS
FOR THE FIRST YEAR OF CONDOMINIUM OPERATION
ANTICIPATED TO BEGIN MARCH 1, 2019

By letter dated February 5, 2018, ARC Architecture Design Studio, 71-01 Austin Street, Suite 201A, Forest Hills, New York, provided the following estimate of actual costs for typical electricity and gas consumption in each Unit.

| Unit | Annual Electric Charges (Based on $.21/kwh) | Annual Gas Charges (Based on $1.20/therm) |
|---|---|---|
| 1A | $774.00 (3,688 kwh/year) | $496.00 (219 terms/year) |
| 1B | $824.00 (3,922 kwh/year) | $496.00 (219 terms/year) |
| 2A | $761.00 (3,625 kwh/year) | $496.00 (219 terms/year) |
| 2B | $760.00 (3,619 kwh/year) | $496.00 (219 terms/year) |
| 3A | $761.00 (3,625 kwh/year) | $496.00 (219 terms/year) |
| 3B | $760.00 (3,619 kwh/year) | $496.00 (219 terms/year) |
| 4A | $874.00 (4,163 kwh/year) | $496.00 (219 terms/year) |

Note re: Utility Charges. In view of the varying costs of energy, it is not possible to predict with certainty whether the estimated figures will reflect the actual cost to be incurred during the First Year of Condominium Operation, although it is believed that reasonable provisions for increased costs have been made. The actual cost for electricity will vary depending upon various factors, including the amount of consumption, the severity of the weather, conservation measures, if any, adopted by the individual residents, the rates of the utility company (which fluctuate periodically), and the possibility of changes in the methods of calculating charges by the utility company. The rates above are based on a cost of $1.20 per therm for gas usage and $.21 per kwh for electric us usage. Each apartment was estimated with four burners stove and oven for gas the estimate. The assumed use is two burners for two full load hours use per day 365 per year. Lighting, cooling, heating, refrigeration, and the washing machine were included in the electrical estimate. Individual Units will not be separately assessed for water. The estimates were calculated in good faith.

The projected electricity rate is not guaranteed, and it must be expected that the rate will increase with the passage of time and due to factors beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of the occupants.

**D & D MANAGEMENT SERVICES CORP.**
**6725 13th AVENUE**
**BROOKLYN, NEW YORK 11219** **EMAIL: ddmsc.dorina@gmail.com**
**Tel: 718-238-9879** **Fax: 1-888-399-9554**

## COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

April 9, 2018

844 Quincy Partners LLC
188 Ralph Avenue
Brooklyn, New York 11233

Re: 844 Quincy Street Condominium
Brooklyn, New York

To Whom It May Concern:

You have requested an opinion from me with regards to your allocation of common interest to units in the above-referenced condominium pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York. You have informed me that the factual basis of calculating the percentage of common interest allocated to each Unit consists of the floor space, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Based on my review of the foregoing factors, I have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-i(1)(iv) of the Real Property Law of the State of New York.

I have been managing residential properties since 1993. I have managed over 200 properties during this time. Currently, I manage over 50 properties, which range from 3-story walk ups to high rise elevator buildings consisting of anywhere from 8 units to as many as 40 units. I have extensive experience in the management and rental of cooperative and condominium units in the Kings County. I am not, in any way, associated with you or any other participants in this project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to me in such reasonable inquiries as to the validity thereof as I deemed appropriate under the circumstances; and is not intended as a guarantee of the actual value of any individual unit. I consent to the inclusion of this letter in your offering plan.

Very truly yours,

Dorina Miletic-Guljas
Licensed Real Estate Broker



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## I. CHANGES IN PRICES AND UNITS

Sponsor may change offering prices by amendment to the Plan when the change in price (i) is an across the board increase or decrease affecting one or more Units or (ii) is to be advertised, or (iii) is a price increase for an individual Purchaser. However, Sponsor reserves the right to decrease Purchase Prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the Purchase Price or modification of such other terms of sale does not constitute a change in the general offering or an advertised price but is rather a result of an individually negotiated transaction.

Unless it would constitute a discriminatory inducement, Sponsor reserves the right, at any time and from time to time, without giving prior notice and without the consent of any member of the Condominium Board, the Condominium, or its agents or any Unit Owner or mortgagee, to individually negotiate terms of sale with Purchasers with respect to the Purchase Agreement including, without limitation, changing the price, the manner of payment thereof and other terms of sale of any Unit. If any such change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Units, but this will not affect any prior or subsequent sale of Units which are not the subject of such change. However, such price change shall not alter the Common Interest or the amount of the Common Charges payable by the owners of such Unit.

After the Plan is declared effective, Sponsor reserves the right to enter into a negotiated agreement with an individual Purchaser to sell one or more Units at prices lower than and terms different than those in effect from time to time without filing an amendment to the Plan. Sponsor reserves the right to negotiate with each Purchaser of an Unsold Unit the following terms and conditions of the Purchase Agreement: purchase price; the amount of the Deposit; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, purchase price rebates and subsidies payable as a credit against the purchase price or on a periodic basis; and extensions of time periods within which to perform obligations under the Purchase Agreement. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any right of recession under a Purchase Agreement.

The location of the Building, size, layout and approximate square footages of the Units are shown on the Plans of the Building and the Units set forth in Part II of the Plan. **(I) NO MATERIAL CHANGE WILL BE MADE IN THE SIZE OR NUMBER OF UNITS AND/OR THEIR RESPECTIVE PERCENTAGES OF COMMON INTEREST, AND NO MATERIAL CHANGE WILL BE MADE IN THE SIZE OR QUALITY OF COMMON ELEMENTS, EXCEPT BY AMENDMENT TO THE PLAN AND, WHEN APPLICABLE, TO THE DECLARATION; (II) UNLESS AN AFFECTED PURCHASER CONSENTS, NO MATERIAL CHANGE WILL BE MADE IN UNIT SIZE, LAYOUT, OR PERCENTAGE OF COMMON INTEREST IF A PURCHASE AGREEMENT HAS BEEN EXECUTED AND DELIVERED TO THE SPONSOR FOR THAT UNIT AND THE PURCHASER IS NOT IN DEFAULT; AND (III) UNLESS ALL PURCHASERS CONSENT, NO**

**MATERIAL CHANGE WILL BE MADE IN THE SIZE, AND NO MATERIAL ADVERSE CHANGE WILL BE MADE IN THE QUALITY OF COMMON ELEMENTS.**

Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have a claim against Sponsor as a result of any such change and will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon. Sponsor shall notify Purchasers not in Default of their right to rescind not less than fifteen (15) days after the presentation date to exercise the right.

Unless prohibited by Law, Sponsor will have the right without the consent of any Unit Owner to amend or cause the Condominium Board to amend the Declaration, By-Laws and Floor Plans at Sponsor's cost and expense, to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

So long as the layout dimensions, allocation of Common Interest and square footage of a Unit conform to the Floor Plans, a Purchaser who is a party to a binding Purchase Agreement shall not be excused from purchasing the Unit and shall not have any claim therefor against Sponsor by virtue of any immaterial change or discrepancy in the Floor Plans. A decrease in a Unit's area of three (3%) or less will not affect a Purchaser's obligations unless such decease is determined to be a material change. There is a rebuttable presumption that a decrease in the square footage of a Unit by three (3%) or less is not a material and adverse change. If there is decrease in a Unit's area and it is determined to be a material and adverse change, Purchasers will be offered a right of rescission.

Sponsor reserves the right, without prior notice or amendment to the Plan and without payment of any rent or other charge to use Unsold Units on any floor of the Building and certain areas on the Building as sales, leasing or management offices and model apartments for the Building. In the event Sponsor thereafter elects to sell any such Unsold Units, Sponsor may require the Purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to the Purchaser of the Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Unit.

Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements (such as a portion of a hallways) for the exclusive use of such Unit Owner, provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan and the Declaration and Floor Plans will be amended, if required.

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## J. INTERIM LEASES TO PURCHASERS

After consummation of this Plan, Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right to, prior to the date of closing title to a Unit, to rent or lease, rather than sell, such Unit to Purchasers and others. As a result, a Purchaser of a Unit may be acquiring a Unit that has been previously occupied or used, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at closing vacant and free and clear of all leases, tenancies, and rights of occupancy. In addition, because Sponsor reserves the unconditional right to rent or lease Units, there is no commitment to sell more than the fifteen percent (15%) of such Units necessary to declare the Plan effective, and accordingly, Unit Owners who reside in the Building may never gain effective control and management of the Condominium, and the First Annual Meeting may never occur. (See the Sections of the Plan entitled "Introduction", "Procedure to Purchase" and "Rights and Obligations of Sponsor" for further details.) However, once a Purchase Agreement for a Unit is fully executed and for so long as the Purchase Agreement is in effect, such Unit may only be leased to its Purchaser. No Purchaser shall have the right to occupy or use any Unit prior to the closing unless Sponsor agrees to permit such occupancy under an interim lease or other written rental agreement.

Interim leases will not be subject to the New York City Rent Law (rent control), the Emergency tenant Protection Act of 1974, the New York City Rent Stabilization Law, the New York City Rent Stabilization Code, any rent regulatory scheme or code, rule or regulation promulgated under any of the foregoing, or any other rental protection laws. Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

If Sponsor agrees to lease a vacant Unit, the lease will be for a rent and upon such other terms and conditions as may be agreed upon by Sponsor and the tenant; provided, however, that in the case of an interim lease to a Purchaser, such lease will provide that an uncured default by the Purchaser under the Purchase Agreement (that is, a default not cured within thirty (30) days after the sending of written notice thereof) will constitute a default under the lease entitling the Landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease whereupon the Purchaser must vacate the Unit within ten (10) days thereafter. The Purchase Agreement will contain a similar provision entitling Sponsor to terminate the Purchase Agreement and retain the Down Payment (and any interest thereon) as liquidated damages, and not as a penalty, in the event that the Purchaser fails to cure a default under such Purchaser's lease, if any, within the applicable grace period (if any) and either: (a) Sponsor has obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser or (b) the Purchaser has vacated the Unit. No portion of the rent paid under any lease will be credited towards the purchase price of a Unit unless the lease and the Purchase Agreement therefor expressly so provide.

In the event of any amendment to the Plan which discloses a material adverse change to the Plan and offers the Purchaser a right to rescind, if a Purchaser who is a tenant under an interim lease duly elects to rescind, the Purchaser's Down Payment will be returned subject to the terms of the Plan and the interim lease made with such Purchaser shall be cancelled and possession of the Unit must be surrendered within sixty (60) days thereafter free of all occupants and in broom clean condition. A Purchaser shall be liable to Sponsor for any and all damages, costs and expenses

incurred by Sponsor by reason of any failure to vacate within a sixty (60) day period. If such failure to timely vacate occurs prior to the First Closing, the Purchaser shall be liable for use and occupancy in an amount equal to twice the rent under the interim lease. If such failure to vacate occurs after the First Closing, the Purchaser shall be liable for twice the costs of carrying the Unit as calculated by the Sponsor. The Sponsor shall calculate the carrying costs of the Unit by adding the allocable portion of (i) the Common Charges, (ii) real estate taxes and (iii) debt service on the loan encumbering the Unsold Unit. In addition, irrespective of when failure to timely vacate occurs, such Purchaser shall be liable to Sponsor for loss of profit and all costs and expenses incurred by Sponsor to obtain possession of the Unit, including the cost of litigation and reasonable attorneys' fees and expenses. In the event the Plan is abandoned, a Purchaser who has entered into an interim lease will have no right to remain in occupancy as a tenant after the abandonment of the Plan.

If a Purchaser becomes a tenant or actually occupies a Unit before the closing of title and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage to his/her personal belongings and any other property not covered by the insurance for the Condominium, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees or workmen.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan to use Unsold Units on any floor of the building as sales and rental offices and model apartments for the Building. In the event Sponsor or its designee thereafter elects to sell any such Unsold Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to the Purchaser of the Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Unit and such items to be included are specifically stated to be included in an addendum to the Purchase Agreement for such Unit.

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## K. PROCEDURE TO PURCHASE

A prospective Purchaser desiring to purchase a Unit will be required to execute a Purchase Agreement in quadruplicate (i.e., 4 original complete copies), which will be in the form set forth in Part II of the Plan and may not be amended, revised or altered by the Purchaser in any way. Any conflict between the Plan and the Purchase Agreement will be resolved in favor of the Plan.

Sponsor will have thirty (30) days after delivery by Purchaser of an executed Purchase Agreement and the required Deposit (as hereinafter defined), within which to accept or reject the Purchase Agreement. If a Purchase Agreement is not accepted by Sponsor within the thirty (30) day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be returned to Purchaser within thirty (30) days thereafter. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, to refuse to approve and execute (a) a Purchase Agreement for any Unit, except as prohibited by Law, and (b) a Purchase Agreement(s) for more than one Unit to anyone Person.

The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York.

A prospective Purchaser must submit to Selling Agent: (i) four (4) fully completed, executed and unaltered original counterpart Purchase Agreements, (ii) a completed and executed form W-9 or form W-8 as applicable, and (iii) and an official bank check for the Deposit in an amount equal to ten percent (10%) of the Purchase Price for the Unit to be purchased.

All checks in payment of the Deposit must be drawn on or issued by a New York Bank or trust company which is a member of the New York Clearinghouse Association. All Deposits must be made payable to the direct order of "Mavrides, Moyal, Packman & Sadkin, LLP, as escrow agent" All checks delivered in payment of the Deposit shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be void ab initio and of no further force or effect.

Purchaser must either acknowledge having received and read a copy of the Plan including all amendments thereto, if any, filed prior to the date hereof with the Department of Law, at least three (3) business days before submitting the Purchase Agreement. If, however, Purchaser did not receive a copy of the Plan at least three (3) business days before submitting the Purchase Agreement, Purchaser may rescind the Purchase Agreement, by sending written notice of same to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within seven (7) days of Purchaser's submission of the Purchase Agreement.

All Deposits made pursuant to Purchase Agreements are subject to the requirements of 352-e(2-b) and 352-h of the General Business Law of the State of New York and all funds paid by Purchasers shall be handled in accordance with these statutes and regulations. Pursuant to this law, Sponsor will cause all Deposits received by it directly or by its agents or employees to be promptly deposited and held in accordance with the procedures set forth in the Section of the Plan entitled "Escrow and Trust Fund Requirements."

The Balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Unit by official bank check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association or, at Sponsor's sole discretion, a wire transfer and shall be payable to the direct order of Sponsor, or otherwise if Sponsor should so notify Purchaser. The deed will be substantially in the form set forth in Part II of the Plan. Interest, if any, on the Deposit will be credited or paid to Purchaser at Closing or released to Sponsor if the Purchaser defaults and the Plan is consummated.

Each Purchaser shall be obligated to enter into a Power of Attorney at the Closing of Title to the Unit, which grants broad powers to the Board to enter into agreements affecting the Common Elements. The Power of Attorney also grants to Sponsor the right to amend the Condominium Documents and grants the Board the right to bring tax certiorari proceedings on behalf of all Unit Owners. See the Power of Attorney set forth in Part II of the Plan for more details.

**TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF ALL DEPOSITS AND THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE.**

According to Black's Law Dictionary (Revised Fifth Edition), "time is of the essence of contract" means generally that punctual performance by one party at one precise time named or within a period specified in the Purchase Agreement is essential to enable the party to require performance by the other party.

In the event of any default by Purchaser under the Purchase Agreement, which default is not cured within thirty (30) days after Sponsor gives written notice to Purchaser of default, with time being of the essence, Sponsor may, at its option, cancel the Purchase Agreement and retain the Deposit together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate. In addition to the Deposit and interest thereon, Sponsor also will be entitled to retain and/or recover (i) any amount spent by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such special work being performed.

After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice upon each Purchaser setting the Closing Date for the Unit (the "Originally Scheduled Closing Date"). Such notice will be served no less than thirty (30) days prior to the date set for the Closing of the Unit. Sponsor, in its sole discretion, may permit Purchaser to waive this thirty (30) day notice provision.

If a Purchaser fails for any reason to close title to the Unit on the Originally Scheduled Closing Date, as to which date time is of the essence, Purchaser will have a thirty (30) day period within which to cure such default. The closing apportionments described in the Section of the Plan entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled closing date, regardless of when the actual Closing of Title occurs ("Actual

Closing Date") and Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to .04% of the Purchase Price of the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the Actual Closing Date.

If a Purchaser has entered into Purchase Agreements to purchase more than one Unit, all such Units must close simultaneously and a default by Purchaser in the payment or performance of any obligations under any of such Purchase Agreements, beyond any applicable grace periods, shall be deemed a default under the other Purchase Agreements. In the event of a default, Sponsor may, at its option, cancel such Purchase Agreements and retain, as liquidated damages, each of the Deposits made by such Purchaser, together with any interest earned thereon, if any, under such Purchase Agreements.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent ("Waiver and Consent") to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents, pursuant to a Waiver and Consent Form that Purchaser will be required to sign at closing. At Closing, a Foreign Government Purchaser shall designate ("Designation") and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents, pursuant to a Designation Form that Purchaser will be required to sign at closing. A Foreign Government Purchaser will also be required at Closing to deposit with the Condominium an amount equal to two (2) years' Common Charges ("Security") in effect for the Unit which will be in addition to the required contribution to the Working Capital Fund, pursuant to a Security Agreement that Purchaser will be required to sign at closing.

Prior to the Closing of Title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or listing agent or advertising or otherwise offering, promoting, holding open houses or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld or delayed in Sponsor's sole and absolute discretion. Any such listing or promotion of the Unit for sale and/or advertising by Purchaser in violation of the terms of the Plan shall be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain as liquidated damages, the Deposit made by the Purchaser, together with interest earned thereon. In addition, a Unit Owner who acquired title to the Unit from Sponsor ("Sponsor Sale") is prohibited under the Purchase Agreement for a period of twelve (12) months from the Sponsor Sale from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Unit for sale or rental with any broker, (ii) placing or authorizing any listing in any broker's listing system or other listing service, (iii) advertising or otherwise offering, promoting or

publicizing the availability of such Unit for sale or rental, or (iv) selling or otherwise conveying the Unit, except for a deed in lieu of foreclosure.

If the Plan is withdrawn or abandoned, the Deposit previously paid to and actually collected by Sponsor together with any interest earned thereon, shall be returned to Purchaser in accordance with the provisions herein set forth. In the event a Purchaser is entitled to a rescission, the Purchaser may not receive a refund of any funds used for upgrades or extras. If, however the Plan is abandoned, unit upgrade funds will be returned to Purchasers.

From and after the Closing of each Unit, Purchaser will become obligated for the payment of Common Charges, real estate taxes and assessments whether or not separately assessed (including water charges and sewer rents, if separately assessed) and all other expenses with respect to the Unit, whether or not Purchaser has taken possession of the Unit, and whether or not all work required to be performed by anyone in or to the Unit has been completed.

A Purchaser may obtain financing from a lending institution or other source, but such Purchaser's obligation to purchase a Unit pursuant to a Purchase Agreement shall not be contingent on such Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Purchase Agreement whether or not Purchaser has been able to obtain financing. Neither Sponsor nor its principal, managers, members, agents designees, employees or affiliates, nor Selling Agent, makes any representations as to the terms or availability of any mortgage financing (including, without limitation, the availability of financing conforming to FHA or FNMA requirements). Prospective Purchasers may want to finalize their financing arrangements before signing a Purchase Agreement and should be aware that even if a loan commitment is obtained, its terms may be limited, and it could expire before the Closing Date. Neither Sponsor, Sponsor Representatives nor Selling Agent shall have any liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

The Sponsor may, at its sole option, consent to permit a mortgage contingency. Factors that the Sponsor considers when deciding whether to offer a mortgage contingency including but are not limited to a Purchaser's pre-approval letter. Purchasers should note, however, that even in the event a pre-approval letter is obtained, Sponsor is not obligated to sell a Unit with a mortgage contingency. In determine whether to permit a mortgage contingency; Sponsor may not discriminate against any person on the basis of race, creed, color, nationality, sex, age or other grounds prohibited by law. In addition, Purchaser will not be required to incur the expense of a mortgage application until it has received a fully executed Purchase Agreement from Sponsor. A purchaser requesting such contingency may condition her or her purchase agreement on obtaining a loan from an institutional lender doing business in New York of not more than seventy-five (75%) of the sales price.

In the event that Sponsor consents to a mortgage contingency, within two (2) weeks of receipt of a fully executed Purchase Agreement, Purchaser must make a mortgage application to either of the Preferred Mortgagee's. Within seven (7) days thereafter, the Purchaser must provide the Seller and/or Seller's attorney with the name and address of the bank or mortgage broker to which application has been made. Purchaser shall authorize the mortgage broker or lending institution to talk directly to Seller's attorney regarding the status of the mortgage application.

Failure to send such notice will be considered a waiver of the mortgage contingency. If Sponsor does grant purchaser a mortgage contingency, and purchaser has made a good faith effort to extend the commitment and the commitment expires, sponsor must grant purchaser recession.

If Purchaser is denied by the lender of its choice but is approved by either of Sponsor's Preferred Mortgagees at prevailing rates for a thirty (30) year fixed mortgage, Purchaser shall close with one of Sponsor's Preferred Mortgagees or be deemed to be in default of the Purchase Agreement. Purchaser should be aware that applying to two (2) lenders may carry an additional cost to Purchaser (appraisal, application, etc.), and in the event the Purchaser only applies to the Sponsor's Preferred Mortgagees after receiving a rejection, or failing to receive a commitment, from the Institutional Lender of its choice, a longer period of time that their funds will be held in escrow.

The Sponsor's Preferred Mortgagees are either (i) Kimon Psihudakis, Chase Mortgage Banker, 633 Third Avenue, Ground Floor, New York, New York 10017, Direct: 212-622-5173, Cell: 516-606-2664, E-mail: kimon.a.psihudakis@chase.com; or (ii) Matthew Fox, Citizens Bank, N.A., 340 Madison Avenue, 22nd Floor, New York, New York 10173, Direct: 212-699-2909, Cell: 347-804-8045. Neither the Sponsor nor the Sponsor's Attorney have a beneficial interest in either of the Sponsor's Preferred Mortgagees.

The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

The risk of loss to any Unit by fire or other casualty until the closing for such Unit is assumed by Sponsor but without any obligation or liability by Sponsor to repair or restore any damage to any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, the cause of which originated outside the Unit and did not result from the acts or omissions of Purchaser or other occupants, guests, invitees, agents or workers, provided Sponsor elects, in its sole discretion, to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price for the Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan;

provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Each prospective Purchaser shall be given an opportunity to examine the Unit prior to the Closing during normal business hours and in the company of Sponsor's representative and is urged to make a careful inspection thereof, as more fully set forth in the Purchase Agreement set forth in Part II of the Plan. At the Closing, each prospective Purchaser of a Unit shall be required to sign and deliver to Sponsor an Inspection Statement in substantially the form set forth in Part II of the Plan wherein Purchaser acknowledges the condition in which Purchaser has inspected the Unit. Under no circumstances shall any item included on an Inspection Statement (i) constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for the Closing nor (ii) obligate Sponsor to deposit any monies in escrow at Closing.

**SPONSOR SHALL IN NO WAY BE OBLIGATED TO PERFORM ANY SPECIAL OR ADDITIONAL WORK TO A UNIT OTHER THAN AS REQUIRED BY THE TERMS OF THE PLAN AND THE DESCRIPTION OF PROPERTY AND BUILDING CONDITION SET FORTH IN PART II OF THE PLAN.**

On the Closing Date, all Purchasers of Units will be required to execute a Unit Power of Attorney in the form of which shall be substantially as set forth in Part II of the Plan.

**Deposits:**

All deposits, down payments, advances and payments made by Purchasers prior to the Closing ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement and the Escrow Agreement between Sponsor, Escrow Agent and Purchaser as set forth in Part II of the Plan.

If Sponsor elects to change the Escrow Bank and/or Escrow Agent, such change will be disclosed in a duly filed amendment to the Plan prior to transferring any Deposits.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or the Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds. However, notwithstanding anything to the contrary set forth herein or anywhere else in the Plan, in the Event of Default by Purchaser, as that term is defined in the Purchase Agreement, Purchaser shall be obligated to reimburse Sponsor for any legal fees,

expenses and disbursements incurred by Sponsor in successfully defending Sponsor's rights under the Purchase Agreement or otherwise successfully enforcing Sponsor's obligations thereunder.

The law firm of Mavrides, Moyal, Packman & Sadkin, LLP, with an address at 276 Fifth Avenue, Suite 404, New York, New York 10001, telephone number is (212) 396-4288, shall serve as escrow agent ("Escrow Agent"). Escrow Agent has designated the following attorneys to serve as signatories: Matthew D. Weinberger. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Agent has established the escrow account at Capital One Bank NA, located at 265 Broadhollow Road, Melville, New York 11747, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled The 844 Quincy Street Condominium Escrow Account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00) per deposit. Any deposit in excess of $250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Mavrides, Moyal, Packman & Sadkin, LLP, as Escrow Agent.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Escrow Agreement is attached hereto as Exhibit 13 in Part II of the Plan. The Escrow Agreement must be executed by the Sponsor, Purchaser, and Escrow Agent.

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Escrow Agreement.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State

Department of Law, Real Estate Finance Bureau, 28 Liberty, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

All Deposits, except for advances made for upgrades, extras, or custom work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in the Escrow Agreement upon closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Unit is located and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the Deposit to:

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

The Purchase Agreement is set forth in Part II of the Plan. The relevant escrow and trust fund provisions are included in the Escrow Agreement set forth in Part II of the Plan which must be executed by the Escrow Agent.

The Purchase Agreement provides that Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Deposit and continues to act as Escrow Agent.

Escrow Agent may rely upon any document which may be submitted to it in connection with its duties under this Section and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

Any provision in the Escrow Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

Upon the dissolution of the law firm which was the Escrow Agent, the former partners or members of the law firm shall make appropriate arrangements for the maintenance of the Escrow Account records by one of them or by the successor law firm and shall notify the Department of Law of such transfer.

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Deposit and continues to act as Escrow Agent.

Escrow Agent may rely upon any document which may be submitted to it in connection with its duties under this Section and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

Escrow Agent and all Authorized Signatories submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of their obligations with respect to this Section or otherwise concerning the maintenance of or release of the Deposits from escrow.

Escrow Agent will maintain all records concerning the Master Escrow Account for seven (7) years after the release of the Deposits.

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## L. FINANCING FOR QUALIFIED PURCHASERS

**THIS PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS, SUCH AS MUTUAL SAVINGS BANKS AND COMMERCIAL BANKS, MANY OF WHICH HAVE ADVERTISED THAT THEY OFFER FINANCING TO PURCHASERS OF CONDOMINIUM UNITS**.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. The Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the sponsor as to the availability or cost of such financing.

**NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY PURCHASER IF HIS APPLICATION FOR FINANCING IS NOT ACCEPTED.**

The Closing of Title to a Unit where Purchaser has obtained financing will take place simultaneously with the close of the mortgage loan and the proceeds will be applied towards the then balance of the Purchase Price.

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## M. ASSIGNMENT OF PURCHASE AGREEMENT

A Purchase Agreement may not be assigned by the Purchaser thereunder. If a Purchase desires to assign its rights under a Purchase Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by, the Purchaser that differs from the name on the Purchase Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition , deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), the Purchaser will be required to deliver to Selling Agent or Sponsor's Counsel, four (4) signed assignments of the Purchaser Agreement (to be prepared by Sponsor's Counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as two (2) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN, as applicable, which must be delivered to the Selling Agent or Sponsor's Counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of One Thousand and 00/100 Dollars ($1,000.00) made payable to "Mavrides Moyal Packman & Sadkin, LLP" (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date schedule for the Purchaser's closing. In the event such fee is not collected prior to the Closing, it is payable at the Closing. In no event will the Purchaser (or its assignee or any added or substituted party) have the right to adjourn or postpone the closing as a result of such change or assignment. Furthermore, if Purchaser is requesting to assign the Purchase Agreement to an entity, then the Purchaser shall furnish to Sponsor's counsel, all organizational documents containing proof that the proposed entity is authorized to assume the Purchase Agreement and close on the Unit. Sponsor is not obligated to consent to any such change or assignment and, if Sponsor refuses to consent, the Purchaser will not be excused from his or her obligations under the Agreement; and the prohibition against advertising or listing any Unit(s) for sale or resale with any broker or otherwise advertising, promotion or publicizing the availability of such Unit(s) for sale shall remain in effect.

In connection with the foregoing, if Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, a limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall be considered an assignment and shall be subject to provisions, prohibitions and terms of the Plan concerning assignment, except that a sale of less than fifty percent (50%) of the stock, or in the case of a partnership, limited liability company or other entity, less than fifty percent (50%) of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of fifty one percent (51%) or more of the interests in such entity or possession of the power to direct the management and policies of such entity and distribution of its profits.

**No Advertising**

Prior to the Closing of Title, Purchaser shall not list the Unit for resale or rental with any broker or place or authorize a listing in any broker's listing system or other listing service or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent, which may be withheld or delayed by Sponsor in

Sponsor's sole and absolute discretion. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing of Title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase." In addition, a Unit Owner who acquired title to the Unit from Sponsor ("Sponsor Sale") is prohibited under the Purchase Agreement and this Plan for a period of twelve (12) months from the Sponsor Sale from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Unit for sale or rental with any broker, (ii) placing or authorizing any listing in any broker's listing system or other listing service, (iii) advertising or otherwise offering, promoting or publicizing the availability of such Unit for sale or rental, or (iv) selling or otherwise conveying the Unit, except for a deed in lieu of foreclosure.

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## N. EFFECTIVE DATE OF THE PLAN

Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and compliance with the relevant conditions and time periods set forth in this Plan and no closing to a Unit will be held until the Plan is declared effective.

This Plan will not become effective until bona fide Purchasers have executed Purchase Agreements which have been accepted by Sponsor for at least fifteen percent (15%) in number of Units being offered under this Plan (by way of example fifteen percent (15%) of seven (7) Units equals two (2) Units).

This Plan will be declared effective by (i) an amendment to the Plan or (ii) by personal service of notice on every Purchaser or by commencement of service by mail in the manner required by 13 NYCRR Section 20.1(d) stating that the Plan is declared effective and submitting an amendment conforming to Section 20.5(e) to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date. Closing of the first Unit shall not occur until the Plan is declared effective and an effectiveness amendment is accepted for filing by the Department of Law.

The Plan will not be declared effective based on (i) Purchase Agreements signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) Purchase Agreements where the Purchaser was not afforded the seven (7) days period to rescind the Purchase Agreement or the three (3) business day period to review the Plan and all filed amendments in accordance with the provisions set forth above in the Section of the Plan entitled "Procedure to Purchase;" or (iii) Purchase Agreements with any Purchaser who is the Sponsor, the selling agent, the managing agent or is a principal of the Sponsor, the selling agent, the managing agent or is related to the Sponsor, the selling agent, the managing agent or to any principal of the Sponsor or the managing agent by blood, marriage or adoption or as a business associate, an employee, a member, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

The Plan must be declared effective when executed Purchase Agreements are accepted by Sponsor for eighty percent (80%) or more of the Units offered under the Plan. Eighty percent (80%) of the Units offered under the Plan are approximately six (6) Units.

The Plan may be abandoned by Sponsor, at its sole option, at any time before it is declared effective. If the Plan is to be abandoned after filing and the Sponsor has accepted Purchase Agreements, the Sponsor shall promptly submit an amendment to the Department of Law together with form RS-3 as promulgated by the Department of Law. If payments under Purchase Agreements have been received, the amount of such funds shall be returned to the Purchasers by the Escrow Agent within five (5) business days after the amendment abandoning the Plan has been accepted for filing. If there are no outstanding Purchase Agreements, the Sponsor need not submit an amendment but shall submit a form RS-3 to the Department of Law.

Once the Plan has been declared effective or executed Purchase Agreements for eighty

percent (80%) of the Units have been accepted by Sponsor, the Plan may not be abandoned unless (i) there is a title defect which cannot be cured without litigation or cannot be cured for less than a stated amount which shall not be less than one-half (1/2) of one percent (1%) of the total offering amount; (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than a stated amount which shall not be less than one-half (1/2) of one percent (1%) of the total offering amount, or (iii) the taking of any material proportion of the Property by condemnation or eminent domain. In calculating such amount Sponsor shall not include attorney's fees or title defects or determinations of any authority or regulatory association existing on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close, Sponsor will re-declare the Plan effective if all purchase agreements are either rescinded or terminated prior to the date of first unit closing, regardless of whether the condominium declaration has been recorded

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## O. TERMS OF SALE

**Preconditions for Closing**

The terms "Closing of Title" or "Closing" refers to the conveyance of title to a Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Unit. The Closing to each Unit shall be held at the offices of Mavrides, Moyal, Packman & Sadkin, LLP, 276 Fifth Avenue, Suite 404, New York, New York 10016 or at such other place as Sponsor may designate on not less than two (2) business days' notice prior to the Closing. A date for the closing of title will be set by the Sponsor in accordance with the Purchase Agreement upon at least thirty (30) days written notice to the Purchaser. Said notice will also include notice of the obligation to pay the balance of the purchase price. The Closing to each Unit shall take place only after or concurrently with the following events:

(a) the Plan has been declared effective in accordance with its terms and amendments to the Plan disclosing same has been accepted;

(b) the issuance of a temporary or permanent Certificate of Occupancy to the Unit or Building in which the Unit is located and any other necessary permits;

(c) the recording or filing of the Declaration, By-Laws, Floor Plans and engineer's and tax authority certifications required by Section 339-p of the New York Condominium Act or other applicable Law and such other documents as may be required by Law;

(d) either (i) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any, or (ii) if the Purchaser is obtaining financing on such Unit, the assignment to the Purchasers mortgagee of any existing mortgage(s) encumbering such Unit and its appurtenant interest in the Common Elements;

(e) a bargain and sale Unit Deed with covenants against grantor's acts, substantially in the form set forth in Part II of the Plan, conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than those described in this Plan and the proposed Unit Deed;

(f) the delivery to Purchaser of written notice referenced above of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, unless such notice if waived by Purchaser, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

(g) the assignment by Sponsor to Purchaser of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the Unit, and the assignment by Sponsor to the Condominium Board of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures

installed in the Common Elements (Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit);

(h) if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole cost and expense) of a policy of title insurance in at least the amount of the purchase price of the Unit, insuring that (i) Purchaser has fee title to his or her Unit free and clear of all lien and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which his or her Unit's title is subject, which has been expressly accepted by Purchaser, and (3) any mortgage and related security documents that Purchaser executed in connection with the financing of the purchase price of his or her Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act.

At the closing of title to each Unit, each Purchaser shall execute and deliver:

(a) a Unit Power of Attorney substantially in the form of which is set forth in Part II of the Plan;

(b) a notice to the Condominium Board indicating whether a child under the age of eleven (11) will be living or residing (even temporarily) in the Unit or if the Purchaser wants to have window guards or legally compliant window stops installed on the windows of the Unit even though no child under the age of eleven (11) will be living in the Unit. In the event that window guards or legally compliant window stops are to be installed in the Unit, such installation shall be performed by the Purchaser and the cost thereof (for the window guards or legally compliant window stops) and installation and any additional equipment required by Law shall be charged to and paid by the Purchaser of the Unit;

(c) the transfer taxes set forth herein are generally a seller's obligation; however, such obligation is transferred to the purchaser, the New York City Real Property Transfer Tax Return and the New York State Transfer Tax Return (along with applicable payments) and such other forms as may be required or requested;

(d) If Purchaser obtains a mortgage loan, Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s);

(e) The delivery by Purchaser of evidence of insurance as set forth in the By-Laws and in the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" subsection "Insurance."

Title to the Unit will be subject to the following:

(a) State of facts of the property as shown on a survey to be made prior to the closing of title provided such facts would not render title unmarketable and any state of facts and accurate survey of the Unit would show provided such state of facts would not render title unmarketable.

(b) Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.

(c) All of the terms, covenants and conditions of the Declaration, the By-Laws of the Condominium and the Building Plans, as they are subsequently filed or recorded, the Offering Plan and any amendment thereto.

(d) All easements set forth in the By-Laws and Declaration of the Condominium as they are subsequently recorded in the Offering Plan and Purchase Agreement; including:

(1) Easements in favor of the Owners of other Units to use the pipes, wires, conduits, cable television, and public utility lines located in the common elements or in the Unit itself servicing such other Units and/or the common elements;

(2) Easements in favor of the Condominium Board, its agents, contractors or employees to have a right of access to the Unit and to the common elements, to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the common elements or any other Units, to make repairs to the common elements, to any wires, pipes, conduits or cable television system servicing any of the Units or to make repairs to any other Unit;

(3) Easements in favor of those Units having restricted use to portions of the common elements; and

(4) Easements for the continuance of encroachments on the Unit and on the common elements by other Units or portions of the common elements, now existing by reason of the construction of the Units, or hereafter occurring by reason of the settling or shifting of the Units, or by reason of the repair and/or restoration by the Condominium Board of the Units or such other Units or such common elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of any alteration to the common elements made by the Condominium Board, so that any such encroachments may remain as long as the Units stand.

(e) Any additional declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded provided they do not prevent use of the Unit as a one (1) family residence.

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances or otherwise enable the Title Company to omit such title exceptions from Purchaser's title insurance policy are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money to make title marketable or to eliminate any encumbrances or title defects.

All personal property located within the Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed that is owned by Sponsor is not included in the conveyance. Unless the Purchase Agreement or the Declaration, as the case may be, specifically includes it. Any personal property owned or installed by or on behalf of Sponsor or Selling Agent in the Common Elements for purposes of selling, leasing, promoting, or managing the Units or other properties owned by Sponsor or principals thereof (including, without limitation, art work, fixtures, cabinetry, furniture and furnishings in any model unit) is hereby specifically excepted from the conveyance.

The terms and provisions of the Purchase Agreement and Purchaser's obligations thereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations thereunder under.

**Acceptance of Deed**

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and in GBL § 352-e to survive delivery of the deed. The Purchaser shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor following the Closing Date, but all such obligations to complete work in the Unit shall cease once the work has been completed. Notwithstanding the foregoing, Sponsor's obligations to perform work in any Unit shall not survive beyond one (1) year after the Closing Date. Sponsor shall have no obligation to complete any work described herein which is not specifically designated by the Purchaser on the inspection statement. A Purchaser shall provide written notice that such Purchaser wishes to inspect the Unit pursuant to this paragraph at least ten (10) days prior to Closing and Sponsor shall respond prior to Closing. A Purchaser who fails to inspect such Unit prior to Closing shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan. The Sponsor shall not be obligated to post a bond or escrow monies to assure completion of any incomplete

work. Nevertheless, Sponsor shall remain liable under the Purchase Agreement until the work itemized on the inspection statement is complete in accordance with all applicable Laws and codes and DOB Plans and Specifications, and that any conflict between the disclaimers and the Sponsor's obligations to construct the Premises in accordance with all applicable Laws and codes and DOB Plans and Specifications shall be resolved in favor of the latter.

From and after the Closing of Title to a Unit, a Purchaser will thereupon become obligated for the payment of Common Charges, Special Assessments, taxes and other charges against the Unit to the Condominium or the City of New York, as the case may be, and all other expenses (whether or not such Purchaser has taken possession of the Unit, whether or not all work required to be performed by Sponsor or anyone else in or to the Unit or the Building has been completed and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

**Purchase Agreement Subject to Lien of Mortgage**

Purchaser shall agree that the provisions of this Purchase Agreement are and shall continue to be subject and subordinate to the lien of any mortgages on the Condominium property heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the fullest extent thereof, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder to the basis of any claim against, or liability of, Sponsor provided that any such mortgage is subordinated to the Declaration, or the Unit is released from, or not subject to the lien of such mortgage at Closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

**Purchase Agreement Subject to Plan Being Effective**

The performance by Sponsor of its obligations under the Purchase Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan (as the same may be amended from time to time). The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or does not become effective, or after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under the Purchase Agreement beyond any applicable grace and cure period, the Purchase Agreement shall be deemed cancelled and the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser within five (5) days after the amendment abandoning the Plan has been accepted for filing. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase

Agreement and the Plan.

**Mortgage Tax Credit**

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit shall endure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

**Sponsor's Inability to Convey Unit**

In the event Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of the Purchase Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election or inability to cure such title defect, and Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in or credit against the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate the Purchase Agreement. If Purchaser so elects to terminate the Purchase Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return the Deposit to Purchaser, together with interest, if any, earned thereon. Upon making such payment, the Purchase Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under the Purchase Agreement or Plan. The foregoing remedy must be exercised by written notice sent by Purchaser to Sponsor within fifteen (15) days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first remedy described in clause (a) above (i.e., to acquire title subject to such inability).

**Fixtures, Appliances and Personal Property**

At Closing, the Unit will contain only those fixtures, appliances, equipment, countertops, sinks, cabinets, hardware and items of personal property that are described in the Plan as being included in the Unit, free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchasers herein. No portion of the Purchase Price shall be attributable to such items. Any decorative fixtures, furniture, furnishings, wall coverings, decorations, mirrors, shelves, wall and window treatments, built-ins, electric fixtures and the like, in or about any model unit are for display purposes only and are not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are for approximations of the Unit's dimensions and layout, and Purchaser should not rely thereon.

**Condition of Unit**

Notwithstanding anything to the contrary set forth above, in no event shall Sponsor be responsible for any immaterial condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and kitchen title grouting, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concreate roof pavers, or concreate cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, which also may result in the warping of the floors, (xiii) repair of chips, scratches, marks, breaks or other defects in windows or window sashes, sliding glass doors, shower doors, electrical fixtures, and globes painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and floors, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Prior to the Closing, but in no event thereafter, Sponsor will be obligated to repair only abnormally chipped stone, formica, and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. Sponsor's obligation for the condition of a Unit is limited to the Original Purchase of a Unit from Sponsor. Sponsor shall have no responsibility for any condition in any Unit that is resold by a Purchase from Sponsor.

**Tax-Deferred Exchanges**

Sponsor makes no representation or warranty as to whether a Unit will qualify as part of a tax-deferred exchange and Purchasers should rely on their own tax attorney or accountant for that determination. However, the form of Purchase Agreement (Exhibit 2 in Part II of the Plan) provides that in the event a Unit is being acquired by a Purchaser as part of a tax-deferred exchange under §1031 of the Internal Revenue Code, Sponsor shall reasonably assist and cooperate in such tax-deferred exchange, provided, however, that: (i) any action taken in connection with such tax-deferred exchange or requested of Sponsor shall not result in any cost, expense or liability on the part of Sponsor or increased risk to Sponsor relating to the transaction (and, among other things, Purchasers acknowledges that a fee may be payable to Sponsor's Counsel in connection with the review of any documentation related to such tax-deferred exchange); (ii) no action or failure on

the part of Purchaser (or any other party to such tax-deferred exchange) or cooperation on the part of Sponsor in connection with or related to the tax-deferred exchange will frustrate the purpose of the Purchase Agreement or otherwise result in a reduction of Sponsor's rights, remedies and privileges under the Purchase Agreement or increase any of Sponsor's obligations or dues under the Purchase Agreement or other; and (iii) Sponsor shall not be obligated, as part of such tax-deferred exchange, to convey any property (other than the applicable Unit), acquire any property, or accept any form of payment in respect of any of the amounts due under the Purchase Agreement other than as set forth therein or in the Plan. Purchaser shall indemnify, defend and hold Sponsor harmless from and against any and all costs, expenses, fees (including, without limitation, reasonable attorneys' fees and expenses) or liabilities incurred by Sponsor in connection with or resulting from the tax-deferred exchange, and such indemnity shall survive the closing of title to the Unit. Notwithstanding the foregoing, Sponsor makes no representation and expresses no opinion with respect to the applicability of §1031 of the Internal Revenue Code to the purchase or acquisition of any Unit.

**Risk of Loss**

All risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair the same. If Sponsor or (in the event the Declaration is filed) the Condominium Board does not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Unit without such repair (in which case Purchaser shall not receive a credit toward, or an abatement in, the Purchase Price). Thereafter, the Deposit will be refunded to Purchaser unless Purchaser is then in default (beyond the applicable grace period, if any), in which event the Deposit will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Purchase Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair. A Purchaser electing to proceed with the purchase of a Unit (rather than rescind such Purchase Agreement within fifteen (15) days of notice) will not be entitled to any credit against, or abatement of, the Purchase Price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor by reason thereof.

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## P. CLOSING COSTS AND ADJUSTMENTS

**Closing Costs**

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the following estimated closing costs and expenses at the time of the Closing of Title. Recording charges, fees, title costs and taxes set forth below pertain to Units only and are based on rates in effect on the date of the Plan and are subject to change without notice.

The estimated closing costs and expenses to be paid by each Purchaser are as follows:

1) Fee title insurance is available from GlobalServe Title Agency, at standard rates charged in the State of New York.

If Purchaser elects to obtain mortgage title insurance simultaneously with a policy for fee title insurance, the premium for the mortgage policy will be at a "simultaneous rate." The simultaneous fee rate is based on the full rate of the fee title insurance and a reduced rate of 30% of the mortgage premium.

If Purchaser elects to obtain fee title insurance, Purchaser will pay the premium therefor, which will vary depending upon the amount requested. **PURCHASERS ARE FREE TO USE A TITLE COMPANY OF THEIR CHOICE WITHOUT ANY PENALTY**. GlobalServe Title Agency, as an agent for First American Title Insurance Agency, having an office at 1981 Marcus Avenue, Suite E123, Lake Success, New York 11042 (telephone: 516-327-4500, facsimile: 516-706-1084) ("Title Company"), has (i) reviewed the Plan and the Condominium Documents and has issued a letter to Sponsor that it is committed to insure that a valid Condominium will be created pursuant to the Condominium Act, (ii) issued the Specimen Title Policy set forth in Part II of the Plan, and (iii) provided Sponsor with the standard fee policy rates as set forth below. Sponsor makes no representation regarding insurance available from insurers other than GlobalServe Title Agency.

2) Fees for the recordation of the deed, unit power of attorney and any 339-ee Affidavit which are approximately $150.00 per document.

3) In the event the Purchaser shall obtain a purchase money first mortgage, the Purchaser shall pay recording fees for the mortgage of approximately $200.00 and a mortgage tax of $2.05% of the full amount of the mortgage requested by the Purchaser, if less than $500,000.00 and 2.175% of $500,000.00 or greater, and lending institution's attorney's fees. In addition the Purchaser will be required to pay any mortgage origination fees, bank credit and appraisal fees and other expenses that the lending institution may charge incident to the making of the first mortgage. A portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee subsection 2, of the New York State Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor will have previously paid in connection with the existing mortgage on the Condominium. There will be no mortgage closing costs pursuant to this Section 3 on Units which are not covered by mortgages.

4) The transfer tax set forth herein are generally a seller's obligation; however, such obligation is transferred to the purchaser, New York State transfer tax of $2.00 per $500 of the purchase price. This tax is additional consideration on which tax is calculated and New York State Real Property Tax (New York Tax Law Section 1402) of 1% of consideration if the Unit exceeds $1,000,000.00 (Mansion Tax).

5) The transfer tax set forth herein are generally a seller's obligation; however, such obligation is transferred to the purchaser, New York City Transfer Tax of 1% of the purchase price up to $500,000.00 and 1.425% if the purchase price is above $500,000.00. This tax is additional consideration on which tax is calculated.

6) A non-refundable contribution to the Working Capital Fund of the Condominium in an amount equal to two (2) months' Common Charges in effect at the time of such Closing assessed against the Unit.

7) Purchaser shall pay $3,000.00 to Sponsor's Counsel representing a fee for servicing in connection with Deed preparation, Unit Power of Attorney preparation, and coordinating and attending the closing.

8) Purchaser shall pay $200.00 to Sponsor or Sponsor's Counsel as reimbursement of the cost of preparing the New York City "ACRIS" transfer documents.

9) Purchaser shall pay its pro-rata share of the total insurance premium for the Condominium's first year of operation to Sponsor based upon the Unit's percentage of common interest.

**Example of Typical Closing Costs**:

The following schedule illustrates the projected amounts of the costs set forth in this section of the Offering Plan for a Unit purchased by a Purchaser in the amount of $1,164,700.00 and a mortgage in the amount of $931,760.00 (which represents eighty percent of the purchase price):

| | |
|---|---|
| Fee Title Insurance | $5,111.00 |
| Mortgage Insurance | $1,062.00 |
| Deed Recording Fee | $200.00 |
| Unit Power of Attorney Recording Fee | $200.00 |
| Mortgage Recording Fee | $200.00 |
| Mortgage Tax | $20,236.65 |

| | |
|---|---|
| New York City and State Transfer Tax | $21,256.98 |
| Mansion Tax | $11,647.00 |
| Condominium Working Capital | $1,092.74 |
| Sponsor's Counsel Fee | $3,000.00 |
| "ACRIS" Preparation Fee | $200.00 |
| Pro-Rata Share of Condominium Insurance | $1,497.65 |
| Title Search Fees | $560.00 |
| TOTAL | $66,264.02 |

In addition, if, and only if, Closing takes place, at the request of the Purchaser, at any location other than at the office of the Sponsor's attorney, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of Seven Hundred Fifty and 00/100 Dollars ($750.00). If the Closing is adjourned through no fault of Sponsor, the Purchaser shall be required to pay to Sponsor's counsel an additional fee of Seven Hundred Fifty and 00/100 Dollars ($750.00) to help defray the cost of preparing for and coordinating the new Closing.

At closing, adjustments will be made between Sponsor and Purchaser with respect to (a) real estate taxes and assessments, if any (including water charges and sewer charges if separately assessed) on the basis of the period for which assessed, (b) Common Charges for the month in which title closes, and (c) accrued rent and any other charges pursuant to any interim lease or occupancy or other rental agreement, if any, affecting the Unit, if Purchaser was allowed to lease, occupy or rent such Unit prior to closing.

If real estate taxes have been separately assessed to each Unit as of the closing, then the adjustment shall be based on the Unit's actual taxes for such period. If the real estate taxes have not been separately assessed against each Unit as of the closing date, then the adjustment shall be determined by allocating to the Unit a prorated portion of the actual taxes for the entire Property for such period. Further, Sponsor shall place in escrow in the name of the Condominium Board, an amount equal to the unpaid real estate taxes, which will be levied against the parcel for a six (6) month period following the first closing. The amount deposited by Sponsor into escrow allocable to a unit will be an adjustment between the Sponsor and Purchaser on the closing date of the Unit. The Condominium Board will pay the real estate taxes when due and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

Sponsor shall deliver to Purchaser notice of the closing date by giving at least thirty (30) days written notice.

If through no fault of Sponsor, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing Date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to four one-hundredths of one percent (.04%) (which equals an annual rate of 14.6%) of the purchase price for the Unit for each day beyond such originally scheduled or Sponsor adjourned Closing date to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs.

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## Q. RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or security has been furnished to secure performance of the following obligations. All obligations pertaining to the common elements shall be enforceable only by the Condominium Board on behalf of the Unit Owners and not by any individual Unit Owner. During the time the principals of the Sponsor control the Condominium Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the common elements. Sponsor is obligated to perform the following:

1. Sponsor will endeavor in good faith to market and sell the Units in the Condominium. However, Sponsor retains the unconditional right to rent rather than sell Units after consummation of the Plan. Because Sponsor is retaining the unconditional right to rent rather than sell Units this Plan may not result in the creation of a Condominium in which a majority of the Units are owned by owner-occupants or investors unrelated to the Sponsor. Due to the fact that Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) (equal to two Units) necessary to declare this Plan effective and owner-occupants may never gain effective control and management of the Condominium. See Special Risk #11 of this Plan.

2. The Sponsor has no obligation to defend any suits or to indemnify the Condominium Board or Unit Owners arising out of any act or occurrence occurring prior to the recording of the Declaration of Condominium except claims arising out of the acts, omissions or representations of the Sponsor.

3. All representations under the Plan, all obligations pursuant to the General Business Law and such additional obligations under the Plan that are to be performed subsequent to the Closing Date will survive delivery of the deed.

4. The Sponsor is obligated to repair any damage from any casualty or other cause that occurs before the closing of a Purchaser's Unit.

5. Until title to a Unit has passed to a Purchaser, the Sponsor will pay such common charges, special assessments and real estate taxes, as are assessed by the Board with respect to Unsold Units. Once title is passed to a Purchaser, the Purchaser shall be solely responsible for all common charges, special assessments, real estate taxes and other costs applicable to the Unit, as are assessed by the Board. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the income derived from the sale of Units and Sponsor's assets. Sponsor presently has the resources to fund such obligations.

6. Sponsor shall initially procure on behalf of the Condominium fire and casualty insurance, the cost of such insurance on the terms set forth in the Budget of the First Year of Operation located on Schedule B. In the event there are insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and will be repaid out of subsequent common charges collected.

7. In the event of the dissolution or liquidation of the Sponsor or the transfer of two (2) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

8. Sponsor has obtained a loan from MIOF Credit 1 LLC (the "Lender") to construct the Building. Sponsor will pay, satisfy and otherwise comply with the terms of the loan documents. Before the First Closing, the Lender has agreed to subordinate its liens to the Declaration, will consent to the formation of the Condominium and acknowledge that its mortgage liens will be limited to Unsold Units. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the relevant payment as provided in the loan documents. Sponsor has no obligation to market the Units pursuant to the loan documents and there is no minimum number of or percentage of Units which must be under contract before this Plan can be declared effective pursuant to the loan documents. The Lender has set no limits or requirements for Sponsor to rent rather than sell Units.

9. Sponsor will diligently, expeditiously and at its own cost, complete construction of the Building in accordance with the plans and specifications described herein and will diligently perform all of its obligations set forth in this Plan and will deliver to the Board a copy of the "as built" plans filed with the recording of the Declaration or any amendment thereto and in addition will provide the Board with a full set of building plans filled with the local municipality together with any "field changes" made during the course of construction. Although the Sponsor intends to use the material, appliances, fixtures and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, appliances, fixtures and equipment of Equal or Better Quality and Design for any of those set forth. Sponsor reserves the right to change the size, number and location of the Building or other improvements or common elements, provided such changes do not change or Adversely Affect the percentage of common interest of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and Purchasers consent in writing to such change.

10. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as Condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCO's and FCO's are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property "Conforms Substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued." All TCO's have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and it is not renewed, it may be difficult or impossible to buy insurance, refinance or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior

to expiration thereof and ultimately for obtaining an FCO covering the entire building within two years from the date of the issuance of the last TCO. However, Sponsor and its principals make no representation or guarantee that the DOB will issue the FCO within such two-year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the final certificate of occupancy for the entire Building and shall exercise best efforts to obtain the FCO within such two-year period whole keeping the TCO current. Unit Owners and the Board shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

11. The Housing Merchant Implied Warranty Law.

Notwithstanding any other provision of this Plan the following is applicable to this Plan:

The following is a brief summary of GBL, General Business law, Article 36-B, which went into effect as of March 1, 1989. The full text of the law is set forth in Part II Section J.

(a) Housing affected: Newly constructed single-family homes and cooperative and condominium units in buildings of five (5) stories or less. This law affects the condominium Units offered in this Plan.

(b) Coverage:

(i) For one (1) year, the home must be free from defects caused by workmanship, or materials that do not meet the standards of the applicable building code; for items not covered by code, the construction must be in accordance with all applicable Laws and codes and DOB Plans and Specifications.

(ii) For two (2) years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation.

(iii) For six (6) years, the home must be free from physical defects in the structural elements (foundation, floors, walls, roof framing).

(c) Not Covered:

(i) A defect caused by defective workmanship, materials or design.

(ii) Defects in items sold with the home, such as stoves, refrigerators, air conditioners, etc. There are implied warranties from the manufactures of such goods which are described in other laws.

(d) Notice: Buyers must give notice of defects in their home in writing no later than thirty (30) days after the end of the warranty period.

(e) Limitation of Warranty:

The Housing Merchant Implied Warranty can be limited, provided however, that Sponsor's obligation, regardless of any limitation in the warranty cannot go below the duty to construct the premises in accordance with applicable building codes, filed plans and specifications and locally accepted building practices for items which are not covered by the codes and the limited warranty time constraints may not be shorted by those described herein above.

The Sponsor has elected to limit the said Housing Merchant Implied Warranty. The Sponsor reserves the right to amend the Plan to modify the limitation of warranty for any unit which has not been conveyed by deed or purchased via executed of a contract of sale.

(1) The Sponsor's Limited Warranty is limited to actual purchasers and their successors whom acquire title to the subject Unit by will or by governing intestacy laws.

(2) The Sponsor's Limited Warranty excludes all consequential, incidental, special damages not foreseeable to the Sponsor and indirect damages.

(3) The Sponsor's Limited Warranty does not cover loss or damage caused by defective workmanship performed by any person other than Sponsor, Sponsor's agent or employee, or Sponsor's subcontractor.

(4) The Sponsor's Limited Warranty does not cover loss or damage caused by defective materials supplied by any person other than Sponsor, Sponsor's agent or employee, or Sponsor's subcontractor.

(5) The Sponsor's Limited Warranty does not cover loss or damage caused by defective design provided by any person other than a design professional retained exclusively by Sponsor.

(6) The Sponsor's Limited Warranty does not cover patent defects including defects shown on the Punchlist and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(7) The Sponsor's Limited Warranty does not cover General Common Elements of the Condominium, except those items that are explicitly included under this Limited Warranty.

(8) In addition, the following items are not covered by the Sponsor's Limited Warranty:

(a) Negligence, improper maintenance, or improper operation by anyone other than Sponsor, its employees, agents or subcontractors, or

(b) Failure by Purchaser or anyone other than Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures, plumbing, heating, cooling and ventilation systems of the Unit, if any, or items of equipment; or

(c) Failure of Purchaser to give notice to Sponsor of any defects or damage within a reasonable time; or

(d) Changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors; or

(e) Changes, alterations or additions made to the Unit anytime after the Warranty Date shown on page 1; or

(f) Dampness or condensation due to failure of Purchaser to maintain adequate ventilation.

(vii) Any condition which does not result in actual physical damage to the Unit.

(viii) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosions, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightening, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable change in the underground water table.

(ix) Loss or damage caused by a seepage of water unless such loss or damage is the direct result of a construction defect.

(x) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(xi) Any damages which purchaser had not taken timely and reasonable action to minimize.

(xii) Any condition resulting from normal wear and tear or natural deterioration or from the normal shifting or settling of the building, or defects of an insubstantial nature, including but not limited to, partial or total death of landscape improvements, nail pops, riding on sheetrock walls, lumber shrinkage, door sticking due to weather, door warpage, bath tile grouting, slight separation in joints or kitchen title or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settlement or normal plumbing, heating and air conditioning noises, or carpet discoloration and stretching.

(xiii) Paint touch-ups, or chips, mars, breaks or other defects in window sashes, electric fixtures, interior painted surfaces, sinks, tubs, bowls, bidets, shower doors, kitchen cabinets, countertops, vanity tops, and bases, medicine cabinets, doors, mirrors, hardware, flooring and appliance cabinets, lights and light bulbs, except as agreed to in the Punchlist.

(xiv) Insect damage.

(xv) Bodily injury or damage to personal property.

(xvi) Failure of Sponsor to complete construction of the Unit and failure of Sponsor to complete items on the Punchlist.

(xvii) Loss or damage which arises while the Unit is being used primarily for non-residential purposes.

(xviii) Loss or damage due to abnormal loading floors by Purchaser which exceeds design loads as mandated by the Building Code.

(xix) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(xx) Consequential or incidental damages (except where required by law).

(xxi) Any claim not filed as set forth in this Limited Warranty.

(xxii) Defects in construction, installation or operation of mechanical equipment, appliances, and/or other items covered by warranties assigned to Purchaser.

(xxiii) Damage caused by the misuse, abuse, or interference by Purchase or anyone other than Sponsor, its employees, agents, or subcontractors with Sponsor's original construction and installations.

The Sponsor's obligation regardless of any limitations in the warranty or in this Plan, is to construct the Building in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and the Sponsor's obligation to construct the Building in accordance with the applicable codes and filed plans and specifications shall be resolved in favor of the latter.

THE SPONSOR'S LIMITED WARRANTY REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE UNIT AND ANY AND ALL COMPONENTS THEREOF, BOTH EXPRESS AND IMPLIED (INCLUDING BUT NOT LIMITED IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.)

THE FULL TEXT OF SPONSOR'S LIMITED WARRANTY IS ANNEXED TO THE PURCHASE AGREEMENT AND SET FORTH IN PART II OF THIS PLAN. PURCHASERS ARE URGED TO REVIEW THE SPONSOR'S LIMITED WARRANTY CAREFULLY BEFORE EXECUTING A PURCHASE AGREEMENT.

12. Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of this Plan. Sponsor will pay all contractors, subcontractors, materialmen and all others involved in the construction of the Building for work performed and fixtures, material and equipment supplied or installed in the construction of the Building and will cause all mechanics' liens arising out of the construction of

the Building or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after the liens are filed.

13. Sponsor will pay all selling expenses, including but not limited to, advertising, and printing costs, architects fees, and costs of filing this Plan and any amendments thereto and brokerage commissions of Selling Agent or other broker engaged by Sponsor.

14. SPONSOR REPRESENTS THAT IT HAS SUFFICIENT FINANCIAL RESOURCES TO COMPLETE CONSTRUCTION AND TO MEET ITS OBLIGATIONS WITH RESPECT TO UNSOLD UNITS AND WILL NOT REQUIRE ADDITIONAL FINANCING OR THE SALE OF ANY OF THE UNITS TO PAY FOR SAME. SPONSOR WILL FUND ITS OBLIGATIONS TO THE CONDOMINIUM FOR UNSOLD UNITS FROM ITS PRINCIPALS' MONETARY CONTRIBUTIONS TO SPONSOR AND FROM PROCEEDS OF THE LOAN GIVEN TO IT BY LENDER. AS PROVIDED IN THE BY-LAWS, NO BOND WILL BE POSTED BY SPONSOR TO INSURE COMPLETION. IF THE SPONSOR IS MORE THAN THIRTY (30) DAYS IN ARREARS ON COMMON CHARGES FOR ANY UNSOLD UNIT DURING THE TIME THAT THE SPONSOR IS IN CONTROL OF THE BOARD OF MANAGERS, SPONSOR WILL CAUSE THE BOARD OF MANAGERS TO FILE A LIEN AS PROVIDED FOR IN SECTION 339-AA OF THE REAL PROPERTY LAW.

15. All of the Sponsor's obligations pertaining to the Common Elements shall be enforceable only by the Condominium Board on behalf of the unit owners and not by the individual unit owners. during the time the principals of the Sponsor control the board, it is within their sole power to enforce the obligations of the sponsor pertaining to the Common Elements and, therefore, the Sponsor agrees that during such period it will enforce such obligations when required to do so by a resolution duly passed by a majority of the unit owners, excluding Sponsor, at a special meeting of the unit owners called for such purposes.

16. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the common elements of the Condominium for the purpose of completing construction and the sale of Units and facilities in the Condominium and towards this end, reserves, the right to grant and reserve easements and rights-of-way in, through, under, over and across the common elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas in the common elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of right-of-way. Finally, the Sponsor reserves the right to continue to use the common elements and any facilities, model Units and any signs located on the common elements, in its efforts to market Units constructed in the Condominium. Sponsor will be obligated to repair any damages to the common elements and Units caused as a result of its use of the easements, licensed, rights and privileges of a right-of-way to complete the Condominium.

17. In the event that there are title encumbrances (other than Permitted Encumbrances and mortgages) affecting the Property at the time of the First Closing, Sponsor shall cause such encumbrances to be cured, remedied and removed, at its sole cost and expense, by the First Closing or within a reasonable time thereafter, except that Sponsor shall have no obligation to cure, remedy, or remove any such encumbrances if the same cannot be accomplished at an aggregate cost of up to 0.5% of the total Purchase Price of the Units. The existence of any such encumbrances will not constitute an objection to title nor excuse any Purchaser from completing payment of the balance due under the Purchase Agreement (without provision for escrow), provided that Sponsor furnishes adequate proof to the Title Company that such encumbrance has been remedied or deposits a reasonable sum to secure Sponsor's obligation to cure and remedy such encumbrance subsequent to the First Closing as determined by the Title Company. At Sponsor's request, the sums so deposited shall be applied towards payment of the cost of curing or remedying the title defect.

18. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional shall certify within reasonable tolerances that the Floor Plans filed with the recording of the declaration are an accurate copy of the portion Building as filed with the appropriate governmental authorities having jurisdiction over the issuance of permits for the construction of the Building.

18. Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same), the foregoing sets forth the entire extent of the obligations of Sponsor under this Plan and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of purchasers relative to their Units under their respective Purchase Agreements. Sponsor makes no warranties other than as set forth in this section. The obligations of Sponsor under this section shall survive the delivery of the deeds to the respective Units. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any purchaser or, with respect to the General Common Elements or Limited Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts or omissions of Sponsor or the representations made by Sponsor in this Plan or any obligations imposed by statutes and/or regulations.

Obligations of Sponsor under this section with respect to the Condominium, the General Common Elements or the Limited Common Elements shall be enforceable only by the Condominium Board on behalf of all Unit Owners. In no event shall any obligations of Sponsor to the Condominium be enforceable by individual Unit Owners unless the Condominium Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of written notice of such claim by any Unit Owner to the Condominium Board.

Except as expressly set forth above in this subsection (18), Sponsor has no obligation to correct or repair any other defect or conditions in the Units, the Common Elements or the Building, or any other installations, apparatuses, fixtures or appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Except as provided in this Plan or under Applicable Law, each Purchaser of a Unit shall be required to complete the payment of the purchase price (without the provision of an escrow) and accept title

at the time of closing, notwithstanding Sponsor's failure to complete the construction, finishing and decorating of such Unit or other Units or hallways or the Common Elements, so long as a letter of completion, temporary or permanent certificate of occupancy has been issued covering such Unit and such Unit's kitchen and bathroom appliances and fixtures are operable and its windows, interior walls and floors are installed in accordance with this Plan.

Notwithstanding any provisions to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of (i) any immaterial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Section entitled "Description of Property and Specifications" contained in Part II of this Plan or (ii) immaterial variations from the Plans and Specifications or description of the Building or a Unit set forth in the Section entitled "Description of Property and Specifications" contained in Part II of this Plan that neither are in violation of applicable building codes nor require approval of any governmental authority having jurisdiction, provided such variations are of Equal or Better Quality and Design.

In addition, in no event shall Sponsor or any contractor or supplier be responsible for correcting or repairing any of the following immaterial conditions: (i) any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, (ii) defects of an insubstantial nature, such as, without limitation, nail pops, ridging on sheet-rock walls and ceilings, lumber shrinkage, door or window sticking due to weather, door warpage, including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size, weight and quality, slight scratches in plastic laminate, porcelain, or other surfaces, imperfect bath and kitchen tile grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation in joints of flooring or between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom, including, without limitation, cracks in concrete roof pavers (if any), or concrete cracks (if any) which do not impair the structural soundness of the Building, (iv) variations in floor levels, (v) ceiling imperfections, (vi) painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing, elevator, trash chute, heating and air-conditioning noises, (x) normal floor noises and creaking, (xi) floor discoloring, (xii) variations in width, length or tone of wood floors, (xiii) repair of chips, scratches, mars, breaks or other defects in any windows, window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, medicine cabinets, ceramic tile, marble floors and walls, resilient flooring, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the closing of title to the Unit, paint touch-ups, repairs of dented appliances, carpet discoloration, stretching or shrinkage, or replacement of fluorescent light ballasts in such Unit, (xv) variations in tone or color of marble or stone used in bathrooms or variations in tone or color of vanity tops or other marble or stone aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, (xviii) cracks in pressure treated used or intended for use outside the Building, (xix) seepage through masonry walls, (xx) the partial or total death of any trees, shrubs, bushes, ground cover, grass or other landscape improvements including any such landscape improvements in the garden, (xxi) damage to walkways or other concrete areas caused by the application of deicers, (xxii) water problems caused by ice dams, normal plumbing and heating noises, (xxiii) carpet

stretching, normal settlement cracks on concrete foundations, patios, terraces, sidewalks and other flat work, (xxiv) basement leaks resulting from acts of God or alteration of landscaping or grading, leakage resulting from "ice dams" forming on roofs, shading variations of the exterior siding straining (on the face surface or grooves), and shading variations on fasciae from staining. Sponsor shall be obligated to repair abnormal scratches by filling any plastic laminate scratches or refinishing any porcelain scratches but Sponsor shall not be obligated to replace such plastic laminate or porcelain surfaces. References in this Section or elsewhere this Plan to excluded repairs or excluded conditions with respect various items listed shall not be construed to imply an obligation on the part of Sponsor to do any work or construction or to install any equipment, fixtures or appliances or other items except, in each case, as expressly provided in the Section entitled "Description of Property and Specifications" contained in Part II of this Plan.

Sponsor reserves the right to amend the Plans and Specifications and to make changes in the materials, appliances equipment and fixtures if (a) required or approved or accepted by governmental authorities having jurisdiction over the Property or by Sponsor's architect or engineer; or (b) required by labor conditions, local shortages or unavailability or materials; or (c) ordered by a Purchaser for his Unit without affecting Units previously sold. Changes or substitutions in materials, appliances, fixtures and equipment may also be made by Sponsor provided that such substitutions are of Equal or Better Quality and Design. Sponsor may not, however, change the size, the location of the Building, other capital improvements, or any of the Common Elements if any such change would affect the Common Interest of any Unit or materially Adversely Affect the value of any Unit either to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all of the directly affected Unit Owners consent in writing to such change and all directly affected Purchasers under any such Purchase Agreements are given the right to rescind and receive a refund of their Down Payments. All the foregoing amendments, modifications and changes to the Plans and Specifications may be made without prior notice or amendment to this Plan.

Except as otherwise provided in this Plan, where alternatives are specified or where a particular practice, method, or design of construction, equipment, material or supply is not specified, the choice and decision of Sponsor shall be determinative.

The foregoing undertakings set forth the entire obligations of Sponsor hereunder with respect to completion of construction and repair of any defects, and no other warranties or undertakings shall be implied. The construction obligations of Sponsor under this Section of the Plan shall survive the transfer of the Units to the Unit Owners until the expiration of the periods heretofore set forth. Sponsor shall not be liable for, or obligated to defend, any suits with respect to the Building or any Unit arising out of any occurrence taking place after the closing of title to such Unit, except claims stemming from the negligence of Sponsor or its agents, employees, or contractors. This does not limit sponsors obligation build in accordance with this plan, all applicable codes, filed plans, specifications and regulations.

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## R. CONTROL BY THE SPONSOR

Title to all Units which have not been sold by the time of the First Closing will remain with the Sponsor or its designees until such Units shall thereafter be sold to bona fide Purchasers. Sponsor sales do not require a waiver of the right of first refusal from the Condominium Board. The Sponsor shall have absolute voting control of the Condominium Board until the expiration of the Initial Control Period. During the Initial Control Period, the Sponsor will have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. The Condominium Board shall consist of three (3) persons designated by the Sponsor. The Sponsor will cause the Condominium to hold a meeting of Unit Owners within thirty (30) days after the expiration of the Initial Control Period to elect new Board members unaffiliated with the Sponsor.

So long as the Sponsor or a Sponsor-designee shall continue to own at least one (1) Unit, the Sponsor or Sponsors-designee shall have the right to designate one (1) of the members of the Condominium Board. While the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interest allocated to all of its Units for all seats on the Board. However, after the Initial Control Period has expired, not more than one less than a majority of the members of the Board will be affiliated with the Sponsor. The balance of the Board will then be elected by all of the Unit Owners of the Condominium, including the Sponsor.

Until such time as thirty (30) days after the date when Units representing 75% of the Common Interest in the Condominium have been transferred from the Sponsor to a Purchaser, or two (2) years from the First Closing (whichever is sooner), the Condominium Board may not, without the Sponsor's or Sponsor-designee's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges, including Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, Reserve Contribution or surplus fund, except to the extent that the aggregate fund does not exceed five percent (5%) of the budgeted expenses of the Property or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as required to reflect normal annual increases in operation services, or (e) borrower money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to (i) comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium, or (ii) remedy any notice of violation or (iii) to remedy any work order of an insurer or (iv) to ensure the health and safety of the occupants of the Building.

As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Condominium Board may not, without the Sponsor's or Sponsor-designee's prior written consent: (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designee; or (ii) interfere with the offer and sale or leasing of Units, operation of general or sales and leasing offices at the Property or any actions necessary for construction, renovation, repair or

correction at the Property required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the foregoing restrictions, the Sponsor or Sponsor-designee shall not (i) limit its financial obligations to the budget in so far as every Unit owner, including the Sponsor, is obligated to pay their portion of the budget, or (ii) have the right to veto expenses detailed in Schedule B, or expenditures for the making of capital repairs to the Common Elements, or expenditures in connection with any repair or replacement necessary for the preservation or safety of the Condominium or the safety of its residents, or assessment of any Common Charge for expenses required to remedy any notice of violation, comply with applicable law, or cure a work order of an insurance carrier. Any provisions that give the Sponsor control of the enforcement of the Sponsor's obligations are not lawful. In addition, if there are non-Sponsor members of the board, and there is a vote on whether to sue the Sponsor, the Sponsor's board representatives cannot lawfully vote on that issue.

Members of the Condominium Board will serve without compensation. All officers of the Condominium shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are members of the Condominium Board neither it nor any of its designees will vote for remuneration for either members of the Condominium Board or officers of the Condominium.

Except for a member of the Condominium Board designated by the Sponsor, a member of the Condominium Board may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Condominium Board designated by the Sponsor may only be removed for cause by a vote of Unit Owners owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium or by the Sponsor with or without cause, and in either event, only the Sponsor shall have the right to designate a replacement, provided Sponsor's right to replace the Sponsor-designee occurs during the period Sponsor is entitled to designate a member of the Condominium Board. An officer may be removed, with or without cause, by an affirmative vote of a majority of the members of the Condominium Board.

All determinations with respect to the continuance or discontinuance of any of the services in the Building, if initially made available, will be made by the Condominium Board, which will be controlled by Sponsor until the expiration of the Initial Control Period. Please refer to the Description for the Property set forth in its entirety in Part II of the Plan for further details regarding service and facilities at the Property. Neither Sponsor, the Managing Agent nor the Condominium Board will in any event be liable for the availability, interruption, discontinuance or quality of any services in the Building, including, but not limited to any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or person or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or the Condominium Board, as the case may be.

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## S. CONDOMINIUM BOARD

Principal provisions of the By-Laws are summarized in this Section. It is suggested that Purchasers make reference to the full By-Laws, a copy of which is set forth in Part II of the Plan.

**The Condominium Board**

Under the By-Laws, the affairs of the Condominium will be managed by a Condominium Board consisting initially of three (3) persons, Guy Iber (the principal of the Sponsor, Faith Grundman (a business associate of the Sponsor), and Meir Silver (a business associate of the Sponsor). The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Condominium Board. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each 0.01% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one (1) vote for each 0.01% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning that Unit shall agree among themselves and cast the votes for their Unit.

Unit Owner meetings to elect Board members shall be held on an annual basis. In addition, special meetings of Unit Owners may be held from time to time pursuant to the By- Laws at the direction of the Condominium Board or upon receipt by the Secretary of a petition signed by more than one-third (1/3) of the Unit Owners. The Sponsor shall relinquish voting control of the Condominium Board after the expiration of the Initial Control Period. Until the Initial Control Period expires, the Condominium Board shall be designated by the Sponsor and shall consist of three members designated by the Sponsor. Subject to the foregoing limitations, the Sponsor will cause the Condominium to hold a meeting of Unit Owners within thirty (30) days after the expiration of the Initial Control Period to elect new Board members unaffiliated with the Sponsor.

The Sponsor will have absolute voting control of the Condominium Board until the expiration of the Initial Control Period, and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners.

While the Sponsor owns any Unsold Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interest allocated to its Unsold Units for all the available seats on the Condominium Board, including unaffiliated Unit Owners. However, after the Initial Control Period has expired, not more than one less than a majority of the members of the Board will be affiliated with the Sponsor. So long as the Sponsor or Sponsor-designee owns at least one (1) Unit, the Sponsor or Sponsor-designee shall have the right to designate one of the members of the Condominium Board.

After the Initial Control Period expires, the number of members may be changed by a vote of the Unit Owners at their annual meetings prior to the election of the next Board of the Unit

Owners. The Members of the Condominium Board shall be elected at each annual meeting of the members and shall serve staggered terms, as set forth in the By-Laws.

To be eligible for election, members of the Condominium Board, except for those members elected or designated by the Sponsor, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse, son, daughter, or parent of a Unit Owner.

After the Sponsor's voting Initial Control Period expires, the Condominium Board may be comprised of both owner-occupants and non-resident Unit Owner (or members of their households unrelated to the Sponsor and its principal). Owner-occupants and non-resident Unit Owner, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing. For example, an owner-occupant who is purchasing a Unit as a home may have views on repairs and capital expenditures which differ from a non-resident Unit Owner who has purchased for purposes of an investment.

Except for a member of the Condominium Board designated by Sponsor, a member of the Condominium Board may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Condominium Board designated by the Sponsor may be removed for cause by an affirmative vote of Unit Owners owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Condominium Board designated by the Sponsor may be removed without cause only by the Sponsor and only the Sponsor shall have the right to designate a replacement, provided Sponsor's right to replace the Sponsor- designee occurs during the period Sponsor is entitled to designate a member of the Condominium Board.

The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Condominium Board shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Condominium Board, neither it nor any of its designees will vote for remuneration for either members of the Condominium Board or officers of the Condominium.

The Condominium Board shall have the powers and duties necessary for the administration of the affairs of the Condominium, including, but not limited to: determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing, or mortgaging of Units owned by the Condominium Board and generally managing or supervising the Condominium as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Condominium Board deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. The Condominium Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Condominium Board is authorized to employ a managing agent for the Condominium, on such terms as the Condominium Board may deem proper.

In order to limit the liability of the Unit Owners, the members of the Condominium Board, the managing agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Condominium Board or the managing agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Condominium Board, the managing agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Condominium Board and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Condominium Board and the officers of the Condominium against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Condominium Board or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Upon the transfer of title to any Unit, the Unit Owners will be required to execute a Power of Attorney in favor of the Condominium Board and the Sponsor to exercise certain rights on behalf of the Condominium, such as: (i) exercising or waiving a right of first refusal to purchase a Unit (to the extent applicable)(and taking such steps as may be needed to implement such action); (ii) borrowing funds to repair the Common Elements pursuant to Real Property Law Section 339 (iii) protesting the Condominium's real estate tax valuations with the City of New York; and (iv) file applications and protests (or employ persons to do same) with respect to the assessed valuation of one or more Units and to execute all documents and pay all costs in connection therewith. The form of Power of Attorney appears in Part II.

**Officers**

The principal officers of the Condominium shall be: the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Condominium Board. The President must be a member of the Condominium Board and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse, son, daughter, or parent of a Unit Owner. Other officers need not be a Unit Owner, principal or officer or a Unit Owner or the relative of a Unit Owner or a member of the Condominium Board. The President and Treasurer may not be the same person. The Condominium Board may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Condominium Board and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Condominium Board, in its discretion, shall delegate such powers to the officers as it deems necessary or appropriate in order to, among other things, execute agreements, contracts, deeds, leases and checks on behalf of the Condominium.

**Repairs**

As used in this Section, repairs, maintenance and replacements of any portion of the Unit or Common Elements whether ordinary or extraordinary, are referred to as "Repairs". All Repairs to any Unit, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units (if any) within the Unit or belonging to the Unit Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws.

Repairs to the General Common Elements (as defined in the Declaration) and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Condominium Board and be charged to all the Unit Owners as a Common Expense, except to the extent that the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner. Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Condominium Board at the expense of the Unit Owner, if the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks) or (b) by the Unit Owner having direct and exclusive access to the Limited Common Element at his sole cost and expense, if involving nonstructural or ordinary Repairs. Notwithstanding the foregoing, the Commercial Unit Owner also will have the right to Repair any Limited Common Element upon reasonable prior notice to the Condominium Board except in an emergency, in which case, such Repair may be made as needed.

Notwithstanding the foregoing: (i) the Condominium will have the right to enter any Unit upon reasonable notice and at reasonable times for the purpose of making Repairs in an emergency, or if the Condominium determines (in its sole discretion) that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents; and (ii) the Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Condominium Board.

**Insurance and Restoration after Casualty Loss**

Purchasers should note that individual Unit Owners are required to carry insurance covering their Units and certain personal property, improvements and betterments within their Units.

In the event of a fire or other casualty which destroys or substantially damages less than seventy-five percent (75%) of the Building, the insurance proceeds shall be dedicated to the repair and/or construction of the Building and the Units, but not to the repair or replacement of any improvements made by individual Unit Owners. If the cost of such repair exceeds the insurance

proceeds available, the excess cost shall constitute a Common Expense and Unit Owners may be accordingly assessed a proportional amount to be paid as Common Charges.

In the event of a fire or other casualty in which more than seventy-five percent (75 %) of the Building is destroyed or substantially damaged, repairs and/or restoration will be made if Unit Owners whose percentage of Common Interest, in the aggregate, is at least seventy –five percent (75 %) of the total Common Interest, affirmatively vote for such a course of action. If no such affirmative vote is given, then the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor.

**Notice of Meetings; Reports to Unit Owners**

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Condominium Board, to Unit Owners not less than ten (10) days or more than fifty (50) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Condominium Board shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

**Right of First Refusal for Unit Sales and Leases; Rights of Board to Restrict Leasing in Order to Preserve Ability to Finance.**

See the Bylaws in Part II of the Plan for a full detailed description of the rights and obligations of the Board and Unit Owners in connection with the exercise of the Right of First Refusal.

1. In administering the right of first refusal with respect to any sale or lease of a Unit, the Condominium Board shall be required to exercise such rights, if at all, within thirty (30) days of its receipt of the later of (a) written notice from a Unit Owner of the Unit Owner's intention to sell the Unit to a bona fide grantee or lessee, including all fees, documents and information required by the Board, or (b) all other information reasonably required by the Board following review of the Unit Owner's request.

2. The Condominium Board will not discriminate against any person on the basis of race, creed, sexual orientation, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in exercising the right of first refusal and resale of such Units.

3. In the event the Condominium Board does exercise the right of first refusal, the acquisition or lease of the Unit may be made from working capital and Common Charges or, if such funds are insufficient, the Condominium Board may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest, or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Condominium Board may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of

such Unit. In the event any Units are acquired by the Condominium Board, the title shall be held by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest. Any sale of such Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest. While owned by the Condominium Board s, such Unit may be used for any purpose that it could be used for by an individual Unit Owner. However, in no event may the Condominium Board at any meeting of Unit Owners vote the votes appurtenant to that Unit.

4. All leases must be for a minimum period of one (1) year (with each such lease being to a specific named tenant and with no right to substitute any other tenant during the term of the lease). All leases shall be consistent with the By-Laws and shall contain such reasonable conditions as the Condominium Board may impose in order to protect the physical and financial security and continuity of the Condominium, including, but not limited to, provisions that a lease may not be modified, amended, extended or assigned, without the prior consent in writing of the Condominium Board; that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Condominium Board; that the Condominium Board shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien in accordance with by Section 339-z of the New York State Real Property Law; and that the Condominium Board may establish other reasonable regulations governing leases of Units from time to time. Except as set forth above, the form of any such lease shall be substantially the then current form of apartment lease recommended by The Real Estate Board of New York, Inc. with such modifications as may be approved in writing by the Condominium Board

The foregoing restrictions on leasing and the contents of leases contained in this Section shall not apply to a Unit owned by Sponsor, or to a Unit owned by a mortgagee who took title for its own account in foreclosure or by deed in lieu of foreclosure. The foregoing restrictions shall also not apply to a Unit Owner or his spouse or to any of his children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a trust established for the benefit of any of them.

5. Limited Right of Condominium Board to Restrict Leasing. Notwithstanding the foregoing, the Condominium Board will have the right to impose restrictions on the leasing of Units if, in their good faith judgment, further leasing will impair the ability of Unit Owners to finance or refinance mortgages, or impair the ability of prospective purchasers of Units to obtain financing in connection with such acquisition. Such restrictions may remain in effect for so long as such impairment exists.

6. Each Unit Owner, at the closing of title to his Unit, shall be required to execute a Power of Attorney in the form contained in Part II of the Plan, which (in part) designates the Condominium Board and their successors, as his attorney -in-fact, coupled with an interest, for the purpose of waiving or exercising a right of first refusal to purchase a Unit (and taking such steps as may be needed to implement such action), selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Condominium Board or their designee, on behalf of all Unit Owners, borrowing funds to repair the Common Elements pursuant to Real Property Law Section 339-jj, and filing tax protests on behalf of the Unit Owners.

**Review of Real Estate Tax Assessments**

The Condominium Board reserves the right, on behalf of all Unit Owners, to challenge any assessment at the expense of the Condominium. However, if the Condominium Board fails to do so, it shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and challenge such assessments.

**Amendments to Condominium Declaration and By -Laws**

The Declaration may be amended upon a vote of sixty-seven percent (67%) of the Unit Owners in number and whose percentage of Common Interest in the aggregate exceeds sixty-seven percent (67%) held at a duly called meeting of Unit Owners, provided however, that:

1. No amendment shall change the boundaries of any Condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Unit, unless all record Owner(s) affected thereby and the first mortgagees, if any, of each of these same Units agree to such amendment by recorded instrument.

2. No amendment shall be passed which shall impair or prejudice the rights and priorities of the Sponsor or Commercial Unit Owner without the consent of the Sponsor or Commercial Unit Owner, as applicable.

The By-Laws may be amended at any duly called Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty -seven percent (67 %) of the Unit Owners in number and Common Interest (or such lesser amount as may be required by law); and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owner's interest and the interests of holders of a mortgage encumbering a Unit or Units. No amendment shall adversely affect the Sponsor or its designee without the prior written consent of Sponsor or such designee.

**Unit Owner Power of Attorney**

Upon the transfers of title to any Unit, the Unit Owners will be required to execute a Power of Attorney in favor of (a) the Condominium Board to exercise certain rights on behalf of the Condominium, such as protesting the Condominium's real estate tax valuation with the City of New York, or executing, acknowledging and delivering any declaration or other instrument affecting the Condominium that the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of a governmental authority applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium; (b) the Sponsor to exercise certain rights on behalf of the Condominium, such as amending the Declaration, By -Laws and Regulations of the Condominium, utilizing any development rights reserved to the Sponsor, and executing any documents that may be required to be filed with the City of New York in order to complete construction of the Common Elements of the Condominium or to make an alteration to an Unsold Unit permitted under the Declaration and

By-Laws; and (c) the Commercial Unit Owner to exercise certain rights and easements granted to the Commercial Unit Owner under the By -laws. The form of Power of Attorney appears in Part II of the Plan.

**Termination**

The Condominium may be terminated by withdrawing the Property from the provisions of the New York Condominium Act, by an affirmative vote of not less than eighty percent (80%) of Unit Owners in number and whose percent of Common Interest equals in the aggregate, not less than eighty percent (80%). The Sponsor shall not cast the votes of any Unsold Units it holds for such withdrawal unless votes equaling eighty percent (80%) in number and of the Common Interest have been so cast or unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have voted to terminate. If the Unit Owners vote to terminate the Condominium, the Property shall be subject to an action for partition by any Unit Owner or lienor and the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interest, provided that no Unit Owner shall receive any payment until there has first been paid out of such Unit Owner's share of the net proceeds all liens on his Unit.

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## T. RIGHTS AND OBLIGATIONS OF UNITS OWNERS

**Sale and Lease of Units**

Each Unit Owner may freely sell or lease his Unit provided he first gives the Condominium Board, on behalf of all Unit Owners, an opportunity to purchase such Unit at the same price and on the same terms as were offered in good faith by a prospective Purchaser as more specifically provided for in the By-Laws. The Unit Owner will indicate whether or not the prospective Purchaser will be an owner-occupant. After receipt of the initial notice, the Condominium Board reserves the right to request additional information regarding the proposed Purchaser and the transaction, and to request a personal interview. If the Condominium Board fails to notify the Unit Owner of its election to purchase or lease the Unit within thirty (30) days after receipt of the offering Unit Owner's notice (or, if additional information has been requested after reviewing the submissions of the Unit Owner, within thirty (30) days after receipt of all additional information reasonably required by the Board), the Unit Owner will have sixty (60) days to accept the outside offer of the prospective Purchaser or tenant, failing which the Unit Owner will be required to again first offer same to the Board.

All leases must be for a minimum period of one (1) year (with each such lease being for a specific named tenant and with no right to substitute any other tenant during the term of the lease). All leases shall be consistent with the By-Laws and shall contain such reasonable conditions as the Condominium Board may impose in order to protect the physical and financial security and continuity of the Condominium, including (but not limited to) provisions that a lease may not be modified, amended, extended or assigned, without the prior consent in writing of the Condominium Board ; that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Condominium Board; that the Condominium Board shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien granted by Section 339-z of the New York State Real Property Law; and that the Condominium Board may establish other reasonable regulations governing leases of Units from time to time. Except as set forth above, the form of any such lease shall be substantially the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., with such modifications as may be approved in writing by the Condominium Board.

Notwithstanding the foregoing, the Condominium Board will have the right to impose restrictions on the leasing of if, in their good faith judgment, further leasing will impair the ability of Unit Owners to finance or refinance or impair the ability of prospective purchasers of Units to obtain financing. Such restrictions may remain in effect for so long as such impairment exists. The provisions of this clause (1) of this Section shall not apply with respect to (a) any sale, conveyance or lease by a Unit Owner of his Unit to his spouse or to any of his children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a trust established for the benefit of any of them; or (b) a sale or lease of a Unit owned by the Sponsor or any principal thereof (as defined in the Offering Plan pursuant to which the Condominium was established); or (c) the sale or lease of a Unit to the controlling principal of any non -individual entity owning the Unit or members of his or her immediate family; or (d) the acquisition, sale or lease of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure; or (e) a conveyance or transfer by gift during a Unit

Owner's lifetime; or (f) the devise of a Unit by will or intestacy. However, the Condominium Board must be given written notice of every sale or lease of a Unit.

**Occupancy of Residential Units Owned by Entity other than a Natural Person**

If a Unit is acquired by an entity (as opposed to one or more individual persons), ownership and occupancy of the Unit will be subject to the following:

(i) The Unit Owner will specify in writing to the Condominium those persons who will be entitled to occupy the Unit. The Unit may be used for residential occupancy only by those specified persons and members of their immediate family (individually and collectively, the "Permitted Occupants"). Any change in the Permitted Occupants other than in accordance with the By-laws will be considered a lease of the Unit and will be subject to the applicable provisions of the By-laws in regard to leases.

(ii) The Unit Owner will specify in writing those persons who control the Unit Owner ("Principals"). A transfer of equitable or beneficial interests in the Unit Owner to other natural persons such that the Principals (individually or collectively) no longer control the Unit Owner shall be deemed to be a transfer subject to the Condominium's right of first refusal under the Condominium Documents. However, a change in Principals will not result in a change in the Permitted Occupants without compliance with the balance of this subsection. The Condominium may also require an entity acquiring an equitable or beneficial interest in the Unit Owner to comply with the requirements of this section, including the obligation to designate an authorized representative of such entity.

(iii) The Condominium may require that the Unit Owner designate a single person who is authorized to act on behalf of the Unit Owner and on whom the Condominium may rely in connection with any dealings with the Unit Owner.

(iv) All rights granted to natural Unit Owners under the Condominium Documents, including (without limitation) all rights to use and occupy the Unit, shall inure to The Permitted Occupants as if the Permitted Occupants in his/her/their individual capacity were the Unit Owner rather than named Unit Owner, and all liabilities and duties of natural Unit Owners under the Condominium Documents shall be liabilities and duties of the Permitted Occupants as if the Permitted Occupants in his/her/their individual capacity were the Unit Owner rather than the named Unit Owner. The right to occupy the Unit granted to the Permitted Occupants is neither assignable, delegable, nor transferable without the consent of the Condominium. Except as without such occupancy being deemed to be a lease or other such unauthorized occupancy, and otherwise expressly permitted under the By-Laws, no one other than the Permitted Occupants may occupy the Unit without the express written consent of the Condominium (which consent may be given or withheld in the sole discretion of the Condominium). However, nothing in the foregoing shall bar Unit Owner from leasing or conveying the Unit in accordance with the Condominium Documents and the Regulations of the Condominium.

(v) A violation of the Declaration, By-laws or Rules and Regulations of the Condominium by any Permitted Occupant shall entitle the Condominium to exercise all of its rights and remedies against the Unit Owner in its capacity as Unit Owner.

(vi) Nothing described above shall be deemed to constitute a release of the Unit Owner from any of its obligations as nor a waiver of any of its rights as a condominium unit owner. All Unit Owners and occupants shall remain fully liable for the performance of all of their respective obligations under the Condominium Documents and applicable law.

(vii) The Unit Owner and all Permitted Occupants shall be deemed to have consented to personal jurisdiction in the State of New York and venue in New York County in any action commenced by the Condominium. The Unit Owner and the Permitted Occupants shall be deemed to have agreed that personal or substituted service may be made upon it in any legal manner at the Unit.

**Payment of Common Charges**

No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have (previously or simultaneously) paid in full to the Condominium Board all unpaid Common Charges and assessments and expenses theretofore assessed by the Condominium Board against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

**Conveyance Includes all Interests**

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed such Unit Owner's (i) undivided interest in the Common Elements; (ii) interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) interest in any other assets of the Condominium.

**Mortgage of Units.**

Each Unit Owner is free to mortgage his Unit. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy any arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefore. The By-Laws provide that the Condominium Board may request that it be notified by each Unit mortgagee of any default of a mortgage on a Unit.

**Easements and Right of Access**.

Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, air conditioning condensers (if any), public utility lines or other Common Elements located in the other's Unit and serving his or her own Unit, if any. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of the Building, or

as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Condominium Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Building stands. This easement includes, but is not limited to, an easement of access to the basement of a Unit to have such pipes, wires, ducts, conduits, cables, and public utilities inspected, maintained, repaired and if applicable, metered and read by the appropriate authority. The Condominium Board, through a designated manager, managing agent, or their employees or other designee, shall have a right of access, upon reasonable notice and at reasonable times (except in an emergency, in which case no notice shall be required), to such Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements, Limited Common Elements or any other Unit.

**Use and Occupancy of Units**.

The Units may be used only for private residential use, or any home occupation use permitted under applicable zoning law and ordinances, Building Code or other rules and regulations of governmental authorities having jurisdiction.

No Unit may be used, leased or subleased for any of the following purposes: (a) leasing for a term of less than one year by any so-called "executive stay" or "short term stay" company or person engaged in the business of renting or leasing units; or (b) hotel, dormitory, employee residence or facility, fraternity or sorority house, resort housing or similar type of nonpermanent housing.

Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The foregoing restrictions on use in this Section (D) do not apply to any Unit owned by The Sponsor. The right is also reserved by the Sponsor, its designee and the Condominium Board, or its agent, to place "For Sale", "For Rent", or "For Lease" or similar signs on any Unsold or unoccupied Units. Sponsor and its designee shall have the right to place "For Sale", "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building without regard to size provided any such sign is not an eyesore.

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of the other Units; nor shall any nuisance or Immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Smoking cigarettes, cigars, pipes, water pipes, hookahs and electronic cigarettes shall not be permitted in any of the General Common Elements, including but not limited to (all to the extent that they are utilized or service the Units), hallways, stairs, corridors, lobby, mail room, package room, laundry room, electrical and air-conditioning room, trash compactor room, emergency generator, exhaust and fan room, fire staircases, landings and stairs, fire safety systems servicing

the Units, or any within fifteen (15) feet of any entrance or exit of the Building. Smoking cigarettes, cigars, pipes, water pipes, hookahs and electronic cigarettes shall be permitted within the individual Units and within the Limited Common Elements, including the Patio, Rear Yard, and Terrance appurtenant to their applicable Units (the "Smoking Policy"). The Smoking Policy shall be conspicuously posted in the Building and shall be included in all Unit leases and/or Interim Leases. The Smoking Policy is incorporated into the Residential Rules and Regulations of the Condominium.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and for providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage or where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

No Immoral or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Condominium Board, whichever shall have the obligation to maintain or repair such portion of the Property.

No portion of a Unit other than the entire Unit may be leased.

**Determination of Common Charges and Liens for Nonpayment of Common Charges.**

Each Unit Owner shall have an obligation to pay Common Charges and assessments or other expenses when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B in the Plan, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Condominium Board to be part of the Common Expenses and to be paid as Common Charges, all in accordance with the By-Laws. Common Charges will be established on an annual basis and paid in equal monthly installments, due and payable on the first day of each month. In accordance with the By-Laws, the Condominium Board may also impose special assessments as it deems necessary to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. Any such special assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest. Common Charges also include late payment charges, fees and expenses of collection or enforcement of the Condominium Documents (including attorneys' fees), accrued interest, and fines charged to a Unit Owner. Common Charges which remain unpaid for more than thirty (30) days shall bear interest at the maximum rate permitted by law.

Under the provisions of Section 339-z and 339-aa of the Condominium Act and the By-Laws, the Condominium Board on behalf of the Unit Owners will have a lien against each Unit

for unpaid Common Charges assessed by the Condominium Board. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon in excess of six (6) months' Common Charges and attorneys' fees for collection thereof. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the office of the Register of the City of New York, County of New York and until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Condominium Board acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Condominium Board to recover the unpaid Common Charges without foreclosing the lien.

Upon the failure of a Unit Owner to pay any portion of Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Condominium Board shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above, and to impose late charges and administrative fees of up to six percent (6%) of the unpaid amount or One Hundred and 00/100 Dollars ($100.00) (whichever is greater) per violation as additional Common Charges with respect to each new violation to cover the additional costs of administration. The Sponsor will cause the Condominium Board to file a lien as provided in Real Property Law Section 339-aa on Units in which the Sponsor is more than thirty (30) days in arrears of Common Charges while the Sponsor controls the Board. Failure of the Condominium Board to place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

Under the provisions of Section 339-kk of the Real Property Law of the State of New York, the Condominium Board also shall be entitled to collect all rental payments due from a tenant to a non-resident Unit Owner if the non-resident Unit Owner fails to make payments to the Condominium Board for Common Charges, assessments or late fees when due, and if such nonpayment shall continue for a period of sixty (60) days after the expiration of any grace period for payment provided for in the Declaration and By -Laws.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer, or other conveyance made by him of his Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws. All Unit Owners shall be required to comply with the Declaration, By-Laws, Regulations of the Condominium and with any other requirements duly imposed by the Condominium Board pursuant to the authority granted to them. The Condominium Board shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

The Condominium Board may also impose fines on Unit Owners who violate the Condominium Documents. The amount and administration of such fines shall be established in the Condominium Board's reasonable discretion. Such fines shall be deemed additional Common Charges.

**Repairs**.

All maintenance, repairs and replacements to any Unit, ordinary or extraordinary, and to the doors, windows, electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning Units (if any) within the Unit or belonging to the Unit Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided in the By -Laws.

All maintenance, repairs and replacements (individually and collectively "Repairs") to the General Common Elements (as defined in the Declaration) shall be made by or on behalf of the Condominium Board and be charged to Unit Owners as a Common Expense, except to the extent that the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner.

Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Condominium Board at the expense of the Unit Owner, if it is a Limited Common Element and the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks) or (b) by the Unit Owner having direct and exclusive access the Limited Common Element at his sole cost and expense, if involving nonstructural or ordinary Repairs. Notwithstanding the foregoing, the Commercial Unit Owner also will have the right to Repair any Limited Common Element upon reasonable prior notice to the Board except in an emergency, in which case, such Repair may be made as needed.

Notwithstanding the foregoing, the Condominium will have the right to enter any Unit upon reasonable notice for the purpose of making Repairs in an emergency, or if the Condominium determines (in its sole discretion) that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents. The Condominium Board and the managing agent (if any) shall have the right of access, upon reasonable notice and at reasonable times (except in an emergency, in which case no notice shall be required), to any Unit for the purpose of inspecting any repair, replacement or maintenance to a Limited Common Element.

**Additions, Alterations, Decorations and Improvements**.

1. Until a permanent certificate of occupancy for the Building has been issued following completion of the renovations to the Building as described in the Plan, no Unit Owner other than Sponsor and its designees, shall make any alterations or improvements to his Unit or make application to any governmental authority therefor without the prior written consent of Sponsor (the “Temporary Work Restriction”). Such consent may be granted or withheld in the sole and absolute discretion of Sponsor.

2. After a permanent certificate of occupancy has been obtained, for so long as Sponsor shall own at least one Unsold Unit, a Unit Owner wishing to make alterations, additions or improvements shall obtain Sponsor’s prior written consent. Sponsor shall have the right to grant or withhold or condition its consent to one or more alterations, additions or improvements to be

made by the Unit Owner, provided that Sponsor shall not withhold or condition its consent unreasonably.

3. In addition, and without limiting the right of Sponsor as provided above, pursuant to the By-Laws, each Unit Owner (other than Sponsor, its designees and Unsold Unit Owners) shall at all times be required to obtain the consent of the Condominium Board for any alterations, additions or improvements to his Unit which consent shall not be withheld unreasonably. If Sponsor shall grant consent to an alteration, such consent, at the option of Sponsor, shall be binding on the Condominium Board.

4. After the issuance of a permanent certificate of occupancy, subject to obtaining the consent of the Condominium Board, which shall not be unreasonably withheld, conditioned or delayed, a Unit Owner shall have the right to combine their respective Units with other adjacent Units and to change the use of such Unit, provided that such use is then permitted under applicable zoning regulations and is not prohibited by the Declaration and By -Laws. In exercising such right, the Unit Owner shall obtain the consent of Sponsor (if Sponsor owns any Unsold Units) and the Condominium Board for any alterations that may be required to effectuate such change, to the extent that such consent is required pursuant to Paragraphs 1-4 above. Further, the Condominium Board shall, at the expense of the Unit Owner requesting same, promptly execute, acknowledge and deliver such amendments to the Declaration and Floor Plans as may be reasonably required to reflect the combination of one or more Units with another Unit. Notwithstanding the foregoing, the Condominium Board shall execute such documents as may be requested by Sponsor to reflect the combination of Units without cost to Sponsor. For the avoidance of all doubt, neither Sponsor nor any Unsold Unit Owner shall be required to obtain the consent of the Condominium Board for any alteration, addition or improvement.

5. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances, (certificates for which shall be delivered to the Condominium Board prior to the commencement of construction), that any additions shall be maintained in their entirety by said Unit Owner (who shall also be responsible for any repairs, including structural repairs, to such addition under all circumstances, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration). Such approval shall further provide that the Unit Owner shall reimburse the Condominium Board for any out-of-pocket expenses incurred by the Condominium Board in connection with the granting of such approval and in connection with any services provided to such alteration. The Unit Owner shall sign an alteration agreement to the effect of the foregoing and incorporating such other terms as the Condominium may require.

6. No Unit Owner may alter or improve a Limited Common Element without the consent of the Condominium Board.

7. The Condominium Board and managing agent (if any) shall have a right of access, upon reasonable notice and at reasonable times (except in an emergency, in which case no notice

shall be required), to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements or Limited Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements or Limited Common Elements or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purpose permitted by the By-Laws.

8. All alterations are subject to the Regulations of the Condominium regarding the time and manner of performance, security, insurance, responsibility for interruption of services, and liability for future repairs. Unit Owners may be required to execute an Alteration Agreement incorporating such terms, which agreement may be recorded and will bind future owners of the Unit.

9. The consent of the Condominium Board is not required in order for the Sponsor to make alterations or additions to Unsold Units, whether or not such alterations are structural or nonstructural, ordinary or extraordinary, so long as they do not materially Adversely Affect the structure or utility systems of the Building. The Condominium hereby appoints the Sponsor as its attorney-in-fact, coupled with an interest, to execute such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration, and grants to the Sponsor an easement of access, ingress and egress to make any such alterations.

**Use of Limited Common Elements**.

Certain Units have yards, gardens or terraces adjacent to and appurtenant to them. These areas are deemed Limited Common Elements and the use thereof is reserved for the exclusive use of the respective Unit Owner. The Condominium Board may set reasonable rules and regulations which govern the use of all Limited Common Elements. The location and dimensions of such areas are detailed on the floor plans attached in Part II of the Plan.

The use of the Limited Common Elements by Unit Owners is governed by the terms of the Declaration and By-Laws, including the following:

No alteration or improvement may be made to the Limited Common Elements without the consent of the Condominium Board, including alterations (such as decking) which do not require the consent of the Building Department or other City agency. Certain improvements may also require the consent of the Building Department. The Condominium Board must approve any application to such agencies.

All alterations are subject to the Regulations of the Condominium regarding the time and manner of performance, security, insurance, responsibility for interruption of services, and liability for future repairs. Unit Owners may be required to execute an Alteration Agreement incorporating such terms, which agreement may be recorded and will bind future owners of the Unit.

The Condominium Board will have the right to enter any Limited Common Element for the purpose of inspecting or making repairs to the General Common Elements. The Unit Owner will be responsible for removing all personal property or improvements to a Unit in order to provide such access, at his or her expense.

Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Condominium Board at the expense of the Unit Owner having direct and exclusive access, if the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of leaks) or (b) the Unit Owner having direct and exclusive access to the Limited Common Element, at his sole cost and expense, if involving nonstructural or ordinary Repairs. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board.

**Insurance**

1. By The Condominium. The Condominium Board shall obtain and maintain, to the extent obtainable, the following insurance: fidelity insurance covering all officers, Board members, employees and the managing agent or agents who handle funds of the Condominium; fire insurance with extended coverage, water damage, vandalism, and malicious mischief endorsements, insuring the common elements of the Condominium and personal property owned by the condominium association, and the sheetrocked boundary walls and ceilings of individual units (but not including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built-ins (such as kitchen cabinets), fixtures to the point that they connect to the building systems within the walls, furniture, furnishings, or other personal property of Unit Owners), together with all heating, central air conditioning and other service machinery contained therein (except for any such machinery supplied or installed by individual Unit Owners), covering the interests of the Condominium, Condominium Board, and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to such loss payment provisions in favor of the Condominium as the Condominium Board may determine. All such policies shall provide that adjustment of loss shall be made by the Condominium Board. The specific amounts of coverage are noted in footnote 8 of Schedule B.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive public liability insurance in such limits as the Condominium Board may determine from time to time, insuring the Condominium, the Condominium Board, the

managing agent, and each Unit Owner (to the extent any such person is acting on behalf of the Condominium) against claims for bodily injury, personal injury and property damage by any other person. To the extent obtainable at commercially reasonable rates, such public liability coverage shall also cover cross -liability claims of one insured against another. Such coverage will not apply to occurrences within a Unit except to the extent due to the negligence of the Condominium or an agent thereof, and except to the extent not otherwise covered by a Unit Owner's own insurance.

2. By Unit Owners. All Unit Owners shall carry insurance commonly known as "condominium homeowners insurance" insuring the Unit Owner against damage to those portions of their Units not covered by the Condominium's insurance, including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built - ins (such as kitchen cabinets), fixtures to the point that they connect to the building systems within the walls, furniture, furnishings, or other personal property of Unit Owners), and against liability for claims for personal injury or property damage arising out of their acts or omissions. All such insurance shall be carried by a company licensed to do business in the State of New York and shall contain waivers of subrogation for property damage claims against the Condominium, its agents or employees. To the extent obtainable, such insurance shall name the Condominium and its managing agent as additional insureds. The Condominium Board may establish minimum amounts and maximum deductibles for all such insurance from time to time. Unit Owners shall provide a certificate evidencing such insurance when they take title to their Units and thereafter upon request by the Condominium. To the fullest extent permitted by the law, each Unit Owner releases the Condominium from liability for damage to those portions of his Unit not expressly covered by the Condominium's insurance, and to his personal property, for any reason. If any such damage would be covered by insurance maintained by the Unit Owner under this Section, and if for any reason the Unit Owner is not carrying such insurance, the Unit Owner shall be deemed to have breached the By -laws of the Condominium and the Condominium shall have all legal rights at law or in equity against the Unit Owner to be defended, held harmless and indemnified against loss (including reasonable attorneys' fees) as a result of such failure.

**Miscellaneous**.

The Sponsor is not required to obtain the approval of the Condominium Board or meet requirements imposed upon the Unit Owners in order to exercise a number of rights described in the By -Laws, including, but not limited to: (i) the right to use a Unit as a model and display "For Sale", "For Rent", or "For Lease" signs, or similar signs provided any such sign is not an eyesore; (ii) the right to alter a Unit without obtaining the prior consent of the Condominium Board (but only in accordance with the other terms of this Plan); and (iii) the right to amend the Declaration without a vote for the sole purpose of filing the floor plans as required by Section 339-p of the Real Property Law of the State of New York and (iv) the right to transfer a Unit without offering the Unit Owners the right of first refusal. For as long as the Sponsor or its designee own title to one or more Units, the Regulations of the Condominium, By -Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee give their written consent to such an amendment.

**PROSPECTIVE PURCHASERS OR THEIR ATTORNEYS OR ADVISORS SHOULD REVIEW THE BY-LAWS, DECLARATION AND OTHER IMPORTANT DOCUMENTS SET FORTH IN PART II OF THE PLAN.**

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## U. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Unit will be separately assessed. The estimated monthly costs and charges to be incurred by the owner of each Unit in the first year in which the property will be fully subject to real estate taxes together with the estimated insurance costs for the fire and liability insurance on each Unit and the monthly mortgage and other carrying costs are set forth on Schedule A. Once units are separately assessed for real estate taxes, each Unit Owner will be responsible only for payment of the tax bill attributable to each Unit Owner's Unit, and will not be responsible for paying the tax bill attributable to any other Unit. Likewise, with separate assessments, one Unit cannot be subject to a tax lien arising out of another Unit Owner's failure to pay taxes due on that other Unit Owner's Unit.

If separate tax assessments have not been made for individual Units prior to the closing of title to a Unit, Sponsor will collect from each Purchaser at closing, and will place in escrow in a separate account established by the Sponsor for that purpose, an amount equal to the Unit's estimate proportionate share (based on the Unit's percentage of common interest allocated to the Unit) of the real estate taxes projected to be due for the entire Property for the half of the tax year next commencing after the closing of said Unit (i.e. for either the first half of second half, depending on when the Unit closes), based on the method of allocation described above. If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, Sponsor shall collect at closing Purchaser's proportionate share of taxes for the upcoming half and shall deposit the same in the account described above. With respect to the balance of the estimated taxes due for the next applicable tax period, the Condominium Board is authorized by the By-Laws, and shall be obligated to collect monthly escrows from Unit Owners with their Common Charges based upon the estimated tax bill for the entire Property and the then current tax rate and deposit same in the tax escrow account. At the time taxes are due and payable, Sponsor shall pay out of Sponsor's own funds, Sponsor's proportionate share of the Property tax bill allocable to the Unit(s) Sponsor then owns, based on the allocation method described above, and the Condominium Board shall be obligated to cause the release to Sponsor of the appropriate amount of escrowed tax funds in the tax escrow account for Sponsor's use in paying the share of taxes attributable to Units that have been sold and closed to other Unit Owners.

If the actual taxes due for any period for which Sponsor collected escrows are higher than the amount collected and held in escrow, the Condominium Board shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a Special Assessment. Sponsor will remain liable for all real estate taxes attributable to Sponsor's Units until Sponsor sells and conveys those Units. If any Unit Owner fails to pay a Unit's pro rata share of real estate taxes when due, by Common Charge billing, special assessment billing, or both, the Condominium Board will have a lien on such Unit for non-payment thereof, as if such charges were Common Charges.

Pursuant to a preliminary certificate of eligibility dated February 9, 2017, Sponsor has applied for Real Estate Tax exemption benefits in accordance with Section 421-a of the Real Property Tax Law. The Attorney General has recently issued a memo dated June 24, 2014 regarding disclosure of requirements and obligations of Sponsors and Unit Owners in

Condominiums where the Sponsor has applied or plans to apply for benefits under §421-a of the N. Y. Real Property Tax Law. In response to the memo, Sponsor makes the following disclosures:

(a) The building situated at 844 Quincy Street, Brooklyn, New York, is not located in the statute's geographic exclusion area and as such, Sponsor does not need to comply with the statute's requirements for affordable units.

(b) The buildings are exempt from the prevailing wage requirement for Building Service Employees (as defined in N.Y. Real Prop. Tax Law §421-a[8](a)(i)) because the building contains less than fifty (50) residential units.

(c) Sponsor intends that the buildings shall be exempted from the statutory obligation to register the units as rent-stabilized by reason of its condominium status.

(d) Sponsor has not rented/will not rent any residential units to any person [other than an interim lessee] prior to the Plan being consummated, and therefore Sponsor is not obligated to abandon the offering plan in accordance with the provisions of 13 N.Y.C.R.R. §§ 20.1(1)(2) and 20.5(g). If the Sponsor does rents any residential unit, other than pursuant to an interim lease, prior to consummation, the Sponsor will in such event be obligated to abandon the offering plan in accordance with the provisions of 13 N.Y.C.R.R. §§ 20.1(1)(2) and 20.5(g). In addition, the Sponsor will be obligated to inform HPD of its intent to operate as a rental building; and all units will be subject to rent stabilization.

(e) The buildings will be eligible for a fifteen (15) year 421-a tax abatement pursuant to a preliminary certificate of eligibility, assuming the project is completed within thirty-six (36) months from the start of construction.

(f) Sponsor will have fifteen (15) months from the date of issuance of a final certificate of eligibility from the New York City Department of Housing Preservation and Development ("HPD") to declare its Plan effective.

(f) Sponsor will use its best efforts to ensure that the tax benefits obtained will remain in effect for the duration of the benefits period including the timely compliance with all procedures required to maintain the benefits. Upon closing, the Sponsor will make all documents available to the Condominium Board for inspection and copying for the duration of the benefits.

(g) If, prior to consummation of this Plan, the Sponsor rents any Residential Unit (or any portion thereof) to any person other than an interim lessee, Sponsor shall be obligated to abandon this Plan in accordance with the provisions of 13 N.Y.C.R §20.1(l)(2) and §20.5(g). Additionally, Sponsor must inform HPD of its intent to operate as a rental building and all units will be subject to rent stabilization.

Purchasers may obtain more information about the § 421-a application process, tax benefits, and requirements associated therewith at:

http://www.nyc.gov/html/hpd/html/developers/421a.shtml.

Note that because this project commenced prior to December 31, 2015 the new rules of construction regarding 421-a tax benefits do not apply

Per the amended Rules & Regulations, only a portion of an apartment's billable exempt Assessed Value is eligible for the 421-a tax exemption. The value of a unit above this threshold ("AV cap") is ineligible to receive benefits. For units with an exempt Assessed Value above this Assessed Value cap, owners will pay taxes on the portion of Assessed Value above the cap, but still receive tax benefits on the portion of Assessed Value below the cap. The Assessed Value cap was originally set at $65,000 per unit, however the amount has been increased by 3%, compounded annually, on each taxable status date following August 17, 2008, the first anniversary of the effective date of the State Law. As of tax year 2018/2019 the Assessed Value cap rate is $87,355.

The real estate tax estimates set forth in Schedule A are based on the opinion letter from Metropolitan Realty Exemptions, Inc., 118 Middleton Street, Brooklyn, New York 11206 ("MRE"), using the Class 2 tax rate for the 2018/2019 tax year of $12.719 per One Hundred Dollars ($100.00) of assessed valuation. Based on the expert's letter, the New York Department of Finance estimated assessed value of the property for the 20l8/2019 tax year following completion of construction, is estimated to be $397,867.00 approximately. Using the foregoing estimate of assessed value, assuming a residential tax rate 12.719% (i.e., $12.719 per $100 of assessed value, the final 2018/19 tax rates), the total real estate tax liabilities due, will be approximately as follows.

Tax liability without 421-a benefits
Total Assessed Value $397,867.00
Total Tax Liabilities $50,604.70

Tax liability with 421-a benefits
Total Assessed Value $13,285.00
Total Tax Liabilities $1,689.72

Sponsor will use its best efforts to obtain the Section 421-a tax benefits and will file all necessary papers to secure final approval. Although Sponsor anticipates obtaining the 421-a tax benefits, Sponsor makes no guarantee that the Section 421-a tax benefits will be granted or if granted when the abatement will commence. As a result, Purchasers may be required to pay real estate taxes for a period of time without the 421-a benefits. Schedule A of the Offering Plan reflects the estimate real estate taxes for each Unit both with and without the Section 421-a benefits. If approved the 421-a benefits would not be reflected on a Unit Owner's tax bill for approximately 10-12 months from the date of approval. No warranty is made that the actual assessed valuation or the assessed valuation for the Property with Section 421-a benefits will be as projected herein, that the projected tax rate will be in effect for all or any portion of the Property during the first year of Condominium operation, or that the real estate taxes will be allocated among Units in proportion to the relative value of their Unit, or that the percentage of the exemption will be as reflected on

Schedule A. In no event will Sponsor, Sponsor's counsel, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of such exemption and the resulting taxes differ from those projected.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED.

There is no assurance the taxing authority will allocate taxes based on relative apartment size, apartment height, and unit-specific features, as provided in the analysis by MRE. It is therefore possible that owners of Units having the same percentage of Common Interest will pay different amounts of real estate taxes.

No representation or warranty can be made as to (a) whether there will be (i) further increases in the actual valuation of the Property during the projected budget year or (ii) an increase in the assessed valuation of the Property by reason of the condominium conversion or otherwise, or (b) the method of determining the assessed valuation, or (c) the amount of any increase in the assessed valuation of the Property.

The Condominium Board shall have the right accorded to condominium boards of managers in Section 339-y of the Condominium Act, on behalf of and as agent for any Unit Owner who has given written authorization to the Condominium Board, to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Unit, as set forth in the By-Laws. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom. The Condominium Board may retain legal counsel on behalf of Unit Owners for which it is acting as agent and charge all such Unit Owners a pro-rata share of expenses, disbursements, and legal fees, for which charges the Condominium Board shall have a lien as if for Common Charges, pursuant to Section 339-z of the Condominium Act. If any Unit Owners seeks individually to have the assessed value of said Owner's Unit reduced, by bringing a separate tax certiorari proceeding, the Condominium Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction, provided such Unit Owner indemnifies the Condominium Board and all other Unit Owners from all costs, claims and expenses (including, without limitation, reasonable attorney's fees and expenses), resulting from such proceedings.

As of May 2018, no tax certiorari proceeding are pending on the premises.

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Metropolitan Realty Exemptions, Inc.
**118 Middleton Street Brooklyn, NY 11206**
**Telephone: (718)387-3004 Facsimile: (718)228-3503**
**Email: martin@mretax.com**

March 22, 2018

844 Quincy St LLC
124-04 Metropolitan Avenue
Kew Gardens, NY 11415

RE: 844 Quincy Street
Brooklyn, NY
**Block & Lot: 1633 - 24**
Seven (7) Residential Condo Units

Opinion Letter Regarding 421-a Real Estate Tax Exemption Benefits and Tax Liabilities

Dear Sir:

You have requested us to advise you with an opinion regarding the eligibility and extent of real estate tax exemption benefits, available to the above captioned premises (the "Site"), pursuant to Section 11-245 of the Administrative Code of the City of New York and §421-a of the New York State Real Property Tax Law (a/k/a "421-a Program").

The real estate tax benefits available to eligible properties under Section 421-a are as follows:

- During the period of construction, which will not exceed three years, multiple dwellings, which have met all requirements of Section 421-a and the regulations and have received a Preliminary Certificate of Eligibility, shall be exempt from real property taxes, other than assessments for local improvements, upon any increase in assessed valuation attributable to construction over the prior assessed valuation (the assessed valuation in effect during the tax year preceding the commencement of construction), provided that taxes shall be paid in each tax year in which full or partial exemption is in effect.

- After the first taxable status date immediately following the completion of construction, any increase in assessed valuation over the prior assessed valuation of eligible multiple dwellings which have received a Final Certificate of Eligibility shall be exempt from real property taxes, other than assessments for local improvements, for either ten, fifteen, twenty or twenty-five consecutive tax years. In addition, full taxes must be paid on the prior assessed valuation.

Please be advised that the City Agencies have amended the 421a Rules & Regulations to expand the 421-a geographic exclusion area (GEA). Developments in the GEA are required to provide 20% onsite affordable housing or Negotiable Certificates in exchange for receiving 421-a tax benefits. According to the amended Rules & Regulations, the subject premise is **not** located within the Geographic Exclusion Area (GEA).

**Abated Assessed Value Cap**
Additionally, as per the amended Rules & Regulations, only a portion of an apartment's billable exempt Assessed Value is now eligible for the 421-a tax exemption. The value of a unit above this threshold ("AV cap") is ineligible to receive benefits. For units with an exempt Assessed Value above this Assessed Value cap, owners will pay taxes on the portion of Assessed Value above the cap, but still receive tax benefits on the portion of Assessed Value below the cap. The Assessed Value cap was originally set at $65,000 per unit, however the amount has been increased by 3%, compounded annually, on each taxable status date following August 17, 2008, the first anniversary of the effective date of the State Law. As of tax year 2018/2019 the Assessed Value cap rate is $87,355.

To illustrate the aforementioned, see the following example. In the event of unit with an Assessed Value of $95,000, the 421a benefits will abate the initial $87,355 in Assessed Value and the remaining will $7,645 will be billed as regular unabated tax liabilities.

**Tax Abatement Eligibility**
In this instant, after the completion of construction as described above, any increase in the properties assessed valuation, resulting from the construction of the building will be exempt from taxation for a period of fifteen years, with 100% exemption for eleven years followed by a 20% phase-out in each of the succeeding four years. The current assessed value is not to be exempt from real estate taxes.

Furthermore, please be advised that the assessed valuations of the various units are determined by the Real Property Assessment Department of the New York City Department of Finance. The tax rate is determined by the New York City Council who publishes the rate annually, usually in June.

In rendering this opinion, we have relied upon the following facts and assumptions that were confirmed to us by you:

1. Based upon information received from you and your architect, one multiple dwelling building will be constructed, with a total of 7 residential condo units;

2. The building will be constructed substantially in accordance with the plans and specifications approved by the New York City Department of Buildings, and comply with the requirements of section 421-a, the Regulations, and HPD is notified of any modifications to plans for the building or the "sell-out" price;

3. The temporary and final Certificates of Occupancy, and the Preliminary and Final Certificates of Eligibility, will be filed with the appropriate New York City agencies during the appropriate time periods;

4. An application for Preliminary Certificate of Eligibility for 421-a benefits will be filed after the commencement of construction but prior to the issuance of either a Temporary Certificate of Occupancy for all residential areas or a Permanent Certificate of Occupancy upon prescribed forms and applications prepared by the New York City Department of Housing Preservation and Development;

5. An application for Final Certification of Eligibility for 421-a benefits will be filed prior to the occupancy of the building, but no earlier than the date of the application for a Preliminary Certificate of Eligibility. Additionally, the application must be completed within ninety (90) days

following the issuance of the Permanent Certificate of Occupancy or the Temporary Certificate of Occupancy covering all residential space;

6. The premises, or any portion thereof, was "underutilized" (pursuant to the provisions of Section 421-a) 36 months prior commencement of construction;

7. Neither the Building nor any part thereof shall be used as a hotel or for single room occupancy as defined in the Rules Section 6-01(c);

8. The building will be substantially used for dwelling purposes for a period of at least fifteen years following its completion;

9. There will be no real estate taxes, water or sewer charges or payments in lieu of taxes due and owing as of the last day of the tax quarter preceding the submission date of the application to the Department of Finance, or at any time during the application process or the benefit period;
10. All records requested by the New York City Department of Housing Preservation and Development, pursuant to the regulations, will he provided;

Based upon the foregoing information furnished to us by you and your architect, and subject to your timely completion of work and filing of all documentation pursuant to Section 421-a of the Real Property Tax Law and applicable rules and regulations as is required to obtain the benefits thereof, and assuming presently applicable Section 421-a provisions apply, it is our opinion that:

- The premise will be eligible for partial real estate tax exemption under Section 421-a, during the period of construction and after completion of construction, as outlined above.

- All Section 421-a partial real estate tax benefits may be revoked or reduced if the application misstates or omits to state a material fact and/or for non-payment or underpayment of taxes and for certain other reasons.

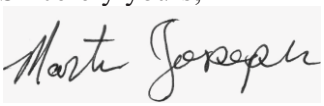
**Real Estate Taxes**
The total assessed value of the property (i.e., the aggregate assessment of all units) for tax year 2018/2019 is $397,867. Using the foregoing estimate of assessed value, assuming a residential tax rate 12.719% (i.e., $12.719 per $100 of assessed value, the final 2017/2018 tax rate), the total real estate tax liabilities due, will be approximately as follows.

| **Tax liability without 421-a benefits** | |
|---|---|
| | |
| Total Assessed Value | $397,867.00 |
| Total tax liabilities | $50,604.70 |
| | |
| **Tax liability with 421-a benefits** | |
| | |
| Total Assessed Value | $13,285.00 |
| Total tax liabilities | $1,689.72 |

You are advised that this projection is an estimate, as it is unlikely that the post-construction assessed value or tax rate will remain constant for the 15 year Section 421-a exemption period. Thus, the actual assessment and real estate tax for each Unit may be more or less than the Unit's proportionate share of the total assessment and tax amount shown.

This letter was prepared at the Sponsor's request. However, we make no representation that Section 421-a benefits will be obtained if any items in the application are not true, or if the assumptions above listed are incorrect, or if the 421-a law, either statutory or decisional, or 421-a rules and regulations, or present interpretations are modified or changed at the time the construction of the building are completed.

Sincerely yours,



Martin Joseph
*Metropolitan Realty Exemptions, Inc.*

## W. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its attorneys, Mavrides Moyal Packman & Sadkin, LLP, 276 Fifth Avenue, Suite 404, New York, New York 10001 that for Federal income tax purposes, under Sections 163 and 164 of the Internal Revenue Code of 1986, as amended, a Unit Owner will be entitled to a deduction for interest paid or accrued with respect to any mortgage indebtedness encumbering the Unit(s) and for real estate taxes paid or accrued with respect to the Unit. It is also the opinion of Sponsor's Counsel that each Unit Owner for New York State and New York City income tax purposes, will be entitled to a deduction equivalent to that which is allowed for Federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year.

It should be noted, however, that such deductions may be limited if (among other events): (i) the Unit is not occupied by the Unit Owner as his or her first or second home; (ii) mortgage indebtedness exceeds the purchase price of the Unit (plus the costs of any improvements thereto); (iii) the Unit is utilized for professional or business use or for the production of income; and/or (iv) the Unit Owner is subject to Alternative Minimum Tax.

Specific exemptions from real estate taxes may be available for veterans, senior citizens, or government rebate programs. Purchasers are advised to consult their attorneys to determine if this or any other exemption may be available to them. All Purchasers are advised to consult with their counsel to determine their tax liability for the particular circumstances.

It is the opinion of Sponsor's Counsel that a Residential Unit Owner who itemizes his/her deductions and whose Unit is used by him/her for residential purposes will, for Federal income tax purposes, be entitled to a deduction limited to $10,000.00 ($5,00.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his/her Unit in the year paid under Section 164 of the Code. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit owner may deduct for real estate taxes and state and local income taxes combined is $10,000.00 ($5,00.00 in the case of a married individual filing a separate return). Though the foregoing limitation is in effect as of the date of filing of the Plan, neither the Sponsor nor Sponsor's Counsel make any representation as to whether the same will be in effect, or what the Internal Revenue Code or state or local tax code will provide, at any time in the future, as such applicable law is subject to change without notice.

Each Unit Owner's proportionate share of the income received by the Condominium Board will either be includable by the Unit Owner as taxable income for Federal and New York State income tax purposes or taxed on the Condominium itself. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge. In such event this additional Common Charge may also be subject to tax.

Under Section 528 of the Internal Revenue Code, a Condominium may be eligible to be exempt from taxation on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. One of the requirements to be met is that at least eighty -five percent (85%) of the total square footage of the Units must be used by individuals as residences or (if unoccupied) zoned for individuals as residences. As currently used, the Condominium meets this criterion and therefore, the Condominium may elect to be taxed as a homeowners association under Section 528.

The Sponsor remains obligated to revise and/or update the Plan by amendment to disclose any new law, regulation, or policy that may be new or revised while sales activity is being conducted.

The opinion of Sponsor's Counsel is not a guarantee. It is based upon existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which Counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's Counsel, the Condominium Board, the selling agent, managing agent (if any) or any other person be liable if the Unit Owners cease to meet the requirements of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, if there are changes in the facts on which Counsel relied in issuing its opinion, or if there are changes in the applicable statutes or regulations. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this Plan addressing taxes without first consulting a tax expert.

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## X. COUNSEL'S TAX OPINION

May [ ], 2018

The 844 Quincy Street Condominium
844 Quincy Street, Brooklyn, New York

Re: Offering Plan for The 844 Quincy Street Condominium
Premises: 844 Quincy Street, Brooklyn, New York

Gentleman:

You have requested our opinion with regard to (i) certain income tax matters relating to the Offering Plan (the "Plan") of The 844 Quincy Street Condominium (the "Condominium") including specifically the availability of certain deductions for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the offered Units for their own residential use pursuant to the above referenced Plan and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended the ("Code"). This opinion does not address the tax consequences of ownership of Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of (i) ownership of any Unsold Units or any Unit that is used for commercial or mixed residential/commercial purposes or (ii) any rebates or other payments that may be made, or benefits provided, to Unit Owners.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined schedules, exhibits and documents accompanying the Plan, including the Declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Laws, the New York City Administrative Code, the regulations promulgated thereunder and such other material as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of the Units will acquire their Units and that the relevant facts are as set forth therein.

In our opinion under present law, subject to the limitations discussed in the following paragraph and subject to limitations imposed on the deduction of itemized deductions, interest on a mortgaged secured by a residential unit paid or accrued by the owner of such residential unit who is liable for the interest payment on such mortgage and who uses the residential unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounts, provided that he itemizes his deductions. In rendering this

opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by a Unit Owner to purchase the Unit, that the residential unit is the owner's principal residence and that the residential Unit owner is an individual.

A condominium under New York state law is not a corporation but an unincorporated association ("Association"). We have been requested to opine as to whether the Association will be eligible to qualify as a tax-exempt organization for federal tax purposes. In order for the Association to qualify as an exempt organization for federal tax purposes under Section 528 of the Internal Revenue Code, it must meet the following six (6) conditions:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Association's property.

2. Sixty percent (60%) or more of the Association's gross income for the taxable year must be solely derived from amounts received as payment of dues, assessments or fees from the Unit Owners.

3. Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be made for the acquisition, construction, management, maintenance and care of the Association's property.

4. No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than by a rebate of excess membership dues, fees or assessments.

5. The Association must qualify as a "condominium management association" which is an organization meeting the requirements of condition (1) above with respect to a Condominium substantially all of which units are used by individuals for residences.

6. The Association must properly and timely elect to have Section 528 of the Internal Revenue Code apply for the taxable year.

A condominium management association is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance and care of a condominium, provided substantially all of the units are used by individuals for residences. "Substantially all" of the units will be considered used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all units within the project is used, or is intended to be used by individuals for residential purposes or purposes auxiliary to residential use such as storage rooms, laundry and areas used by maintenance personnel.

You have advised us that more than 85% of the total square footage of the Premises will be used for residential purposes. Therefore, the "substantially all" test should be deemed met, at least initially.

Our review of the Condominium Documents referred to above indicates that the Association meets all organizational tests described above to qualify for the exemption. Assuming the Plan is consummated as contemplated in the Plan and the Association actually meets the other tests set forth above in its operations, it is our opinion that the Association will be eligible to elect tax-exempt status under Section 528 of the Code. If such exempt status is properly and timely elected, then it is our opinion that the Association will not be subject to federal income tax for the taxable years in which such election is in effect, except as noted below.

A timely and effective election under Section 528 of the Internal Revenue Code will exempt from federal income tax all amounts received by the Association income meeting the requirements of condition (2) above. An effective election will exempt from federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from Unit Owners. However, the Association will be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. If the Association fails to qualify for or properly and timely elect treatment under Section 528 of the Code for a taxable year, its status for tax purposes is unclear. It is possible that in such event the Association may be subject to federal income taxation as a corporation or partnership for federal income tax purposes.

This opinion only relates to the specific tax matters discussed above which do not necessarily comprise all tax matters that may be of significance to prospective purchasers. We express no view as to any Federal, New York State or New York City tax consequences other than as explicitly discussed in this opinion or as to the tax status or tax consequences of the Plan under the laws of the United States or any foreign jurisdiction. Therefore, it is strongly recommended that each prospective purchaser of a Unit consult with his or her own tax advisor concerning the Federal, New York State and New York City tax consequences of the purchaser and ownership of a Unit in the Condominium.

In no event will the Sponsor, Sponsor's counsel, the Condominium Board, counsel to the Condominium Board or any other person be liable if by reason of changes in fat or applicable law, regulations decisional law or Internal Revenue Service rulings, the tax consequences described above should change. No warranties are made that the tax laws upon which counsel bases this opinion will not change and no one else has been authorized to make any representations other than those contained herein.

In our opinion, the condominium will be eligible for tax-exempt status, if it elects such status, and Unit Owners will be entitled to income tax deductions (or the unit owners will be eligible for real estate tax benefits described above). However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Condominium Board, the Selling Agent or any person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or internal revenue service rulings on which counsel relied which cause the condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, and cause the unit owners not to be entitled to income tax

deductions (or which cause unit owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above).

Notwithstanding the foregoing, on January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Accordingly, the tax information and projections disclosed in this Plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes. Purchasers should not rely on any representations in this Plan addressing taxes without first consulting a tax expert.

This opinion has been prepared with knowledge that it will be incorporated into the Plan.

Sincerely,

Mavrides Moyal Packman & Sadkin, LLP

## Y. RESERVE FUND

A reserve fund will be established in the budget. This item is to provide for possible increases in one or more items of operating expenses above the amounts projected or for unanticipated expenses. The basis of the figure projected for this item is approximately ten percent (10%) of the entire budget. In New York City, this fund may only be used for major capital replacement work. At this time the Sponsor has no knowledge of any capital improvements that may have to be made during the first five years of condominium operation. While the Sponsor is in control of the Condominium Board, the reserve fund may not be used to reduce projected common charges in the plan.

This fund is not intended to pay for repairs or capital improvements. There is a separate line item of 6,463.00 for "Repairs and Maintenance". These funds are to be used for the maintenance and repair of the Common Elements of the Condominium.

No representation is made that the reserve fund will be adequate for future replacements of common elements or capital expenditures. If additional funds are required over and above the reserve fund, it may be necessary to increase the maintenance charges or common charges payable to Unit Owners or to collect a special assessment from each Unit Owner in accordance with its percentage of common interest.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the Reserve Fund.

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## Z. WORKING CAPITAL FUND

The Sponsor, as agent of the Condominium Board, will collect from each original purchaser at the time of the Closing an "Initial Capital Payment" equal to two (2) months' estimated common charges for each unit. The Sponsor will deliver the funds so collected to the Condominium Board to provide the necessary working capital for the Condominium.

The Sponsor will not be obligated to make any contribution to the Working Capital Fund, except to the extent it is funded by payment of Common Charges. Such funds may be used for certain prepaid items, organizational costs, and for such other purposes as the Condominium Board may determine and may be replenished as the Board sees fit. While Sponsor is in control of the Condominium Board, the Working Capital Fund will not be used to reduce Common Chargers. The Condominium Board will be able to utilize the money in the Working Capital Fund at any time and accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time; provided however, that in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributed to unsold Units. NO REPRESENTATION IS MADE THAT THE INITIAL WORKING CAPITAL FUND WILL BE ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS, AND IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THE INITIAL CAPITAL FUND, IT MAY BE NECESSARY FOR THE CONDOMINIUM BOARD TO INCREASE THE CHARGES.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE INITIAL WORKING CAPITAL FUND OR THE PHYSICAL CONDITION OF THE BUILDING.

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## AA. MANAGEMENT AGREEMENT, CONTRACT AND LEASES

Sponsor has not entered into any management contract to provide for management of the Condominium. The Condominium shall be self-managed. Among other things, Unit Owners shall be responsible for (i) billing and collecting Common Charges payable by Unit Owners; (ii) causing Common Elements to be operated, maintained, repaired and altered, as it shall deem necessary or advisable; (iii) contract of necessary services; (iv) purchasing all necessary supplies; (v) checking all bills received in connection with the operation of the Condominium and causing all such bills and other expenses to be paid; (vi) preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expense for the ensuring year for the Condominium; (vii) maintain accurate sets of books for the Condominium Board (other than books of account maintained by the Condominium Board's accountant; and (viii) generally, attending to the various needs and comforts of Unit Owners.

No representation is made as to the costs, terms or availability of a managing agent in the event the Condominium Board decides to hire one in the future.

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## BB. IDENTITY OF PARTIES

**Sponsor**

The Sponsor of this Plan is 844 Quincy Street Partners, a limited liability company organized under the laws of the State of New York, with an address of 188 Ralph Avenue, Brooklyn, New York 11233. The principal of the Sponsor is Guy Iber, having an office at 14320 Hoover Avenue, Jamaica, New York 11435. Mr. Iber is a real estate entrepreneur with over 15 years of experience in the New York real estate market, and over 100 projects successful marketed and sold in Brooklyn and Queens. Additional members of the Sponsor who own or control 10% or more of the Sponsor are, Boaz Yosef Tsur, Daniel Goldberg, and Shai Grinberg (collectively, the "Additional Members").

Neither the Sponsor nor the principal of the Sponsor, nor any of the Additional Members of the Sponsor have any prior felony convictions, injunctions, judgments, or bankruptcies which are material to the Plan or an offering of securities generally and that occurred within the last fifteen (15) years prior to submission of the proposed Offering Plan. The Sponsor and it principals have had no prior offerings, other than set forth below, nor have they had any prior experience as a selling agent. The Sponsor and principal of the Sponsor are current on their financial obligations to any of the listed properties in which they own 10% or more of the unsold units. The Additional Members do not own or control 10% or more of any other sponsor in which the sponsor owns 10% or more of the unsold units.

| **Principal** | **Plan** | Address | File Number |
|---|---|---|---|
| Guy Iber | The 347 Gates Avenue Condominium | 347 Gates Avenue Brooklyn, New York 11216 | CD-16-0227 |

The principal of the Sponsor is current on in its financial obligations for the offering plans listed. Neither the Sponsor nor the principal of the above referenced Sponsor has had any bankruptcies material to this offering in the last fifteen (15) years.

**Selling Agent**

The Sponsor has retained Brown Harris Stevens Residential Sales LLC, a licensed real estate brokerage company with an office at 445 Park Avenue, 11th Floor, New York, New York 10022, as the Selling Agent. The Selling Agent has experience in the sale of Condominium Units. Neither the Selling Agent nor its principals have any financial interest in the Property or the Sponsor, except that they will be paid a fee for services. Neither the Selling Agent nor its principal has had any prior felony convictions, injunctions, judgments, or bankruptcies material to this offering in the last fifteen (15) years.

**Managing Agent**

There will be no managing agent for the Condominium. The Condominium will be self-managed.

**Attorney for Sponsor**

The Sponsor has retained the law firm of Mavrides, Moyal, Packman & Sadkin, LLP with an office at 276 Fifth Avenue, Suite 404, New York, New York 10001 to represent it in the preparation and consummation of the Offering Plan, and the filing of any Amendments to the Offering Plan, the recording of the Declaration of the Condominium, and in connection with the sales and closings of the units, as Escrow Agent. The principal attorney who is responsible for the preparation of this Plan is Matthew D. Weinberger, Esq. Mavrides, Moyal, Packman & Sadkin, LLP has no financial relationship, past or present, in the Property or to the Sponsor, except that it is being paid a fee for its services.

The Condominium does not have independent legal counsel. IT IS SUGGESTED AND EXPECTED THAT EACH PURCHASER WILL CONSULT WITH AND BE REPRESENTED BY HIS/HER OWN COUNSEL IN CONNECTION WITH THIS OFFERING.

**Insurance**

The estimated insurance rates have been passed upon by GM Insurance Brokerage, having an address at 60 Rutledge Street, #208, Brooklyn, New York 11249. The aforementioned estimate has been included in this Plan in reliance upon the opinions of said agency and upon its authority as an expert, but the Sponsor has no knowledge that this estimate is not correct.

**Architect**

The Architect who prepared the report in Part II and who executed the Certification in Part II is ARC Architecture + Design Studio, 71-01 Austin Street, Suite 201A, Forest Hills, New York, by Robert Bianchini, R.A. ARC Architecture + Design Studio is experienced in the preparation of building plans for residential buildings. ARC Architecture + Design Studio has no financial interest in the Property, the Sponsor, the Condominium or any other party interest in this transaction, except for its fee for services rendered in connection with such report. Neither the Sponsor nor its principal thereof has any beneficial interest in ARC Architecture + Design Studio.

**Sponsor's Preferred Mortgagees**

The Sponsors Preferred Mortgagees are (i) Kimon Psihudakis, Chase Mortgage Banker, 633 Third Avenue, Ground Floor, New York, New York 10017, Direct: 212-622-5173, Cell: 516-606-2664, E-mail: kimon.a.psihudakis@chase.com; and (ii) Matthew Fox, Citizens Bank, N.A., 340 Madison Avenue, 22nd Floor, New York, New York 10173, Direct: 212-699-2909, Cell: 347-804-8045. Neither the Sponsor nor the Sponsors Attorney have a beneficial interest in either of the Sponsors Preferred Lenders. (See Section of the Plan entitled "Procedure to Purchase" for details).

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## CC. REPORTS TO UNIT OWNERS.

The Condominium Board shall furnish to all Unit Owners, their mortgagees and the Department of Law of the State of New York (if and when required by law) and shall present annually (at the annual meeting) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owners. The Condominium Board, at least annually, shall fix and determine the annual budget and send a copy of the budget and any supplement to every Unit Owner and mortgagee. The total annual requirement shall be assessed as a single sum against all Units and prorated against each of the Units according to the respective Common Interest apportioned to each Unit.

It is the obligation of the Condominium Board of the Condominium to give all Unit Owners annually:

(a) A financial statement of the Condominium prepared by a certified public accountant within four (4) months from the end of such fiscal year, which is the typical timeframe for a certified public accountant to review and compile financial statements for a Condominium of similar size and type in New York City; such statement shall be certified while the Sponsor is in control of the Condominium Board;

(b) A notice of the holding of the annual Unit Owners meeting, which is to be sent not less than ten (10) nor more than forty (40) days in advance of the meeting and which will identify the time and place where the meeting is to be held.

(c) A copy of the proposed annual budget of the Condominium within thirty (30) days from the end of such fiscal year prior to the date set for adoption thereof by the Condominium Board; such statement shall be certified while the Sponsor is in control of the Condominium Board.

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## DD. DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits and documents referred to herein shall be available for inspection without charge by prospective purchasers and by any person who shall have purchased a Unit offered under the Plan or shall have participated in the offering of such Unit, at the offices of Mavrides, Moyal, Packman & Sadkin, LLP, attorneys for the Sponsor, 276 Fifth Avenue, Suite 404, New York, New York 10001, during convenient weekday hours and shall remain available for inspection for a period of six (6) years from the First Closing. There will be a charge of forty cents ($.40) per page for copying any documents.

The Plan and all other exhibits and documents referred to herein shall also be available for inspection by appointment without charge by prospective purchasers and by any person who shall have purchased a Unit offered under the Plan or shall have participated in the offering of such Unit at the Department of Law, 28 Liberty Street, New York, New York 10005. There is a charge for copying any documents (at a current charge of $0.25 per page). In addition, a set of floor plans showing the layout, locations, and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit will be filed with the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the Register's Office prior to or concurrently with the First Closing and a copy of same will be provided to the Condominium Board. All deeds conveying, and all mortgages covering, individual Units will also be recorded in such office.

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## EE. GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of material fact and sets forth all of the material terms of the offer. This Plan does not contain a full summary of all of the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents.

There are no lawsuits or administrative or other proceedings, the outcome of which may materially affect this offering, the Property, the Condominium, the operation of the Condominium or Sponsor's capacity to perform its obligations under this Plan, which have not been disclosed herein.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that Sponsor will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, ancestry, disability, marital status, age or other grounds prohibited by law in the sale of Units offered by Sponsor pursuant to this Plan.

Sponsor reserves the right, from time to time, prior to the Closing Date, without obtaining the consent of Purchasers, to revise the terms and conditions on which the Units offered hereby are sold, including changes affecting the rights, obligations and liabilities of Purchasers. All material revisions will be contained in a duly filed amendment to this Offering Plan. If a material revision Adversely Affects the rights, obligations, or liabilities of existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements and to receive a refund of their down payment (with any interest earned thereon) within fifteen (15) days after presentation of the amendment.

This Property has not been the subject of any prior public offerings. Sponsor represents that no contracts or agreements have been entered into and no deposits or advances of funds have been accepted as of the date of acceptance for filing of this Offering Plan. All of the Units offered in this Offering Plan are vacant.

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## FF. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Description of Property Set forth in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Designation of Property.

Dated: May [__], 2018
New York, New York

**844 QUINCY PARTNERS LLC**
SPONSOR

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## GG. SECTION 339(i) OPINION OF COUNSEL

January 5, 2018

State of New York
Department of Law
28 Liberty Street
New York, New York 10005

Re: The 844 Quincy Street Condominium

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property has retained this office to review the percentage of Common Interest applied to the Units contained in Schedule A of the Offering Plan.

In reviewing said Schedule A, the Percentage of Common Interest for each Unit as contained therein has been determined based upon the approximate proportion that the floor area of the unit at the date of the declaration bears to the then aggregate floor area of all units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements. Said method of determining the Percentage of Common Interest in a Condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

I hereby authorize inclusion of this opinion in the Offering Plan for this Condominium to be filed with the Department of Law.

Sincerely,

MAVRIDES, MOYAL, PACKMAN & SADKIN, LLP

By: _____
Matthew Weinberger, Esq.

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**OFFERING STATEMENT**

# THE 844 QUINCY STREET CONDOMINIUM

844 Quincy Street
Brooklyn, Kings County
City and State of New York

**PART II**

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# DESCRIPTION OF PROPERTY AND SPECIFICATIONS

# EXHIBIT 1

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**June 25th, 2018**

**Condominium - Description of Property and Specifications -**

A. Location and use property:

This property and its proposed use will comply with all zoning and use requirements and the Certificate of Occupancy will be presented at closing.

1. Address: 844 Quincy Street Brooklyn, NY 11221
2. Block: 1633 Tax Lot: 24
3. Zoning: R6B
4. Special District: NA
5. Permissible Use: Residential (Use Group 2)

B. Status of Construction:

1. Year Built: Construction commenced on November 2nd, 2015. Scheduled completion date is anticipated to be July 2018.
2. Class of Construction: 1-B: 2hr rated non-combustible construction under the 2008 NYC Building Code
   a. Exterior walls shall be 2 hr rated masonry construction and the interior framing is metal stud construction. All load-bearing walls will be a minimum of 2hr. rated construction and all new floor construction will be 2hr. rated.
3. Certificate of Occupancy: Sponsor to obtain Certificate of Occupancy prior to Closing
4. Application Permit Numbers:
   a. New Building: # 320624026 (approved on 08/06/2015)
   b. Builders Pavement Plan: #340268542
   c. Fire Alarm: # 321284846
5. The building is being built in accordance with the Quality Housing provisions of the NYC Zoning Resolution and shall satisfy the following applicable requirements:
   a. The minimum size of a dwelling Unit shall be 400 square feet
   b. All windows shall be double glazed
   c. Planting shall be provided in front of the building as practical.

C. Site:

1. Size: The building is located at 844 Quincy Street Brooklyn, NY 11221 and occupies Block 1633, Tax Lot 24 in Kings County on the New York City Tax Map The lot is an interior lot fronting Quincy Street. The size of the entire zoning lot is 2,500 square feet (25'-0" x 100'-0"). The street fronting the site is a 70-foot public street and paved with asphalt concrete in fair condition. Traffic on Quincy Street is one way going east. The existing sidewalks and curbs will be replaced under Builders Pavement Plan application # 340268542.

2. Number of buildings and use: The proposed building is for residential use with seven residential units throughout the 1st – 4th floors as follows; the rear apartment at the 1st floor is a 1 bedroom that includes a bathroom, walk-in closet, powder room, kitchen, living room and a cellar accessory use space, it also features a patio at the cellar level and rear yard at grade level. The front apartment at the 1st floor is a studio that includes a bathroom, walk-in closet, powder room, kitchen, living room and a cellar accessory use space. The apartments at 2nd and 3rd floor are 1 bedroom apartments that includes a bathroom, walk-in closet, kitchen and living room. The rear 2nd floor apartment features a platform with access to rear yard at grade level. The apartment at the 4th floor is a 2 bedroom that includes a bathroom, walk-in closet, powder room, kitchen, and living room.

This apartment features a terrace at 4th floor and access to roof terrace-The electric, gas meter room and water room are located in the cellar. There will be an audio/video intercom system for all residential units.

3. Drives, Sidewalks and ramps: Existing sidewalks are a combination of concrete and bluestone and are in poor condition. All existing sidewalks will be replaced with new concrete sidewalks meeting NYC Department of Transportation (DOT) standard specifications as part of the improvements.
Sidewalks providing access to the building shall be new, free of tripping hazard & ponding; that the condominium shall be responsible for maintaining the sidewalks per the requirements of DOT. All sidewalks shall be ADA compliant. All sidewalks shall be designed so as to drain storm water away from the building and its foundation.

i. Paving: The existing street is in fair to good condition. As part of the improvements, new asphalt roadway will be installed up to 5 feet from the curb for the entire length of the property.
ii. Curbing: Existing bluestone curb in poor condition. New concrete curbs will be installed along Decatur Street for the length of the property as per DOT Standards.
iii. Catch basins, drainage: None
iv. Street lighting: Provided by the City of New York
v. There no exiting or proposed sidewalk vaults associated with the property.
vi. There are no Right of Egress restricted declarations associated with the property.

D. Utilities:

Water: There is an existing 8-inch diameter water main fronting Quincy Street serviced by the New York City Water Board. A tap connection will be made to the building and will be billed from common charges as the rates set by the Water Board in accordance with the water meter reading of actual consumption.

Combined Sewer: There is a public owned 12-inch combined sewer fronting on Halsey Street and is currently maintained by the City of New York, Department of Environmental Protection. The existing connection to the sewer shall be capped and a new 6" combined sewer shall be installed as per site connection proposal SCK 637/15 filed with the City of New York, Department of Environmental Protection and approved on May 23, 2015.

Gas: Con Edison Company will provide the service for gas usage. Gas will be metered individually for each apartment.

Electricity: Con Edison Company will provide the service of electricity usage. There will be one meter for each residential unit and one for the residential common areas.

Telephone: Telephone service will be provided by Verizon and will be subscribed by the owner of each condominium unit.

Cable Television & Internet: Cable television and Internet service will be available from both Time Warner and Verizon subscribed by the owner of each condominium unit.

E. Sub-soil conditions:

1. Information regarding sub-surface conditions was obtained from the report on 06/03/15 by Ace Boring, Inc.

2. Available information suggested that load-bearing soil at the construction site is a mixture of Granular Soils (SP)(SM) of Class 3A with 6 ton allowable bearing pressure, however 2 ton capacity was assumed as a safety factor by the Structural Engineer.

3. The Building is not located within a FEMA flood zone as per the latest 2007 and 2013 preliminary flood maps.

4. There are no provisions made for subsurface drainage systems for the foundation, however all paved surfaces shall be sloped away from the building.

5. All bearing portions of the foundation (footings) shall be set a minimum of 4 feet below grade in order to prevent movement from freeze-thaw cycles.

All exterior finished grades shall be sloped to drain water away from foundation walls of the building.

F. Landscaping and Enclosures:

a. The rear yard will besod or seeded for grass.
b. There will be a concrete retaining wall with a slated cedar fence at the rear and eastern side of the yard and an 6 foot high cedar fence at the western side of the rear yard.
c. There shall be a tree planted in front of the property as directed by the NYC Department of Parks.
d. There is a retaining wall for the areaway in the cellar level at the back of the property, built out of reinforced concrete, waterproofed and finished with E.I.F.. The areaway is 15’-10” x 6’-0”.

G. Building size:

1. Total building height: 44’-0” to the roof level
2. Crawl spaces: None
3. Number of cellars: One
4. Number of floors: 4 floors in addition to cellar.
5. Equipment rooms: Equipment rooms are located in the cellar and roof.
6. Parapet: Parapets and railings will be 4’-0” high.
7. Floor to ceiling height:

| | |
|---|---|
| Cellar | +-8’-6” |
| 1st floor | +-9’-6” |
| 2nd floor | +-9’-6” |
| 3rd floor | +-9’-6” |
| 4th floor | +-9’-6” |

8. Occupancy:

There are (7) condominium residential units. The residential unit breakdown is as follows:

**Residential Unit & Bedroom Schedule**

| | UNIT TYPE | | | |
|---|---|---|---|---|
| Floor | 0 BEDROOM | 1 BEDROOM | 2 BEDROOM | # of Units |
| Cellar | | | | |
| 1st Floor | 1 | 1 | | 2 |
| 2nd Floor | | 2 | | 2 |
| 3rd Floor | | 2 | | 2 |
| 4th Floor | | | 1 | 1 |
| | | | | |
| Total | 1 | 5 | 1 | 7 |

H. Structural system:

a. The buildings foundation shall be of reinforced concrete spread footings and walls with a minimum strength of 4,000 psi.
b. The perimeter side walls shall be bearing walls and consist of reinforced concrete masonry units (cmu).
c. The floor and roof structure will be of steel joist construction with composite steel decking and 2 ½" of light weight concrete providing a 2 hr fire rating.
d. There will be some miscellaneous structural steel spanning window openings.
e. The foundations will be waterproofed with bituminous waterproof coatings, and the slabs will consist of 4" drainage gravel and 10 mil polyethylene vapor barrier
f. Interior partitions and floor/ ceiling assemblies are designed to exceed the minimum code requirement STC rating of 50 through the use of batt sound attenuation blankets.

1. Seismic requirement

The building is designed in accordance with the seismic provisions of the 2008 NYC Building Code, Structural Occupancy Group II, Seismic Design Category B.

1. Exterior of buildings:

a. Walls: The exterior walls shall be masonry construction as follows: the side and rear walls will be reinforced cmu with minimum (2) coats of stucco finish (R-17), the front of the building facing Quincy Street will be 4" brick veneer with air cavity and cmu back up R14). The front wall at the 4th floor and all stair bulkhead walls will be light gauge steel construction with EIF finish (R17). All. walls shall be provided with a continuous weather resistant barrier to prevent water intrusion. All assemblies shall meet the minimum requirements of the 2011 NYC Energy Conservation Code.

b. Windows: Windows, patio doors, and sliding doors will be a combination of fixed and operable casements with double insulated, low e glazing and manufactured by Crystal Windows. The windows shall be aluminum clad with aluminum or polyurethane thermal breaks. Windows shall be installed with head and pan and

sill flashing as required. All lintels shall be corrosion resistant, and all joints shall be caulked. There building does not contain any Lot Line Windows.

c. Landmark status: This building is not located in a Landmark District.

d. Local Law 11/98: Local Law 11 of 1998 (LL 11/98) mandates the periodic inspection of the exterior walls and appurtenances of buildings greater than six stories in height. This local law is not applicable to this building.

2. Parapets and copings:

Roof parapet walls will be as follows: 3'-8" high.

3. Chimneys and caps:

There will be a double wall stainless steel flue with cap for the hot water heaters extending 4'-0" above the mechanical room at the roof level.

4. Balconies and terraces:

i. Roof Terrace: Concrete Pavers
ii. Balustrade: N/A
iii. Railings: 3'-6" high Metal Railings
   a. The railings as designed shall not pose a "Ladder Effect".
   b. The balconies shall be deigned with perimeter drip edges.
   c. All exterior metals and fastenings shall be corrosion resistant.
   d. All balconies shall remain open as built.
iv. Copings: Aluminum
v. Soffits: N/A
vi. Doors to balconies and terrace: Sliding Aluminum and Glass and patio doors by Crystal with aluminum or polyurethane thermal breaks.

vii. Lighting: All terrace and roof lights shall be wall mounted exterior grade

5. Exterior entrances:

i. Exterior doors and frames: Aluminum frame and glass doors
   a. Hardware shall be commercial grade lever type with interconnected/ emergency egress lock
ii. Vestibule doors and frames: Aluminum frame and glass doors
   a. Hardware shall be commercial grade lever type with interconnected/ emergency egress lock
iii. Exterior stairs: N/A
iv. Ramp: N/A
v. Railings: N/A
vi. Mailboxes: U.S.P.S approved wall-mounted mailboxes are provided in the entry vestibule
vii. Perimeter lighting at terraces is recessed halogen down-lights. Lighting over terrace doors is halogen down-lights.
viii. Exterior lighting at the building entrance shall be grade surface mounted or recessed lighting and provide a minimum of 5 foot candles at the floor level for the extent of the entrance as per code.

ix. The Building shall control drainage through roof detention drains which dissipate water slowly to the city sewer fronting Decatur Street. . All paved surfaces shall be sloped to drain water away from the building and toward area and roof drains as needed.

x. All exterior entrances shall be built free of tripping hazards and ponding.

xi. All exterior doors shall be provided with aluminum or polyurethane thermal breaks.

xii. The building entry shall be ADA compliant and in designed accordance with ANSI A117.1

6. Service entrances:

| | | |
|---|---|---|
| i. | Doors and frames: | N/A |
| ii. | Gates: | N/A |
| iii. | Exterior stairs: | N/A |
| iv. | Railings: | N/A |

7. Roof and roof structures:

i. Type roofs for all areas:

| | | |
|---|---|---|
| a. | Surface Finish: | Porcelain Pavers |
| b. | Insulation: | Polyiso insulation and R-30 batt insulation between joists. |
| c. | Roof Type: | Two ply modified bitumen roof membrane by Firestone or equal. |
| d. | Bond or guarantee: | 10 year guarantee for labor and materials |
| e. | Flashing: | Aluminum flashing |
| f. | Exterior metals | All exterior metals, including fasteners shall be corrosion resistant. |

ii. Drains:

| | | |
|---|---|---|
| a. | Location: | There will be two cast iron control flow roof drains located on the roof level and the 5th floor roof, and two cast iron roof drains located at the 4th floor terraces. |
| b. | Gutters and leaders: | Gutters and leaders are located at one side of the two stair bulkheads draining on to the 5th floor roof. |

iii. Skylights - N/A

iv. Bulkheads: Metal stud walls with EIF Finish.

xiii. Metal work at roof levels:

| | | |
|---|---|---|
| a. | Railings: | 42” high steel railing and handrail at rear accessory platform at the 2nd fl. |
| b. | Hatches to Roof: | None |

| | | | |
|---|---|---|---|
| | vi. | Rooftop facilities: | Rooftop terrace is for use by all residential units. |

a. The roof terrace is about 855 sf or 74% of the total roof top area, the dimensions of the roof terrace vary.
b. The roof terrace shall be code compliant.
c. FDNY shall have an access path on the roof as labeled on the roof plan

| | | | |
|---|---|---|---|
| 8. | Fire escapes: | | None |
| 9. | Yard and Patio: | | One 42'-6" long by 25'-0" wide yard at the rear of the building from 1st floor through roof. Cellar level patio dimensions are 10'-10" long by 6'-0" wide. The patio is accessible from unit 2 at the cellar level. |
| | i. | Paving: | Paving stone walkway to rear yard |
| | ii. | Drainage: | Two area drains at cellar level |
| | iii. | Railings: | N/A |
| | iv. | Stairs: | N/A |
| | v. | Fencing: | N/A |
| | vi. | Walls: | Metal stud walls with reclaimed wood exterior finish at 1st floor – roof. Cellar level walls have painted finish. |
| 10. | Interior stairs: | | |
| | i. | Number of stairs: | There will be one public egress stairs from the cellar to roof. There shall be one accessory use stair for Unit 1, and one accessory use stair for Unit 2, these stairs are a winder type stair in accordance with Section 1009.3 of the 2008 NYC Building Code. It should be noted that this stair is not a required egress stair. |
| | ii. | Enclosure: | 2 hour fire-rated cmu wall enclosure. |
| | iii. | Stair construction: | Steel Pan Stair with concrete treads |
| | iv. | Stringers: | Steel |
| | v. | Treads: | Metal pan with concrete fill |
| | vi. | Risers: | Steel risers |
| | vii. | Guard rails" | Steel railing |
| | viii. | Balustrade: | Steel railing |
| | ix. | Lighting: | Recessed lighting with battery backup at each landing |
| 11. | Interior doors and frames: | | |
| | i. | Unit entrance and interior doors and frames: | 1-1/2 hour fire rated metal door with metal frame. All interior doors are hollow wood door and wood frame |

| | | |
|---|---|---|
| ii. | Corridor doors and frames: | 1-1/2 hour fire rated metal door and metal frame |
| iii. | Stair well doors and frames: | 1-1/2 hour fire rated metal door and metal frame |
| iv. | Roof doors, cellar doors and frames: | 1-1/2 hour fire rated metal door and metal frame |

12. Elevators: Elevators are not required nor proposed for this building.

I. Auxiliary facilities:

1. Laundry Facilities: Each apartment is equipped with a washer and dryer machine. The machines are stacked and located in a hallway closet. Dryer shall be non-venting electric dryers.

2. Refuse disposal: None required nor proposed.

3. Private Storage Rooms: None proposed.
4. Washer and Dryer are electric and do not require a vent.

4. Bike Storage: None required/ none proposed.
5. Garbage pickup will be done by the NYC Sanitation Department on Monday, Wednesday, and Friday. Recycling pickup will be done by NYC sanitation department on Fridays.
6.

J. Plumbing and drainage:

1. Water supply: 3” combined water and sprinkler service will be supplied by ductile iron or cast iron (exterior piping) service pipe from a city water main at Quincy Street. Water usage will be billed according to a water meter. The material of indoor domestic water piping is copper type “L”.The main shut off valve and back flow preventer is located in the water room in the cellar.

   i) Cold Water service piping Material: 3” and Up: Ductile iron and fittings with mechanical joints Cold Water: Above Ground-Interior
   ii) Material: Type L (blue color bar) copper tubing with wrought copper solder joint fittings suitable for soft soldering; Brass, seamless drawn pipe, regular weight with cast bronze fitting; Groove copper pipe and grooved fittings for 2” and above. Copper tubing for short branch connection to plumbing fixture. Mechanically formed tee fittings may be used in lieu of solder-joint tee fittings. Cold water piping shall be insulated throughout";

   iii) The hot water piping material will be copper, type “L”. Hot water piping shall be insulated throughout;

   iv) Insulation CW: All concealed and exposed cold water supply piping (which is not laid in the ground) including flanges, fittings and valves. Insulation for cold water piping shall be 1" thick for pipe sizes up to and including 2", and shall be 1-1/2" thick for larger pipe sizes. Thicknesses indicated are based on insulation having a conductivity (k) not exceeding 0.27 BTU per inch/h x ft2 x °F Insulation HW: All concealed and exposed hot water supply piping (which is not laid in the ground) including circulation and booster piping, tempered water piping, flanges, fittings and valves. Insulation for hot water piping shall be 1" thick for

pipe sizes up to and including 3" and shall be 1-1/2" thick for larger sizes. Thicknesses indicated are based on insulation having a conductivity (k) not exceeding 0.27 BTU per inch/h x ft 2 x °F

2. Fire protection system:

   i. An automatic sprinkler system is provided from the cellar to roof level.
   ii. Hose racks, hoses and nozzles: None required
   iii. Sprinkler heads: 165 degree F temperature rating.
   iv. Siamese connection: One located near front entrance on Decatur Street.
   v. Sprinkler system is equipped with a sprinkler alarm system that includes tamper and flow switches at all floors along with remote annunciator panels and pull stations in the building lobby.

3. Water pressure: According to the hydrant flow test performed by the NYCDEP Bureau of Water and Sewer Operations on 03/20/15 at 11:40am, the static pressure taken on the north side of Quincy Street 2nd hydrant west of Ralph Avenue, was 44 pounds per square inch. The residual pressure at this point was 42 pounds per square inch when 500 gallons of water per minute were flowing from the north side of Quincy Street 1st hydrant west of Ralph Avenue. The flow test was performed on an 8 inch water main, which is fed from two directions.

4. Sanitary sewage system: The sanitary house drain, house trap and house sewer of the entire building are connected by gravity with a 6” cast iron pipe to a 12” city owned, combined sewer on Quincy Street.

5. No ejector pump utilized.

6. Storm drainage system: storm water shall be controlled through roof detention drains which dissipate water slowly to the city sewer fronting Quincy Street. . All other paved surfaces shall be sloped to drain water away from the building and toward area and area as needed. All piping shall be extra heavy cast iron.

K. Heating:

1. Heating system: Heating is provided from the electric split heat pump units. There is one outdoor condenser for each apartment and each unit will be provided with a concealed ceiling mounted furnace and controlled by a dedicated thermostat. All unit heating & cooling units shall be as specified below or equal**.** Individual unit owners will be responsible for maintenance and replacement of the equipment. Each unit will have a dedicated 50 gallon hot water heater located at the roof level.

2. Number of HVAC’s and hot water tanks: 7 split air systems and 7 hot water heaters.

3. Manufacturer of HVAC’s: See schedule below. All units have a 10 year limited parts warranty and optional labor warranty available.

4. Manufacturer of hot water heater: A.O. Smith Model #GVR-50 300/301 Series. All boilers have manufacturer’s 10 year warranty and installer’s 1-year guarantee. Efficiency rating is 0.62 EF

5. Type of controls: Individual thermostat for heating inside apartment units. All HVAC units will be controlled by a dedicated thermostat.

6. Fuel: Natural gas supplied by Con Edison for hot water. Electric for space heating.

7. All exterior metals, including fasteners shall be corrosion resistant;

8. All rooftop piping shall be properly insulated;

9. Duct construction shall be in compliance with Table 603.4 of the NYC Mechanical Code. Insulation shall be in compliance with low pressure ducts and shall have a minimum R-5 insulation when located in unconditioned spaces and with a minimum R-8 insulation when located outside the building. When located within a building envelope assembly, the duct or plenum shall be separated from the building exterior or unconditioned or exempt spaces by a minimum of R-8 insulation

10. All Dunnage shall be primed and receive two coats of paint.

11. All rooftop mechanical equipment shall be installed on isolators or integral curbs and or dunnage in order to mitigate sound and vibration, in addition, the roof/ ceiling cavity shall be provided with sound attenuation batt insulation.

L. Gas supply:

1. Type: Natural gas supplied by Con Edison. Gas supply enters underground at the south-west corner of the cellar electrical/mechanical room and is piped down to the gas meter room in the cellar. Gas will be used for hot water only. .

2. Meters: Each apartment has its own meter. All meters (total 6 meters) located in the cellar gas meter room.

3. Piping: All gas piping is scheduled 40 steel screwed to malleable iron fillings.

M. Air conditioning:

1. Type of system: Each apartment is equipped with one Cooling/heating multi split heat pump air unit. Cool and hot air is distributed throughout the apartments via a mechanical duct system. Individual unit owners will be responsible for maintenance and replacement of the equipment. Energy efficiency rating varies between models see table below. Refrigerant lines shall be insulated with a minimum 1" insulation as per the 2014 NYCECC. The HVAC system carries a 10-Year Parts Limited Warranty.

Air Handling Units:

| Manufacturer: | Model#: | Units Served |
|---|---|---|
| Goodman | ACNF300816 | 1A/ 1B/ 2A/ 2B/ 3A/ 3B |
| Goodman | ACNF49C14 | 4A |

Condensing Units:

| Manufacturer: | Model#: | Energy Eff. SEER: | Units Served |
|---|---|---|---|
| Goodman | GSX130301 | 13 | 1A/ 1B/ 2A/ 2B/ 3A/ 3B |
| Goodman | GSX130481 | 13 | 4A |

N. Ventilation:

1. All bathrooms are provided with 50 cfm, continuous duty exhaust fans. Each kitchen is equipped with 100 cfm controlled by a timer. Fresh air in the gas meter room is provided by a 6x6 inch fresh air duct . A 20 s.f. fixed window and louver at the stair bulkhead provide light and fresh air into public stair. Apartment living rooms and bedrooms have minimum 5% of room size (per code) operable clear glass windows facing the street or rear yard that provide light and natural ventilation.

2. The Cellar will be provided with mechanical ventilation to supply a minimum 0.05 CFM/sq.ft. of outside air as required by NYC Mechanical Code.

3. All proposed mechanical equipment has been certified by various NYC approved agencies. Noise emission ratings are within the acceptable levels

O. Electrical system:

All electrical wiring to be installed is in accordance with the requirement of the City of New York, Electrical Control Bureau and the New York Board of Fire Underwriters.

1. Service from main service: Electric service shall be 110/208 volt, 3-phase service connected to the main switch panel to be located in the cellar electric meter room. There will be a total of 7 meters.

2. Service to individual units: Each unit will be supplied with 200 amperes, 110/208 volt, 1 phase 3-wires in circuit breaker panel. Each unit will have separate fixtures and convenience outlets installed in accordance with the NYC Electrical Codes including separate outlets for air conditioning equipment.

3. Provisions for electrical back up during power outages, or emergency generators are not required or proposed.

4. Adequacy:

   i. Service: Each unit has 30 circuits. The electrical system is adequate to handle all modern appliances and air conditioners. Each unit has at least one hard wired/battery back up operated combine smoke/carbon monoxide detector at the hall to the bedroom area.

   ii. Lighting and fixtures:
   Lighting Schedule:
   Note information provided shall be as specified or equal

| Item | Location | Description | Lamps/Power | Maker |
|---|---|---|---|---|
| 1 | Apartment Rooms | 4” Recessed Downlight | 9.5watt E 120V | Cree Lighting |
| 2 | Bathroom/Powder Rm | 6” Recessed Downlight | 12watt E 120V | Cree Lighting |
| 3 | Bathroom/Vanity | Wall Mounted LED | 6.6watt E 120V | Hinkley Lighting |
| 4 | Kitchen Cabinets | Under cabinet LED | 8.1watt E 120V | Juno Lighting |
| 5 | Exterior Facade | Exterior Wall LED | 11watt E 120V | Hinkley Lighting |

| | | | | |
|---|---|---|---|---|
| 6 | Utility Rooms/Storage | 2x2 Fluorescent | 17/32watt E 120V | HE Williams |
| 7 | Exit corridors | Illuminated Exit Sign | 26watt 120V | Nyler by the Exit |

4. Electrical Safety

a. AFCI & GFCI shall be provided in areas as required.

b. Tamper-Resistant receptacles shall be installed in children play areas;

c. Water-Resistant receptacles shall be installed for exterior areas.

d. Three-way switches or occupancy sensors shall be provided in the cellar.

P. Intercommunication and/or door signal systems: There is one central audio/video intercom panel

Intercom system: Each Residential Unit will be provided with a video intercom to monitor and control access at the main entrance. The intercom system will be manufactured by Siedle or equal.

Q. Public area lighting: All public areas have energy-efficient compact fluorescent lighting and illumination levels conforming to the standard requirements.

R. Garages and parking areas: N/A.

S. Permits and certificates: The following permits listed are required with their respective agencies:

Department of Buildings:
i. New building construction permit
ii. Plumber's affidavit and permit
iii. Sprinkler permit
iv. Electrical permit

Department of Transportation:
i. Sidewalk and pavement permit

Department of Environmental Protection:
i. Sewer connection permit
ii. Domestic and Fire water tap permit

New York City Landmarks Preservation Committee
i. NA

The following inspections shall be performed periodically after the building is in operation:
a) Sprinkler System: Monthly Inspections and 5-year hydrostatic test.
b) Fire Alarm: Semiannual Inspection

T. Violations: There are no violations as of the date that this report was prepared.

U. Unit information: All condominium unit plans are shown on attached floor plans.
Note information provided shall be as specified or equal

1. Finish material used:
Note: No material containing asbestos was used in this construction.

| Location: | Sub-floor: | Floor: | Walls: | Ceiling: |
|---|---|---|---|---|
| Living/Dining Room | PL WD | WD | GWB/PNT | GWB/PNT |
| Kitchen | PL WD | WD | GWB/CT | GWB/PNT |
| Bedroom | PL WD | WD | GWB/PNT | GWB/PNT |
| Bathroom | MUDSET | CT | WCB/CT | MRGWB/PNT |

Finishes
Floor 3/4" x 3 ¾" Select White Oak Wood Floor manufactured by "Weber" Unfinished / 10 year warranty. Underlayment is plywood and black paper
Walls (1) coat Primer/ (2) coats Flat Paint by Benjamin Moore (typical)

2. Bathroom Fixtures:

| **Item** | **Manufacturer** | **Model** |
|---|---|---|
| Toilet | Fine Fixtures | CT04 |
| Lavatory Faucet | Fresca | Tuscano |
| Tub | Fine Fixtures | BT102 |
| Shower Body | Grohe | GRO-35016000 |
| Lavatory Sink/ Vanity | Fresca | Polenza |
| | | |

3. Kitchen equipment:

| **Item** | **Manufacturer** | **Model** | **Finish** |
|---|---|---|---|
| Sink | First United | KSH22189S | Stainless Steel |
| Faucet | Delta | 915-AR-DST | Stainless Steel |
| Refrigerator | Bloomberg | BRFB1812SSN | Stainless Steel |
| Range/Oven | Bertazzoni | MAS304GASXE | Stainless Steel |
| Dishwasher 24" | Bosch | SHX5AV55UC | Stainless Steel |
| Microwave | Samung | ME18H704SFS | Stainless Steel |
| Dishwasher 18" | Bosch | SPX68U55UC | Stainless Steel |
| | | | |
| | | | |
| | | | |

Counter tops: Quartz

4. Laundry Equipment:

| **Item** | **Manufacturer** | **Model** | **Finish** |
|---|---|---|---|
| Washer/Dryer | LG | WM3997HWA | White |
| | | | |
| | | | |

V. Finish schedule of spaces other than units:

| Level: | Room: | Sub-floor: | Floor: | Walls: | Ceiling: |
|---|---|---|---|---|---|
| 1st Floor | Lobby | Concrete | Porcelain | GWB/PNT | GWP/PNT |
| Cellar | Utilities | Concrete | Concrete | CMU | GWP/PNT |
| Storage | N/A | Concrete | Concrete | GWB/PNT | GWP/PNT |

W. Safety and warning devices: All residential units have hard wired with backup battery combined smoke and carbon monoxide detectors, model KN-COSM-IB as manufactured by Kidde Company or equal. All residential units are fully sprinkled.

X. The Building shall be in compliance with the Accessibility requirements of the 2008 NYC Building Code and ANSI A.117.1 2003.

Y. General Comments:

1. Although the sponsor intends to use fixtures, appliances, equipment and materials described herewith, it reserves the right to substitute fixtures, appliances and materials of equal or better quality.

2. Special Risk: Use of storage rooms as living or sleeping quarters may result in an Environmental Control Board (ECB) violation being issued by The New York City Department of Buildings, which would be the responsibility of the unit owner to cure.

3. The following documents shall be transferred to the condominium management upon transfer of control-Operation & Maintenance (O&M) manuals for mechanical equipment; Electronic system manual; Re-commissioning manual (as applicable); equipment warranties; Roof Warranty; Major equipment Start-Up Sheets; Control System As-Built; Original Test & Balance Report for HVAC System; In-Door Air Quality report. Final As-Built drawings as maintained during construction, i.e., structural, mechanical, electrical, plumbing, shop drawings.

Z. Tenant Protection Plan

The building will not be occupied by tenants and / or unit owners until construction is complete and the Sponsor obtains a Certificate of Occupancy.

Report Prepared by:




Robert Bianchini, R.A.

# FORM OF PURCHASE AGREEMENT

# EXHIBIT 2

**PURCHASE AGREEMENT**

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**844 QUINCY PARTNERS LLC**

**Sponsor**

**With**

**____**

**Purchaser**

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**Residential Unit Number ____**

**THE 844 QUINCY STREET CONDOMINIUM**
**844 QUINCY STREET**
**BROOKLYN, NEW YORK**

**THE 844 QUINCY STREET CONDOMINIUM**

**PURCHASE AGREEMENT**

Unit Number __
844 Quincy Street, Brooklyn, New York

**THIS PURCHASE AGREEMENT** (this "Agreement"), made as of the ___day of _____, 201__, between 844 QUINCY PARTNERS LLC, a New York limited liability company, having an address at 188 Ralph Avenue, Brooklyn, New York 11233, hereinafter called Seller ("Sponsor"), and _____ having an address at _____ (hereinafter, the "Purchaser").

**RECITALS**

**WHEREAS**, the Seller will promulgate a Condominium Plan and desires to offer for sale, pursuant to Article 9-B of the Real Property Law of the State of New York Condominium Units to be situated on the land owned by it in Brooklyn, Kings County, City and State of New York and the Purchaser is desirous of purchasing a Condominium Unit;

**NOW, THEREFORE**, in consideration of the mutual promises and obligations set forth in this Purchase Agreement, the parties mutually agree as follows:

**W I T N E S S E T H:**

## 1. THE UNIT

Sponsor hereby agrees to sell and convey and Purchaser hereby agrees to purchase Unit Number ___ at The 844 Quincy Street Condominium (as designated in the Declaration), together with the undivided ____% interest in the Common Elements appurtenant to such Unit (the "Unit"), upon and subject to the terms and conditions set forth herein.

## 2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means 844 Quincy Partners, having an office at 188 Ralph Avenue, Brooklyn, New York 11233.

2.2 "Purchaser" means _____ having an address at _____. Purchaser's social security number is ____.

2.3 "Attorney for Sponsor" means Mavrides Moyal Packman & Sadkin, LLP, having an address at 276 Fifth Avenue, Suite 404, New York, New York 10001; Attention: Matthew Weinberger, Esq. Telephone number: (212) 396-4288. E-mail address: mweinberger@mmps.com.

2.4 "Attorney for Purchaser" means _____, having an address at _____, Attention: _____, Esq. Telephone number: _____. Email address: _____.

2.5 "Selling Agent" means The Brown Harris Stevens Residential Sales LLC, having an address at 445 Park Ave 11th Floor, New York, New York 10022. Telephone Number: (212) 596-8300.

2.6 "Co-Broker" means _____.

2.7 "Escrow Agent" means the Attorney for the Sponsor.

2.8 "Title Company" means GlobalServe Title Agency, having an office at 525 Northern Boulevard, Suite 205, Great Neck, New York 11021.

## 3. PURCHASE PRICE

3.1. The purchase price for the Unit is $_____ (the "Purchase Price"). The Purchase price is payable as follows:

(a) $_____ (the "Deposit"), due upon Purchaser's signing and submitting of this Agreement, receipt of which (subject to collection) is hereby acknowledged;

(b) $_____ (the "Balance of the Purchase Price"), by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

3.1. All checks shall represent United States currency, be drawn on or issued by a New York Bank or trust company which is a member of the New York Clearinghouse Association. The Deposit shall be made payable to the order of "Mavrides Moyal Packman & Sadkin, LLP, Escrow Agent" or be delivered by wire transfer to the account of Escrow Agent. The Balance of the Purchase Price shall be made payable to the direct order of "844 Quincy Partners LLC" (or such other parties as Sponsor directs to Purchaser) and shall be by official bank check or (at Sponsor's sole option) by wire transfer. If any check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Sponsor to exercise any of the remedies set forth herein. Notwithstanding the foregoing, if the check representing the Deposit is returned for insufficient funds or any other reason, such return shall be deemed a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and

the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. In the event any sums due hereunder are delivered to Escrow Agent by wire transfer, all fees charged by the initiating bank and the receiving bank shall be paid by Purchaser.

## 4. DEPOSIT TO BE HELD IN TRUST

The Deposit and all other deposits or advances made by Purchaser prior to Closing shall be held in a segregated Escrow Account held by Mavrides, Moyal, Packman & Sadkin, LLP, as Escrow Agent pursuant to an Escrow Agreement between Sponsor, Escrow Agent and Purchaser, in the form set forth in Part II Section D of the Plan in accordance with the escrow and trust provisions of Sections 352(h) and 352- e(2)(b) of the New York General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in Section IX of the Offering Plan.

All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited in an account of Escrow Agent at Capital One, N.A., located at 265 Broadhollow Road, Melville, New York 11747, in the State of New York, in an account or accounts entitled "The 844 Quincy Street Condominium Escrow Account" or similar name, which account or accounts shall be interest-bearing for the benefit of the Purchaser in accordance with Section 71-a(3) of the Lien Law. Such funds will be disbursed only upon the signature of Counsel for the Sponsor as follows: (i) to Seller if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is canceled (without default by either party) in accordance with its terms. The Deposit, with any accumulated interest, shall remain the property of the Purchaser except as provided by law.

The Deposit will be retained in the Escrow Account as set forth above until: (i) Seller performs under the terms of the Purchase Agreement; (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Seller; (iii) release or discharge of Seller's liability to refund such Deposit (iv) upon transfer of title to the Unit to the Purchaser; or (v) by mutual consent of Seller and Purchaser.

The parties acknowledge that the Escrow Agent for the Deposit is also Counsel for the Sponsor. Purchaser agrees that in case of any dispute relating to the disposition of the Deposit, Counsel for the Sponsor may continue to represent the Sponsor. The provisions of Section IX of the Offering Plan and Section D of Part II of the Plan are incorporated herein.

## 5. CLOSING DATE AND PLACE

5.1 The Closing of Title shall be held at the offices of Mavrides Moyal Packman & Sadkin, LLP, 276 Fifth Avenue, Suite 404, New York, New York 10001 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior notice ("Initial Closing Notice"). After the Initial Closing Notice, Sponsor may, from time to time, adjourn such date and hour for Closing at any time on notice to Purchaser, which notice shall fix a new date

(and hour and place, if appropriate) for the Closing of Title. The rescheduled Closing shall not be earlier than (a) the date set forth in the Initial Closing Notice, or (b) 5 days from the date of Sponsor's Closing adjournment notice. Only the Initial Closing Notice shall require 30 days' prior written notice. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser.

5.2 The term "Closing Date", "Closing", "Closing of Title", or words of similar import, whenever used herein, shall mean the date on which the deed to the Unit is delivered to Purchaser.

5.3 The Closing of Title shall occur only concurrently with or after compliance with the prerequisites to Closing in the Section of the Plan entitled "Terms of Sale."

## 6. CLOSING DOCUMENTS

6.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying fee simple title to the Unit to Purchaser, which deed shall be in substantially the form contained in Part II of the Plan, and Sponsor and Purchaser shall execute the deed and have the same acknowledged, in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes (including, without limitation, if applicable, the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax") and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by law, all of which shall be prepared by the Sponsor.

6.2 At the closing of title, Purchaser shall execute and acknowledge a power of attorney to the Board and Sponsor, prepared by Sponsor and in substantially the form contained in Part II of the Plan.

6.3 At the Closing of Title, Sponsor and Purchaser shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 6045(e) as amended, or any successor provision or regulation promulgated pursuant thereto.

6.4 At the Closing of Title, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting of information in respect to real estate transactions, smoke detector affidavit and window guard notice.

6.5 The executed deed and power of attorney shall be delivered to the representative of the Title Company insuring Purchaser's title (or if no representative is present, then to Sponsor's attorney) for recording in the Register's Office, which recording shall be at Purchaser's expense. After being recorded: (i) the deed shall be returned to Purchaser; and (ii) the power of attorney in favor of the Board shall be returned to the Board (or as the Board shall direct).

6.6 Purchaser's payment of the Balance of the Purchase Price and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has fully and satisfactorily

performed those obligations stated in the Plan and/or this Agreement to be performed by Sponsor prior to Closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing, and nothing herein shall be in derogation of the rights and purchasers under Article 23-A of the General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law.

## 7. STATUS OF TITLE

7.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as the Title Company will approve and insure without additional premium subject only to the Permitted Exceptions contained in the Plan. Any lien, encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the Closing of Title to the proper party or to the Title Company (or such other title company as Purchaser may utilize), together with the recording or filing fee, if any, or (b) The Title Company (or such other title company as Purchaser may utilize) will insure Purchaser, at the company's regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit.

7.2 Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least ten (10) days prior to the Closing and Purchaser, or Purchaser's attorney failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the Closing, then, for purposes of Article 11 below, Purchaser shall be deemed at fault for not having sent timely notice and the Closing Adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

7.3 The covenants in the deed will be solely for the personal benefit of Purchaser and will not inure to the benefit of Purchaser's successors or subrogees. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against the Title Company before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss or damage not covered by Purchaser's title insurance. In the event that Purchaser elects not to purchase title insurance at Closing, for purposes of this subparagraph, the liability of Sponsor shall be limited to any loss or damage that would not have been covered by the title insurance that was available to Purchaser at the Closing. The terms of any marked-up title binder of any title insurance company authorized to do business in New York State issued in connection with any Unit shall be conclusive evidence of title insurance coverage that was available to Purchaser. The provisions of this Section 6.10 shall survive the Closing of Title or the termination of this Agreement.

## 8. CLOSING ADJUSTMENTS:

8.1 The following costs with respect to the Unit shall be apportioned between Sponsor and Purchaser as of midnight of the day preceding the Closing Date:

(a) Real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) Common Charges and assessments for the month in which title closes; and

(c) accrued fees and any other charges pursuant to an interim license or use and occupancy agreement, if any, covering the Unit.

8.2 If the Unit has been separately assessed but the Closing of Title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the Closing, if any, shall be paid by Purchaser and shall not be considered a defect of title. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment hereof shall be based upon the assessment for the Property and the percentage interest in the Residential Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate share of real estate taxes for the next ensuing tax period and Sponsor will pay such real estate taxes directly to the City of New York. Sponsor will not be obligated to reimburse any Purchaser after Closing on account of any difference between the amount of real estate taxes for the then current period paid by Purchaser at Closing calculated according to the above formula and the actual amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

8.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such real estate taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing of Title.

8.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, in the event that Purchaser fails to close title to the Unit on the date originally scheduled for the Closing of Title (a) the Closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs ("Actual Closing Date") and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, (i) an amount equal to .04% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the Actual Closing Date and (ii) if the Closing is adjourned through no fault of Sponsor, the Purchaser shall be required to pay to Sponsor's counsel an additional fee of Seven Hundred Fifty and 00/100 Dollars ($750.00) to help defray the cost of preparing for and coordinating the new Closing. Nothing herein shall be construed to mean that the Sponsor must grant an adjournment of title when requested to do so. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

8.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect to Title Closings" recommended by the Real Estate Board of New York, Inc., as amended to date, shall apply to adjustments and other matters therein mentioned, except as aforesaid and as otherwise provided herein or in the Plan.

8.6 Any errors or omissions in calculating apportionments at closing shall be corrected, and payment shall be made to the proper party promptly after discovery. This subsection shall survive the Closing of Title.

## 9. CLOSING COSTS

In addition to those costs and adjustments described herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

## 10. PURCHASER BOUND BY OFFERING PLAN

Purchaser acknowledges having received and read a copy of the Plan including all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, at least three (3) business days before submitting this Agreement. If, however, Purchaser did not receive a copy of the Plan at least three (3) business days before submitting this Agreement, Purchaser may rescind this Agreement, by sending written notice of same to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within seven (7) days of Purchaser's submission of this Agreement. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

## 11. DEFAULT BY PURCHASER

11.1 Any of the following shall constitute an "Event of Default" hereunder:

(a) Purchaser's failure to close title to the Unit on the scheduled Closing Date; or

(b) Purchaser's failure to pay the Balance of the Purchase price, or any closing adjustment or closing cost or fee, without limitation, attorney's fees, required to be paid by

Purchaser as set forth in the Plan or this Agreement on the Closing Date or the dishonor of any check given by Purchaser to Sponsor; or

(c) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(d) If Purchaser is or becomes the tenant of record of the Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(e) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or

(f) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(g) If a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(h) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or

(i) Purchaser's listing the Unit for sale or rental with any broker or placing or authorizing any listing in any broker's listing system or any other listing service or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent; or

(j) An Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property; or

(k) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same within thirty (30) days.

11.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Balance of the Purchase Price and to pay, perform or observe Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor in its sole discretion, may elect by written notice to cancel this Agreement. If Sponsor elects to cancel this Agreement, Purchaser shall have thirty (30) days from the giving of the termination notice within which the Purchaser must cure the specified default. **TIME IS OF THE ESSENCE** to cure such default within said thirty (30) days period. If the default is not cured within such thirty (30) days, then this Agreement shall be deemed automatically cancelled and Sponsor shall have the right to retain, as and for liquidated damages, the Deposit plus the costs incurred by Sponsor for any special work, if any, in the Unit ordered by the Purchaser, together with any interest earned thereon. Upon termination of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds for such sale.

11.3 Sponsor and Purchaser each hereby agree and acknowledge that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of a default by Purchaser hereunder, and that the Deposit (including all interest, if any) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, shall be paid by Purchaser to Sponsor as Sponsor's sole and exclusive remedy. The payment of the Deposit (including all interest, if any) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

11.4 **NEITHER SELLER NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THIS AGREEMENT OR THE PLAN WITH RESPECT TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DEPOSIT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.**

## 12. AGREEMENT SUBJECT TO LIEN OF MORTGAGE

Purchaser agrees that the provisions of this Agreement are and shall continue to be subject and subordinate to the lien of any mortgages on the Condominium property heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the fullest extent thereof, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder to the basis of any claim against, or liability of, Sponsor provided that any such mortgage is subordinated to the Declaration, or the Unit is released from, or not subject to the lien of such mortgage at Closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

## 13. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan (as the same may be amended from time to time). The plan may be withdrawn or abandoned by

Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or does not become effective, or after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

## 14. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit shall endure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

## 15. SPONSOR'S INABILITY TO CONVEY UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election or inability to cure such title defect, and Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in or credit against the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return the Deposit to Purchaser, together with interest, if any, earned thereon. Upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or Plan. The foregoing remedy must be exercised by written notice sent by Purchaser to Sponsor within fifteen (15) days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first remedy described in clause (a) above (i.e., to acquire title subject to such inability).

## 16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

At Closing, the Unit will contain only those fixtures, appliances, equipment, countertops, sinks, cabinets, hardware and items of personal property that are described in the Plan as being included in the Unit, free and clear of all liens and encumbrances except the lien of the mortgage applied for by Purchasers herein. No portion of the Purchase Price shall be attributable to such items. Any decorative fixtures, furniture, furnishings, wall coverings, decorations, mirrors, shelves, wall and window treatments, built-ins, electric fixtures and the like, in or about any model

unit are for display purposes only and are not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are for approximations of the Unit's dimensions and layout, and Purchaser should not rely thereon.

## 17. CONSTRUCTION

(a) The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be in accordance with the Plan and the Plans and Specifications (as defined in the Plan), subject to the right of Sponsor to amend the Plan and the Plans and Specifications in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a temporary or permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Plan in the Section entitled "Rights and Obligations of Sponsor."

(b) The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain immaterial variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

(c) Sponsor is obligated to construct the Building in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan.

## 18. LIMITED WARRANTY

The Housing Merchant Implied Warranty, as contained in Section 777-a of the New York General Business Law, generally applied to any single-for-sale unit in a multi-unit residential structure of five (5) stories or less transferred under a condominium regime. HOWEVER, AS PERMITTED BY LAW, SPONSOR HAS LIMITED SUCH WARRANTY TO THE TERMS OF THE LIMITED WARRANTY ATTACHED TO THIS CONTRACT AS EXHIBIT 1. PURCHASER WILL BE REQUIRED TO EXECUTE THIS LIMITED WARRANTY AT CLOSING. NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE IN CONNECTION WITH THIS PURCHASE AGREEMENT OR UNIT.

PURCHASER ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE LIMITED WARRANTY ATTACHED HERETO HAS BEEN PROVIDED FOR THE PURCHASER'S EXAMINATION PRIOR TO THE EXECUTION OF THIS PURCHASE AGREEMENT.

## 19. INSPECTION OF UNIT

Upon receipt of the closing notice, Purchaser shall promptly arrange an appointment with a representative of Sponsor to inspect the interior of the Unit within seven (7) days prior to the Closing Date fixed by the Closing Notice. Purchaser or his or her duly authorized representative shall attend such inspection, shall carefully inspect the Unit, and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule A to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the interior of the Unit within seven (7) days prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

## 20. DAMAGE TO THE UNIT

20.1 If between the date of this Agreement and the Closing of Title, the Unit is damaged by fire or other casualty, the following shall apply:

(a) The risk of loss to the Unit by fire or other casualty, until the earlier of Closing of Title or the taking of possession of the Unit by Purchaser, is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the Closing of Title and Sponsor elects to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, or to permit the Condominium Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance of the Purchase Price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners), and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title or the termination of the Agreement.

(b) In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Condominium Board does not do so and Purchaser declines to accept the Unit without such repairs, this Agreement shall be deemed canceled and of no further effect and Sponsor shall return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall be entitled to retain the Deposit pursuant to the terms of this Agreement.

(c) Notwithstanding Section 19(b) above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of Title

through an Interim Lease, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit, except as otherwise provided in the Plan. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in the Unit and Seller shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment, except as otherwise provided in the Plan. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside his Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the Balance of the Purchase Price due under this Purchase Agreement and accepting delivery of the deed.

## 21. PROHIBITION AGAINST ADVERTISING

Purchaser hereby covenants and agrees that it shall not list the Unit for sale or resale with any broker or otherwise advertise, promote or publicize the availability of the Unit for sale prior to the Closing of Title and for not less than one (1) year thereafter. Any such listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives prior to the closing of title shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Section 11 hereof. The provisions of this Section 20 shall survive the closing of title or the termination of this Agreement.

## 22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than Selling Agent and any Co-Broker named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than Selling Agent and such named Co-Broker. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker other than Selling Agent and such named Co-Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including attorneys' fees and disbursements. The provisions of this Article 21 shall survive the Closing of Title or the termination of this Agreement and are not made for the benefit of any third parties.

## 23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, in Sponsor's sole discretion, which consent may be withheld, conditioned or delayed. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor.

## 24. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Purchaser or Sponsor until Purchaser

has signed this Agreement and delivered the signed Agreement and the Deposit to Sponsor, and a counterpart hereof executed by Sponsor has been delivered to Purchaser. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written reasonable information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status or other grounds proscribed by law.

## 25. NOTICES

25.1 Any notice, election, demand, consent, request or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail, return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed to the Attorney for Purchaser at the address given at the beginning of this Agreement with a copy to the Purchaser by regular mail and to Sponsor at the address given at the beginning of this Agreement, with a copy to the Attorney for Sponsor in the same manner as notice is given to Sponsor. Acknowledged receipt of facsimile transmission shall be deemed satisfactory notice hereunder. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected or, in the case of mailing, three (3) days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

25.2 Sponsor hereby designates and empowers both Selling Agent and Sponsor's counsel Mavrides, Moyal, Packman & Sadkin, LLP, as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself. Purchaser hereby designates Purchaser's Attorney as Purchaser's agent to give any notice to Sponsor hereunder in Purchaser's name.

## 26. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent, or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, if any, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by

Purchaser, the right to any income tax credit with respect to the purchase of a Unit, the ability to rent the Unit and/or the rental income therefor or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of the Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Plans of the Building and the Units set forth in the Plan is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Section shall survive the Closing of Title.

## 27. JOINT PURCHASERS

The term "Purchaser" shall read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

## 28. LIABILITY OF SPONSOR

Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

## 29. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction. Additionally, either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to correct any error and/or omissions that may have occurred at Closing of Title. The Provisions of this Section shall survive Closing of Title and delivery of the deed.

## 30. AGREEMENT NOT CONTINGENT UPON FINANCING

The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, any change in the interest rate terms or rate lock or the expiration or other termination of such commitment, the imposition by the Lender of any additional fees or charges nor any change in Purchaser's financial status or condition shall release or relive Purchaser of Purchaser's obligations pursuant to this Agreement, and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of any interest rate lock or the expiration of any loan commitment. Sponsor makes no representation concerning the availability of the financing for the purchase of the Unit, including without limitation, the availability of conforming to FHA or FNMA requirements.

## 31. SEVERABILITY

If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

## 32. STRICT COMPLIANCE

Any failure by either party hereto to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such other party.

## 33. NO LIEN.

Neither this Agreement nor any monies deposited hereunder or expended by Purchaser in connection herewith shall constitute a lien against the Unit, any other Units, or any other portion of the Building or the Land upon which it is situated, and Purchaser may not record this Agreement or a memorandum thereof. If Purchaser attempts to record this Agreement, Purchaser will be held in default.

## 34. COSTS OF ENFORCING AND DEFENDING AGREEMENT

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in successfully defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder. The provisions of this Article shall survive Closing of Title or the termination of this Agreement.

**35. GOVERNING LAW**

The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

**36. WAIVER OF JURY TRIAL**

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationships created hereby or in the Plan. With respect to a matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived. The provisions of this Section shall survive the Closing of Title or the termination of this Agreement.

**37. ENTIRE AGREEMENT**

This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

**38. CERTAIN REFERENCES**

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The term "herein," "hereof" or "hereunder," or similar terms used in this Agreement, refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

**39. CAPTIONS**

The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provisions hereof.

**40. SUCCESSSORS AND ASSIGNS**

The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

**41. NO ORAL CHANGES**

This Agreement or provision hereof, cannot be orally changed, terminated or waived. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER

ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES AND WHICH REFERS TO THIS AGREEMENT.

## 42. COUNTERPARTS

This Agreement and any Rider(s) which may be annexed hereto may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. A facsimile signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding. The party tendering such facsimile signature shall provide the other party with original counterparts of the signature page promptly after delivery of the facsimile signature page, although the failure to do so shall not invalidate the effectiveness of the facsimile signature.

## 43. PERFORMANCE

Where this Agreement by its terms requires the payment or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performance in accordance with the terms of this Agreement.

## 44. PURCHASER'S REPRESENTATIONS

44.1 Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver to Closing, such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser further represents that the Deposit represents Purchaser's own funds and that no other party (other than Purchaser or Seller, as provided herein) has any right or claim to all or any portion of the Deposit.

44.2 Purchaser is not now, nor shall it be at any time prior to or at the closing of title, an individual, corporation, partnership, joint venture, trust, trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise). Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the closing of title a Person whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

44.3 Purchaser has taken, and shall continue to take until the closing of title, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. Seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., and the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

44.4 The provisions of this Section shall survive the Closing of Title to the Unit or termination of this Agreement.

## 45. WAIVER OF DIPLOMATIC OR SOVEREIGN UMMUNITY

45.1 Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

45.2 As of the execution of this Agreement, Purchaser acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Agreement may be dealt with and adjudicated in the state courts of New York or the federal courts sitting in New York, and hereby expressly and irrevocably submits the person of Purchaser to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

45.3 Purchaser irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise in any suit, action or proceeding arising, directly or indirectly, out of relating to this Agreement, brought in the state courts in New York or the federal courts sitting in New York: (i) any objection which it may have or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court; (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of such courts. Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon Purchaser and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is

subject, by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

45.4 Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Section 46.

45.5 Nothing in this Section 46 shall affect the right of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

45.6 The provisions of this Section 46 shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

45.7 In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser hereby designates a duly authorized and lawful agent to receive process for and on behalf of the Purchaser in any state or federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement.

45.8 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

## 46. MOLD

Purchasers are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains his/her Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Sponsor will not be liable for and Purchaser hereby waives any claim for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds, mildew and/or microscopic spores unless caused by the gross negligence or willful misconduct of Sponsor. The provisions of this Article shall survive Closing of Title or the termination of this Agreement.

## 47. SMOKING POLICY

New York City law prohibits smoking and using e-cigarettes of any kind in indoor common areas, including but not limited to, lobbies, hallways, stairwells, mailrooms, fitness areas, storage areas, garages and laundry rooms in any building with three or more residential units. (See NYC Admin. Code, § 17-505 for further details.) Purchasers are advised that Smoking shall be prohibited in (i) the Common Elements including but not limited to (all to the extent that they are utilized or service the Units), hallways, stairs, corridors, lobby, mail room, package room, laundry room, electrical and air-conditioning room, trash compactor room, emergency generator, exhaust and fan room, fire staircases, landings and stairs, fire safety systems servicing the Units, (ii) inside of Residential Units, (iii) inside of Limited Common Elements, including gardens, areas under the stoop, or the roof deck patios, (iv) and outdoor areas within 15 feet of entrances, exits, windows, and air intake units of the Building (the "Smoking Policy"). The term "Smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, Electronic Cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke. The term "Electronic Cigarette (e-cigarette)" shall mean a battery-operated device that heats a liquid, gel, herb or other substance and produces vapor for people to inhale. The Smoking Policy shall be conspicuously posted in the Building and shall be included in all Unit leases and/or Interim Leases. The Smoking Policy is incorporated into the Residential Rules and Regulations of the Condominium.

**48. <u>CONFLICT WITH OFFERING PLAN</u>**

Any conflict between the Offering Plan and this Purchase Agreement shall be resolved in favor of the Offering Plan.

[Signatures to Appear on the Following Page]

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first written above.

**PURCHASER:**

By:_____

By:_____

**SPONSOR:**

844 QUINCY PARTERS LLC

By:_____
Name:
Title: Authorized Signatory

Purchaser acknowledges receipt of Offering Plan [and amendments] on_____ __,201__

Initials of Purchaser(s):

_____ _____

***[Sponsor and Purchaser signature page to Purchase Agreement]***

**ESCROW AGENT:**
Executed solely in connection with
the provisions of Section 3 hereof

**MAVRIDES MOYAL PACKMAN & SADKIN, LLP**

By:_____
Name:
Title:

***[Escrow Agent's signature page to Purchase Agreement]***

## SCHEDULE A

## PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey or personal inspection of the Property would show provided such state of facts would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements and Residential Rules and Regulations, all as set forth in the Declaration, the By-Laws, the Power of Attorney from Purchaser to the Condominium Board and the Floor Plans as all of the same may be amended from time to time.

4. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

9. Leases and service, maintenance, employment, concessionaire and license agreements of record, if any, affecting the Property, other Units or portions of the Common Elements.

10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay assessments due from and after the Closing Date.

11. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or

requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

12. Any encumbrance to which the Title Company (or such other New York State Land Title Association member title insurance company) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien. Any other encumbrance, covenant, easement, agreement or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

13. Any lease covering the Unit(s) made from Sponsor to the Purchaser.

14. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

15. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

16. Any encumbrance, covenant, easement, agreement or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as it may be updated from time to time prior to the Closing.

**REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK**

## SCHEDULE B

## FORM FOR THE RELEASE OF ESCROW FUNDS

Date:

Mavrides, Moyal, Packman & Sadkin, LLP
276 Fifth Avenue, Suite 404
New York, New York 10001

Re: The 844 Quincy Street Condominium
Purchaser:
Unit:

Dear Sirs:

You have been holding in a trust account my/our Deposit for the above referenced Unit in the amount of $_____. I/we acknowledge that a Closing has taken place this date. Accordingly, Mavrides, Moyal, Packman & Sadkin, LLP is authorized to release the funds being held in said account to whomever the Sponsor so designates. In addition, Mavrides, Moyal, Packman & Sadkin, LLP, as Escrow Agent on said account, is hereby released from any and all liability or further obligation to us with respect to said Deposit.

Very truly yours,

_____
Purchaser

_____
Sponsor's representative

**SCHEDULE C**

**INSPECTION STATEMENT**

Date: _____

844 Quincy Partners LLC
188 Ralph Avenue
Brooklyn, New York 11233

Re: Unit No: _____ ("Unit")
The 844 Quincy Street Condominium
844 Quincy Street
Brooklyn, New York ("Condominium")

Ladies and Gentleman:

1. As of the date hereof, the undersigned purchaser(s) ("Purchaser") inspected the Unit which Purchaser is acquiring from Sponsor and have found the Unit to be in good condition, except as otherwise noted below.

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to the date Purchaser moves into the Building. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit for any kind affecting any of the areas of items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

**PURCHASERS:**

_____

_____

_____
Sponsor's Representative

**SCHEDULE D**

**WAIVER OF NOTICE OF CLOSING**

STATE OF NEW YORK )
:ss.:
COUNTY OF NEW YORK )

_____, being duly sworn, does hereby depose and state:

1. I am the purchaser of Unit # _____ at The 844 Quincy Street Condominium

2. Pursuant to the Purchase Agreement dated _____, I am entitled to thirty (30) days' written notice of the closing for my Unit.

3. I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on _____.

**PURCHASERS:**

_____

_____

Sworn to before me this

___ day of _____

_____
Notary Public

**SCHEDULE E**

**LIMITED WARRANTY**

RIDER TO PURCHASE AGREEMENT DATED _____, 20__ BY AND BETWEEN 844 QUINCY PARTNERS LLC AS SPONSOR, AND _____AS PURCHASER(S).

LIMITED WARRANTY

| | |
|---|---|
| PROPERTY: | The 844 Quincy Street Condominium<br>844 Quincy Street<br>Brooklyn, New York 11221 |
| UNIT: | _____ |
| PURCHASER: | _____ |
| SPONSOR: | 844 QUINCY PARTNERS LLC |
| ADDRESS OF SPONSOR: | 188 Ralph Avenue<br>Brooklyn, New York 11233 |
| WARRANTY DATE: | The date that Purchaser or its family shall first occupy the Unit warranted or the date of the delivery of the deed to the Unit to Purchaser, whichever occurs first. |
| TOTAL LIABILITY: | 50% of the purchase price of the Unit set forth in the Purchase Agreement to which this Limited Warranty is annexed as a rider less any insurance proceeds received by Purchaser. |

THIS LIMITED WARRANTY EXCLUDES AND PRECLUDES ALL CONSEQUENTIAL AND INCIDENTAL DAMAGES, EXCEPT AS REQUIRED BY NEW YORK STATE LAW.

THIS LIMITED WARRANTY IS IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE UNIT AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF

MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY SPONSOR'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON INITIAL INSPECTION OF THE UNIT.

**1. To Whom Given**. This Limited Warranty is given to Purchaser named on Page 1, while Purchaser owns the Unit. IT DOES NOT EXTEND TO SUBSEQUENT OWNERS, HEIRS, TENANTS OR MORTGAGEES IN POSSESSION OF THE UNIT, ANY ONE WHO MAY SUCEED TO THE RIGHTS OF PURCHASER OR ANY OTHER PERSONS.

**2. By Whom Made**. This Limited Warranty is made exclusively by Sponsor whose name and address appear on page 1.

**3. Final Inspection of the Unit**. Before Purchaser moves into the Unit or accepts the deed, Sponsor will schedule an appointment for a final inspection of the Unit with Purchaser. The purpose of this final inspection is to discover any defects of a visible, obvious or patent nature, or any other unfinished work that may have occurred during the final stages of finishing the Unit, or any unfinished work caused by back-orders beyond Sponsor's control. Sponsor may also point out other defects known to have occurred during the construction process that remain uncorrected at the time of the inspection.

All defects found on final inspection of the Unit will be itemized on a Punchlist, which will be signed by Purchaser and Sponsor before occupancy of the Unit or delivery of the deed.

**4. Limited Warranty**. This Limited Warranty is in lieu and replaces all other warranties on the construction and sale of the Unit and its components, both express and implied (including any warranties of merchantability or fitness for a particular purpose). There are no warranties which extend beyond the face hereof.

**5. Warranty Coverage and Periods**. The Warranty Period for all of the following coverages begins on the Warranty Date shown on page 1 of this Limited Warranty.

**FIRST YEAR BASIC COVERAGE**: for one year from and after the Warranty Date, the Unit will be free from latent defects that constitute:

(i) defective workmanship by Sponsor; or an agent, employee or subcontractor of Sponsor;

(ii) defective materials furnished by Sponsor, or an agent, employee or subcontractor of Sponsor;

(iii) defective design, provided by an architect, engineer, surveyor, or other-design professional retained exclusively by Sponsor; or

(iv) defective installation of appliances sold as part of the Unit by Sponsor, or an agent, employee or subcontractor of Sponsor.

Sponsor under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Sponsor's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

**TWO YEAR MAJOR SYSTEM COVERAGE**: for two years from and after the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which has been installed by Sponsor or an agent, employee or subcontractor of Sponsor are warranted to be free from latent defects resulting from defective installation by Sponsor or an agent, employee or subcontractor of Sponsor.

(i) The Plumbing System refers to the gas supply lines and fittings, water supply, waste and vent pipes and their fittings, septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

(ii) The Electrical System refers to all wiring, electrical boxes, switches, outlets and connections up to a public utility connection.

(iii) The Heating, Cooling and Ventilation System refers to all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

Except by reason of a defect in installation by Sponsor or an agent, employee or subcontractor of Sponsor, this major system coverage does not include defects in appliances, fixtures and items of equipment.

Sponsor under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Sponsor's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

**SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE**: for six years from and after the Warranty Date, the Unit will be free from latent Major Structural Defects that result from:

(i) defective workmanship by Sponsor, or an agent, employee or subcontractor of Sponsor;

(ii) defective materials furnished by Sponsor or an agent, employee or subcontractor of Sponsor; or

(iii) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by Sponsor.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions caused by the failure of such load-bearing portions which affects their load-bearing functions to the extent the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

Damage to the non-load bearing portions of the Unit are not covered by this six-year coverage including: drywall and plaster; floor covering materials; wall tile and other wall coverings; non-load bearing walls and partitions, electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; and insulation.

Sponsor under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Sponsor's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

In all coverages under this Section 5, workmanship, materials, design and installation will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the applicable building code of the municipality in which the Unit is located, in effect on the date that the building permit for the Unit was issued, as supplemented by the annexed locally accepted building standards and practices.

ALL TIME PERIODS FOR THESE COVERAGES ARE OF THE ESSENCE AND WILL NOT BE EXTENDED.

**6. <u>Exclusions From All Coverages</u>**. The following are not covered by this Limited Warranty:

(i) Loss or damage caused by defective workmanship performed by any person other than Sponsor, Sponsor's agent or employee, or Sponsor's subcontractor.

(ii) Loss or damage caused by defective materials supplied by any person other than Sponsor, Sponsor's agent or employee, or Sponsor's subcontractor.

(iii) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by Sponsor.

(iv) Patent defects including defects shown on the Punchlist and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to revealed.

(v) General Common Elements of the Condominium, except for those items that are explicitly included under this Limited Warranty.

(vi) In addition, the following items are not covered by the Sponsor's Limited Warranty:

(a) Negligence, improper maintenance, or improper operation by anyone other than Sponsor, its employees, agents or subcontractors, or

(b) Failure by Purchaser or anyone other than Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures, plumbing, heating, cooling and ventilation systems of the Unit, if any, or items of equipment; or

(c) Failure of Purchaser to give notice to Sponsor of any defects or damage within a reasonable time; or

(d) Changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors; or

(e) Changes, alterations or additions made to the Unit anytime after the Warranty Date shown on page 1; or

(f) Dampness or condensation due to failure of Purchaser to maintain adequate ventilation.

(vii) Any condition which does not result in actual physical damage to the Unit.

(viii) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosions, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightening, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable change in the underground water table.

(ix) Loss or damage caused by a seepage of water unless such loss or damage is the direct result of a construction defect.

(x) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(xi) Any damages which purchaser had not taken timely and reasonable action to minimize.

(xii) Any condition resulting from normal wear and tear or natural deterioration or from the normal shifting or settling of the building, or defects of an insubstantial nature, including but not limited to, partial or total death of landscape improvements, nail pops, riding on sheetrock walls, lumber shrinkage, door sticking due to weather, door warpage, bath tile grouting, slight separation in joints or kitchen title or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settlement or normal plumbing, heating and air conditioning noises, or carpet discoloration and stretching.

(xiii) Paint touch-ups, or chips, mars, breaks or other defects in window sashes, electric fixtures, interior painted surfaces, sinks, tubs, bowls, bidets, shower doors, kitchen cabinets, countertops, vanity tops, and bases, medicine cabinets, doors, mirrors, hardware, flooring and appliance cabinets, lights and light bulbs, except as agreed to in the Punchlist.

(xiv) Insect damage.

(xv) Bodily injury or damage to personal property.

(xvi) Failure of Sponsor to complete construction of the Unit and failure of Sponsor to complete items on the Punchlist.

(xvii) Loss or damage which arises while the Unit is being used primarily for non-residential purposes.

(xviii) Loss or damage due to abnormal loading floors by Purchaser which exceeds design loads as mandated by the Building Code.

(xix) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(xx) Consequential or incidental damages (except where required by law).

(xxi) Any claim not filed as set forth in this Limited Warranty.

(xxii) Defects in construction, installation or operation of mechanical equipment, appliances, and/or other items covered by warranties assigned to Purchaser.

(xxiii) Damage caused by the misuse, abuse, or interference by Purchase or anyone other than Sponsor, its employees, agents, or subcontractors with Sponsor's original construction and installations.

**7. <u>What Sponsor Will Do in the Event of a Defect Covered by This Limited Warranty</u>**.

If a defect occurs in an item covered by this Limited Warranty, about, which Sponsor receives notice as set forth in Section 8 of this Limited Warranty, Sponsor will repair, replace, or pay Purchaser the reasonable cost (in Sponsor's sole estimate) of repairing or replacing the defective item(s), within sixty (60) days after Sponsor's inspection or testing discloses the problem, subject to weather conditions, acts of God, availability of materials, and other events beyond Sponsor's control. On at least two (2) days' notice from Sponsor, Purchaser must allow Sponsor and/or Sponsor's agents, employees or subcontractors access to the Unit for the purposes of repairing or replacing the defective item(s). The choice among repair, replacement or payment is solely that of Sponsor. In making repairs or replacements, Sponsor shall have the right to select the method and materials to be used in performing such repairs or replacements.

Sponsor's liability under this Limited Warranty is limited to the Total Liability amount listed on page 1.

Repair of damage to the load-bearing portions of the Unit will be limited to that which is necessary to restore their load-bearing function. Repair of other Major Structural Defects will be limited to repair of those defects which made the Unit unsafe, unsanitary or otherwise unlivable.

Before Sponsor commences to repair or replace the defect or to pay Purchaser the reasonable cost of doing so, a full release in recordable form of all legal obligations with respect to the defect must be negotiated between Sponsor and Purchaser, or their respective agents. When

Sponsor finishing repairing or replacing the defect, or has paid Purchaser, the release must be delivered by Purchaser to Sponsor.

**8. Step by Step Claim Procedures**. Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by Sponsor no later than the tenth ($10^{th}$) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to Sponsor at the address listed on page 1 by certified mail, return receipt requested or an overnight delivery service (such as Federal Express). If the Notice of Warranty Claim Form shall not be properly completed and received by Sponsor by that deadline, Sponsor will have no duty to respond to any complaint or demand contained in such form, and any or all claims may be rejected. COMPLETION AND DELIVERY OF SUCH NOTICE OF WARRANTY CLAIM FORM IS NECESSARY TO PROTECT THE RIGHTS OF WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

No steps taken by Sponsor, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. No steps taken by Sponsor in response to an improperly completed or untimely notice of a warranty claim will give rise to any liability of Sponsor to Purchaser in connection with such claim.

In response to the receipt of a Notice of Warranty Claim Form, or any other complaint or request of Purchaser, Sponsor and Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. Purchaser and the occupants of the Unit must provide reasonable access, to Sponsor and Sponsor's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement, on at least two (2) days' prior written notice from Sponsor. Failure by Purchaser to provide such access shall invalidate this Limited Warranty with respect to the defect(s) set forth on the Notice of Warranty Claim Form.

Sponsor will complete inspection and testing within a reasonable time under the circumstances after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, Sponsor will determine whether to accept or reject the claim. If Sponsor rejects the claim, Sponsor will give written notice of that decision to Purchaser at the address shown on the Notice of Warranty Claim Form. Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects are subject to weather conditions, acts of God, availability of materials, and other events beyond Sponsor's control.

**9. Legal Actions**. No claim under this Limited Warranty may be commenced or asserted against Sponsor in any suit, action or other proceeding unless a properly completed Notice of Warranty Claim Form has been received by Sponsor in the time period set forth in Section 8 of this Limited Warranty.

No Suit, action and other proceeding against Sponsor under this Limited Warranty may be commenced after the later of more than thirty (30) days after the expiration date of the applicable warranty coverage, or thirty (30) days after Sponsor has given written notice of its rejection of

Purchaser's claim with respect to such claim, or thirty (30) days after Sponsor has substantially completed corrective action for a defect with respect to such defect.

**10. Miscellaneous Provisions**. To the extent any coverage under this Limited Warranty applies to common elements of the Condominium, such coverage shall be deemed given to the Condominium Board of the Condominium.

This Limited Warranty may not be amended in any way without Sponsor's prior written consent in each instance.

If any provision of this Limited Warranty will not be enforced by any appropriate court, the determination will not affect the enforceability of the remaining provisions.

Use of one gender in the Limited Warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

This Limited Warranty shall be governed in accordance with the laws of the State of New York.

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# NOTICE OF WARRANTY CLAIM FORM

Dear Home Owner:

To ask the builder to correct a defect in your home that you think is covered by the builder's Limited Warranty, you must complete this form and deliver it to the builder. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the builder is aware of the problem, fill out this form and deliver it to the builder.

Your Name: _____

Mailing Address: _____

Phone: _____

Limited Warranty No. _____

Warranty Date: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

_____ _____

Signature Date

_____ _____

Signature Date

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# FORM OF CONDOMINIUM UNIT DEED

# EXHIBIT 3

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**CONDOMINIUM UNIT DEED**

THIS INDENTURE**,** made the ___day of _____, 20___ by and between 844 Quincy Partners LLC, a New York limited liability company, having an office at 188 Ralph Avenue, Brooklyn, New York (the "Grantor") and _____, with an address at _____, Unit ____, Brooklyn, New York _____ (hereinafter referred to as the "Grantee").

W I T N E S SE T H:

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No._____ (the "Unit") in the condominium known as The 884 Quincy Street Condominium, 844 Quincy Street, Borough of Brooklyn, County of Kings and State of New York (the "Building") designated and described in the Declaration (the "Declaration") establishing a plan for condominium ownership of the Building and the land upon which the Building is situated (said Building and land referred to collectively herein as the "Property" or the "Condominium"), dated 20___, made by the Grantor under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), and recorded in the Office of the Register of the City of New York, in the County of Kings, on the _____ day of _____, 20___, in CRFN #_____ and also designated as Tax Lot No: ___ in Block No. ___ in the County of Kings on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building ("Floor Plans"), certified by _____ licensed professional architect on _____, 20___, filed with the Office of the City Register of New York County on _____,20___ as Condominium Plan No._____. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of the Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws").

TOGETHER with an undivided _____ percent (  %) interest in the Common Elements (as such term is defined in the Declaration) appurtenant to the Unit (hereinafter called the "Common Elements");

TOGETHER with the appurtenances and all the estate and rights of Grantor in and to the Unit;

TOGETHER with and SUBJECT TO the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record appertaining to the Unit, to the land and/or to the building in which the Unit is located.

EXCEPT as otherwise specifically permitted by the Condominium Board or provided in the Declaration or in the By-Laws, the Unit is intended for Residential use only;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as set forth in the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws).

Grantor, in compliance with Section "13" of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The Grantee has examined the Unit and is purchasing the same in its existing condition.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

All capitalized terms used herein which are not separately defined shall have the meanings given to those terms in the Declaration or the By-Laws of The 844 Quincy Street Condominium.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first written above.

GRANTOR

844 QUINCY PARTNERS LLC
a New York limited liability company

By: _____
Name:
Title:

(ACKNOWLEDGEMENTS)

STATE OF NEW YORK )
) ss.:
COUNTY OF NEW YORK )

On the ____ day of _____, in the year _____, before me, the undersigned, personally appeared _____, personally known to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

**EXHIBIT A**
**TO CONDOMINIUM UNIT DEED**

**LEGAL DESCRIPTION**

CONDOMINIUM UNIT DEED

GRANTOR:

844 QUINCY PARTNERS LLC

TO

GRANTEE:

_____

Premises:
844 Quincy Street
Unit _____
Brooklyn, New York

County: Kings
Section:
Block:
Lot:

Record and return to:

_____
_____
_____
_____

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# POWER OF ATTORNEY

# EXHIBIT 4

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**UNIT OWNER'S POWER OF ATTORNEY**

THE 844 QUINCY STREET CONDOMINIUM
844 Quincy Street
Brooklyn, New York

The undersigned, _____ residing at 844 Quincy Street, Unit _____, Brooklyn, New York, the owner(s) of Condominium Unit No. ____ in the Condominium known as THE 844 QUINCY STREET CONDOMINIUM ("Condominium"), consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York, pursuant to the Declaration recorded the __ day of _____, _____ in the Kings County Office of the Register, under CRFN #_____ in the floor plans of file as Condo Plan No._____ do hereby irrevocably nominate, constitute and appoint the following persons who may from time to time constitute the Condominium Board of The 844 Quincy Street Condominium jointly true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with powers of substitution pursuant to the plan of Condominium ownership evidenced by the Declaration and By -Laws filed with respect to the Condominium:

I. A. The Condominium Board and their successors, jointly, to (1)(a) vote on, exercise or waive any right of first refusal to purchase a Unit available to the Condominium under the By-Laws of the Condominium, subject to any other limitations contained in the By-Laws, or (b) acquire, in their own name or in the name of their designee by deed on behalf of all owners of Units in said property, any Unit whose owner desires to abandon the same or whose owner desires to sell the same or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale at such price and on such terms as) said attorney-in-fact shall, in their sole discretion deem proper; and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Unit so acquired at such terms as said attorney-in-fact may in their sole discretion determine granting to said attorney-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Zoning Board and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, rehabilitation, alteration, repair or restoration of the Condominium, or (b) any consent, covenant, restriction, easement or declaration, or any amendment to the Declaration or By-Laws affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate; (3) to file applications and protests (or employ persons to do same) in the undersigned's name and stead with respect to the assessed valuation of the undersigned's Unit, and to execute all documents and pay all costs in connection therewith; (4) to borrow funds to repair the Common Elements pursuant to Real Property Law Section 339-jj; or (5) to act as the undersigned's agent and attorney-in-fact, at the undersigned's expense, to take such action against any tenant or occupant of the undersigned's Unit, including (but not limited to) maintaining summary proceedings for eviction or engaging in other litigation, as the Condominium Board may deem necessary in order to protect the interests of the Condominium if (a) such tenant or occupant remains in possession of the Unit after any lease or occupancy for the Unit has been terminated or expires; or (b) such tenant or occupant violates the terms of the Condominium Documents or any

lease or occupancy agreement between the undersigned and such tenant or occupant. The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorney-in-fact.

II. 844 Quincy Partners LLC, its officers, directors, successors and assigns, severally ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

(1) Amend from time to time the Declaration, By-Laws and the Rules and Regulations of said Condominium, or any of said documents, when such amendment shall be required (a) to reflect any changes in Unsold Units or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor in accordance with the Declaration; (b) to make non-material changes in the Condominium Documents that are required to correct technical errors in the Condominium Documents, to conform them to legal requirements, or to correct discrepancies (as of the date of recording of the Declaration of Condominium) between the provisions of the offering plan under which the Units were originally offered and the Condominium Documents; or (c) by (i) an institutional lender as a condition of making a mortgage loan secured by a mortgage on any Unit, (ii) any governmental agency having regulatory jurisdiction over the Condominium, or (iii) any title insurance company in order to insure title to any Unit; however, unless the undersigned shall consent thereto by giving written consent or joining in the execution of such amendment, no amendment made pursuant to subdivision (a) or (b) of this paragraph shall (x) change the Common Interest of the undersigned's Unit, (y) require a material, physical modification to the undersigned's Unit, or (z) adversely affect the priority or validity of the lien of any mortgage held by an institutional lender covering the undersigned's Unit.

(2) Execute any documents that may be required to be filed with the City of New York in order to complete construction or alteration of the Common Elements of the Condominium or to make an alteration to an Unsold Unit permitted under the Declaration and By-Laws of the Condominium, or to fulfill the Sponsor's obligations under the Offering Plan pursuant to which the Unit was originally offered for sale, including execution of such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration;

(3) Cause the Condominium Board and all of the Unit Owners and their successors and/or assigns, to take such action, and/or to execute, acknowledge, deliver and record on their behalf such instruments and documents (including, but not limited to deed(s), lease(s), zoning lot agreement(s), declaration(s), for the purpose of (i) effectuating the conveyance, transfer, assignment or surrender of such rights by the Condominium and its Unit Owners; and (ii) making any amendment to the Condominium Declaration which the Sponsor deems necessary or appropriate to effectuate its rights described above.

The holder of this Power of Attorney is authorized to give consent to an act permitted hereunder as part of a "Unanimous Consent of Unit Owners in Lieu of a Meeting," subject to any other limitations contained herein and in the Declaration and By-Laws of the Condominium.

This power of attorney is coupled with an interest and is irrevocable.

IN WITNESS WHEREOF, I (we) have hereunto set my (our) hand(s) and seal this _____ day of _____, 20___

_____
Purchaser

_____
Purchaser

STATE OF NEW YORK)

)ss.:
COUNTY OF _____)

On the ____ day of _____ in the year 20___ before me, the undersigned, _____ personally appeared known to me or provided to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacit(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)

)ss.:
COUNTY OF _____)

On the ____ day of _____ in the year 20___ before me, the undersigned, _____ personally appeared known to me or provided to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacit(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

# POWER OF ATTORNEY

_____

TO

THE CONDOMINIUM BOARD
THE 844 QUINCY STREET CONDOMINIUM

Premises:
844 Quincy Street
Unit _____
Brooklyn, New York 11221

County: Kings
Section:
Block:
Lot:

Record and return to:

MAVRIDES MOYAL PACKMAN & SADKIN, LLP
276 Fifth Avenue, Suite 404
New York, New York 10001
(212) 396-4288

# NEW YORK STATE AND NEW YORK CITY TAX FORMS

# EXHIBIT 5

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Finance

# NYC-RPT

## Form and Instructions

### What's inside?


Form NYC-RPT (Real Property Transfer Tax Return). Pages 1 - 11

Smoke Detector Affidavit for one-and two-family dwellings. Page 12

Instructions for Form NYC-RPT. Pages 13 - 17

What is the Tax Rate? Page 14

Who is exempt from the transfer tax? Page 16

What is the filing fee? Page 16

Where and when do I have to file? Page 17


**Use this application only if filing a Property Transfer Tax Return for Staten Island. All other boroughs must file via ACRIS at nyc.gov/finance**

New York City Department of Finance

Revised 04.06.2015

NEW YORK CITY DEPARTMENT OF FINANCE

# NYC - RPT

Finance

# REAL PROPERTY TRANSFER TAX RETURN

(Pursuant to Title 11, Chapter 21, NYC Administrative Code)

**Instructions:** If you are filing this form as part of a Non-Recorded Transfer, mail your completed RPT form to: **NYC Dept. of Finance, Non-Recorded RPTT Return Processing, 66 John Street, 13th Floor, New York, NY 10038.** See Instructions on page 17 of this form for further details.

▲ DO NOT WRITE IN THIS SPACE ▲
FOR OFFICE USE ONLY

## GRANTOR

● Name

● Grantor is a(n): (check one) ☐ individual ☐ partnership (see instructions) ☐ corporation ☐ single member LLC ☐ multiple member LLC (see instructions) ☐ other_____ | Telephone Number

● Permanent mailing address after transfer (number and street)

● City and State | Zip Code

● Single member's name if grantor is a single member LLC (see instructions)

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

SINGLE MEMBER EIN OR SSN

## GRANTEE

● Name

● Grantee is a(n): (check one) ☐ individual ☐ partnership (see instructions) ☐ corporation ☐ single member LLC ☐ multiple member LLC (see instructions) ☐ other_____ | Telephone Number

● Permanent mailing address after transfer (number and street)

● City and State | Zip Code

● Single member's name if grantee is a single member LLC (see instructions)

SOCIAL SECURITY NUMBER

OR

EMPLOYER IDENTIFICATION NUMBER

SINGLE MEMBER EIN OR SSN

## PROPERTY LOCATION

LIST EACH LOT SEPARATELY. ATTACH A RIDER IF ADDITIONAL SPACE IS REQUIRED

| ● Address (number and street) | Apt. No. | Borough | Block | Lot | # of Floors | Square Feet | ● Assessed Value of Property |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

● DATE OF TRANSFER TO GRANTEE: _____ ● PERCENTAGE OF INTEREST TRANSFERRED: _____%

## CONDITION OF TRANSFER. See Instructions

● Check (✓) all of the conditions that apply and fill out the appropriate schedules on pages 5-11 of this return. Additionally, Schedules1 and 2 **must** be completed for all transfers.

a. ☐.....Arms length transfer
b. ☐.....Transfer in exercise of option to purchase
c. ☐.....Transfer from cooperative sponsor to cooperative corporation
d. ☐.....Transfer by referee or receiver (complete Schedule A, page 5)
e. ☐.....Transfer pursuant to marital settlement agreement or divorce decree (complete Schedule I, page 9)
f. ☐.....Deed in lieu of foreclosure (complete Schedule C, page 6)
g. ☐.....Transfer pursuant to liquidation of an entity (complete Schedule D, page 6)
h. ☐.....Transfer from principal to agent, dummy, strawman or conduit or vice-versa (complete Schedule E, page 7)
i. ☐.....Transfer pursuant to trust agreement or will (attach a copy of trust agreement or will)
j. ☐.....Gift transfer not subject to indebtedness
k. ☐.....Gift transfer subject to indebtedness
l. ☐.....Transfer to a business entity in exchange for an interest in the business entity (complete Schedule F, page 7)
m. ☐.....Transfer to a governmental body
n. ☐.....Correction deed
o. ☐.....Transfer by or to a tax exempt organization (complete Schedule G, page 8).
p. ☐.....Transfer of property partly within and partly without NYC
q. ☐.....Transfer of successful bid pursuant to foreclosure
r. ☐.....Transfer by borrower solely as security for a debt or a transfer by lender solely to return such security
s. ☐.....Transfer wholly or partly exempt as a mere change of identity or form of ownership. Complete Schedule M, page 9)
t. ☐.....Transfer to a REIT or to a corporation or partnership controlled by a REIT. (Complete Schedule R, pages 10 and 11)
u. ☐.....Other transfer in connection with financing (describe): _____
v. ☐.....A grant or assignment of a leasehold interest in a tax-free NY area
w. ☐.....Other (describe): _____

**● TYPE OF PROPERTY (✓)**

a. ☐ ..... 1-3 family house
b. ☐ ..... Individual residential condominium unit
c. ☐ ..... Individual cooperative apartment
d. ☐ ..... Commercial condominium unit
e. ☐ ..... Commercial cooperative
f. ☐ ..... Apartment building
g. ☐ ..... Office building
h. ☐ ..... Industrial building
i. ☐ ..... Utility
j. ☐ ..... OTHER. (describe): _____

**● TYPE OF INTEREST (✓)**

Check box at LEFT if you intend to record a document related to this transfer. Check box at RIGHT if you do not intend to record a document related to this transfer.

| | REC. | | NON REC. |
|---|---|---|---|
| a. | ☐ | Fee | ☐ |
| b. | ☐ | Leasehold Grant | ☐ |
| c. | ☐ | Leasehold Assignment or Surrender | ☐ |
| d. | ☐ | Easement | ☐ |
| e. | ☐ | Subterranean Rights | ☐ |
| f. | ☐ | Development Rights | ☐ |
| g. | ☐ | Stock | ☐ |
| h. | ☐ | Partnership Interest | ☐ |
| i. | ☐ | OTHER. (describe): _____ | ☐ |

## SCHEDULE 1 - DETAILS OF CONSIDERATION

**COMPLETE THIS SCHEDULE FOR ALL TRANSFERS AFTER COMPLETING THE APPROPRIATE SCHEDULES ON PAGES 5 THROUGH 11. ENTER "ZERO" ON LINE 11 IF THE TRANSFER REPORTED WAS WITHOUT CONSIDERATION.**

| | | | |
|---|---|---|---|
| 1. Cash | ● 1. | | |
| 2. Purchase money mortgage | ● 2. | | |
| 3. Unpaid principal of pre-existing mortgage(s) | ● 3. | | |
| 4. Accrued interest on pre-existing mortgage(s) | ● 4. | | |
| 5. Accrued real estate taxes | ● 5. | | |
| 6. Amounts of other liens on property | ● 6. | | |
| 7. Value of shares of stock or of partnership interest received | ● 7. | | |
| 8. Value of real or personal property received in exchange | ● 8. | | |
| 9. Amount of Real Property Transfer Tax and/or other taxes or expenses of the grantor which are paid by the grantee | ● 9. | | |
| 10. Other (describe): _____ | ● 10. | | |
| 11. **TOTAL CONSIDERATION** (add lines 1 through 10 - must equal amount entered on line 1 of Schedule 2) (see instructions) | ● 11. | $ | |

**See instructions for special rules relating to transfers of cooperative units, liquidations, marital settlements and transfers of property to a business entity in return for an interest in the entity.**

## SCHEDULE 2 - COMPUTATION OF TAX

| A. **Payment** | Pay amount shown on line 12 - *See Instructions* | Payment Enclosed | |
|---|---|---|---|

| | | | |
|---|---|---|---|
| 1. Total Consideration (from line 11, above) | ● 1. | | |
| 2. Excludable liens (see instructions) | ● 2. | | |
| 3. Consideration (Line 1 less line 2) | ● 3. | | |
| 4. Tax Rate (see instructions) | ● 4. | | % |
| 5. Percentage change in beneficial ownership (see instructions) | ● 5. | | % |
| 6. Taxable consideration (multiply line 3 by line 5) | ● 6. | | |
| 7. Tax (multiply line 6 by line 4) | ● 7. | | |
| 8. Credit (see instructions) | ● 8. | | |
| 9. Tax due (line 7 less line 8) (if the result is negative, enter zero) | ● 9. | | |
| 10. Interest (see instructions) | ● 10. | | |
| 11. Penalty (see instructions) | ● 11. | | |
| 12. **Total Tax Due** (add lines 9, 10 and 11) | ● 12. | $ | |

## SCHEDULE 3 - TRANSFERS INVOLVING MULTIPLE GRANTORS AND/OR GRANTEES

**NOTE** If additional space is needed, attach copies of this schedule or an addendum listing all of the information required below.

### GRANTOR(S)

- Name
- Grantor is a(n): (check one) ☐ individual ☐ partnership (see instructions) ☐ corporation ☐ single member LLC ☐ multiple member LLC (see instructions) ☐ other_____ — Telephone Number
- Permanent mailing address after transfer (number and street)
- City and State — Zip Code
- Single member's name if grantor is a single member LLC (see instructions)

SOCIAL SECURITY NUMBER ___ - ___ - ___

OR

EMPLOYER IDENTIFICATION NUMBER ___ - ___

SINGLE MEMBER EIN OR SSN ___

- Name
- Grantor is a(n): (check one) ☐ individual ☐ partnership (see instructions) ☐ corporation ☐ single member LLC ☐ multiple member LLC (see instructions) ☐ other_____ — Telephone Number
- Permanent mailing address after transfer (number and street)
- City and State — Zip Code
- Single member's name if grantor is a single member LLC (see instructions)

SOCIAL SECURITY NUMBER ___ - ___ - ___

OR

EMPLOYER IDENTIFICATION NUMBER ___ - ___

SINGLE MEMBER EIN OR SSN ___

### GRANTEE(S)

- Name
- Grantee is a(n): (check one) ☐ individual ☐ partnership (see instructions) ☐ corporation ☐ single member LLC ☐ multiple member LLC (see instructions) ☐ other_____ — Telephone Number
- Permanent mailing address after transfer (number and street)
- City and State — Zip Code
- Single member's name if grantee is a single member LLC (see instructions)

SOCIAL SECURITY NUMBER ___ - ___ - ___

OR

EMPLOYER IDENTIFICATION NUMBER ___ - ___

SINGLE MEMBER EIN OR SSN ___

- Name
- Grantee is a(n): (check one) ☐ individual ☐ partnership (see instructions) ☐ corporation ☐ single member LLC ☐ multiple member LLC (see instructions) ☐ other_____ — Telephone Number
- Permanent mailing address after transfer (number and street)
- City and State — Zip Code
- Single member's name if grantee is a single member LLC (see instructions)

SOCIAL SECURITY NUMBER ___ - ___ - ___

OR

EMPLOYER IDENTIFICATION NUMBER ___ - ___

SINGLE MEMBER EIN OR SSN ___

## GRANTOR'S ATTORNEY

| Name of Attorney | | Telephone Number ( ) |
|---|---|---|
| Address (number and street) | City and State | Zip Code |
| EMPLOYER IDENTIFICATION NUMBER - | OR | SOCIAL SECURITY NUMBER - - |

## GRANTEE'S ATTORNEY

| Name of Attorney | | Telephone Number ( ) |
|---|---|---|
| Address (number and street) | City and State | Zip Code |
| EMPLOYER IDENTIFICATION NUMBER - | OR | SOCIAL SECURITY NUMBER - - |

## CERTIFICATION

I swear or affirm that this return, including any accompanying schedules, affidavits and attachments, has been examined by me and is, to the best of my knowledge, a true and complete return made in good faith, pursuant to Title 11, Chapter 21 of the Administrative Code and the regulations issued thereunder.

### GRANTOR

Sworn to and subscribed to

before me on this _____ day

of _____, _____.

_____
Signature of Notary

Notary's stamp or seal

_____
EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER

_____
Name of Grantor

_____
Signature of Grantor

### GRANTEE

Sworn to and subscribed to

before me on this _____ day

of _____, _____.

_____
Signature of Notary

Notary's stamp or seal

_____
EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER

_____
Name of Grantee

_____
Signature of Grantee

**GRANTEE:** To ensure that your property and water/sewer tax bills are sent to the proper address, please visit the Finance website at nyc.gov/finance. If you do not have internet access, call 311.

## SCHEDULE A - TRANSFER BY REFEREE OR RECEIVER

**NOTE** The consideration for a transfer by a referee or receiver under foreclosure or execution is the amount bid for the property or economic interest therein and the costs paid by the purchaser, plus the amount of any pre-existing mortgages, liens or other encumbrances remaining on the property after the transfer, whether or not the underlying indebtedness is assumed.

1. Was this transfer the result of a court ordered sale pursuant to foreclosure or execution? (✓) ..... ☐ YES ☐ NO
If "YES," complete lines 2a through 2f below. If "NO," complete line 3 below.

2a. Status of grantee: (✓)
☐ Nominee of plaintiff ☐ Plaintiff in foreclosure action ☐ Assignee of plaintiff ☐ Transferee of successful bidder
☐ Other (describe): _____

2b. Priority of mortgage foreclosed upon: ☐ first ☐ second ☐ third or other

2c. Amount of foreclosure judgment .....2c. $ _____

| | | |
|---|---|---|
| 2d. Price bid by grantee (enter here and on Schedule 1. See instructions) .....2d. | $ | |
| 2e. Costs paid by grantee (enter here and on line 10, Schedule 1).....2e. | $ | |
| 2f. Amount of remaining mortgages, liens or other encumbrances (enter here and on Schedule 1. See instructions) .....2f. | $ | |

3. If the answer to line 1 above is "NO", state the reason for this transfer:_____

_____

_____

## SCHEDULE B - TRANSFER OF SHARES OF STOCK IN A COOPERATIVE HOUSING CORPORATION

A. Name and address of cooperative housing corporation: _____

_____ Zip Code: _____

B. 1) Is this an initial transfer of shares from either a cooperative housing corporation or a sponsor? (✓) ☐ YES ☐ NO

2) If "YES," enter the date the NYC Real Property Transfer Tax was paid on the transfer of land and/or building to the cooperative housing corporation ..... MONTH ____ DAY ____ YEAR ____

If this initial transfer is more than 2 years from the above date, enter the date the first of these initial transfers was made ..... MONTH ____ DAY ____ YEAR ____

C. Is this a transfer of an individual unit in a housing company organized and operating pursuant to the provisions of articles two, four, five, or eleven of the Private Housing Finance Law? (✓) ☐ YES ☐ NO

If "YES," you are not subject to the Real Property Transfer Tax. However, you must file a return.

**NOTE** If you answered "YES," to question B above, you may be entitled to a credit. Complete lines 1 through 4 below.
If you answered "NO," to question B above, you are not entitled to a credit.

**CREDIT CALCULATION**

| | | |
|---|---|---|
| 1. Enter the amount of NYC Real Property Transfer Tax paid on conveyance of underlying real property to cooperative housing corporation .....1. | $ | |
| 2. Enter the number of shares transferred in this transaction .....2. | | |
| 3. Enter the total number of outstanding shares of the cooperative housing corporation including any shares held by the corporation .....3. | | |
| 4. Amount of credit (divide line 2 by line 3 and multiply the result by line 1. Enter here and on line 8, Schedule 2) .....4. | $ | |

## SCHEDULE C - TRANSFER IN LIEU OF FORECLOSURE

**NOTE** A conveyance by a defaulting mortgagor to the mortgagee (or to a nominee or assignee of the mortgagee) in consideration of the cancellation of the mortgage debt is taxable. The consideration is the amount of the outstanding mortgage debt and unpaid accrued interest, plus the amount of any other mortgages, liens or encumbrances remaining on the property or economic interest or the underlying real property after the transfer, whether or not the underlying indebtedness is assumed and irrespective of whether the cancellation of the mortgage was recorded.

1. Status of grantee: (✓)

☐ Mortgagee ☐ Nominee of mortgagee ☐ Assignee of mortgagee

☐ Other (describe):_____

2. Priority of mortgage in default: ☐ first ☐ second ☐ third or other

| | | |
|---|---|---|
| 3. Amount of debt owed by grantor to mortgagee at time of transfer: | | |
| a. Outstanding principal (enter here and on line 3 of Schedule 1) .....3a. | $ | |
| b. Accrued interest (enter here and on line 4 of Schedule 1) .....3b. | $ | |
| 4. Amount of mortgages, liens or other encumbrances remaining on the real property or economic interest therein after the transfer (enter here and on Schedule 1. See instructions).....4. | $ | |

## SCHEDULE D - TRANSFER PURSUANT TO PARTIAL OR COMPLETE LIQUIDATION OF CORPORATION, PARTNERSHIP OR OTHER ENTITY

**SEE INSTRUCTIONS AND SCHEDULE M.**

**NOTE** A distribution of real property or an economic interest therein within 12 months of liquidation of the distributing entity is presumed to be a distribution in liquidation. *Attach a balance sheet reflecting the grantor's assets and liabilities at the time of the liquidation.*

### COMPUTATION OF TAX BASE

| | | |
|---|---|---|
| 1. Fair market value of real property or economic interest therein at the time of liquidation.....1. | $ | |
| 2. Amount of mortgages or other liens or encumbrances on real property or economic interest therein.....2. | $ | |
| 3. Tax base: Compare line 1 and line 2, enter the greater of the two here and on line 11, Schedule 1 .....3. | $ | |

**IF, PURSUANT TO THE INSTRUCTIONS, YOU ARE FILING MORE THAN ONE SCHEDULE D, IDENTIFY THE PROPERTY THAT THIS SCHEDULE D REFERS TO.**

| BOROUGH | BLOCK | LOT | ADDRESS | FAIR MARKET VALUE |
|---|---|---|---|---|
| | | | | |

## SCHEDULE E - TRANSFER BY OR TO AN AGENT, DUMMY, STRAWMAN OR CONDUIT

**NOTE** A transfer from an agent, dummy, strawman or conduit to a principal or from a principal to an agent, dummy, strawman or conduit is exempt from the Real Property Transfer Tax. Complete questions 1 through 8 below to establish the claim of exemption.

1. Name and address of party from whom the property or economic interest was acquired by grantor.

   Name: _____

   Address: _____
   NUMBER AND STREET CITY STATE ZIP CODE

2. Date of acquisition: ____ ____ ____

3. Is this conveyance either a transfer from an agent to a principal or from a principal to an agent? (✓) ..... ☐ YES ☐ NO
   If "YES," attach a copy of agency agreement or affidavit of explanation.

4. Amount of Real Property Transfer Tax paid upon acquisition by grantor..... ____ ____

5. Is this transfer part of a transfer to and from a corporation for the sole purpose of acquiring mortgage financing? (✓). ☐ YES ☐ NO

6. Is this transfer to a dummy, strawman, or conduit from a principal or vice versa? (✓) ..... ☐ YES ☐ NO

7. If this is a transfer to an agent, dummy, strawman, or conduit, is the grantee actively engaged in a business? (✓)..... ☐ YES ☐ NO

8. If the answers to questions 3, 5, 6 and 7 above are all "NO," describe the relationship of the grantor and the grantee and the purpose of the transfer:

   _____

   _____

   _____

   _____

## SCHEDULE F - TRANSFER TO BUSINESS ENTITY IN RETURN FOR AN INTEREST IN THE BUSINESS ENTITY

**SEE SCHEDULE M AND INSTRUCTIONS.**

**NOTE** A transfer of property or an economic interest therein to a corporation in exchange for shares of its capital stock may be taxable, even where there is no simultaneous exchange of shares of stock for the real property or economic interest therein, if the transfer is part of a plan to form a corporation for the purpose of holding the property or economic interest therein. A transfer to a partnership as a contribution of partnership assets may be similarly taxable.

1. Relationship of grantee to grantor(s) immediately after the transfer: (✓)

   ☐ Corporation wholly owned by grantor(s)
   ☐ Partnership consisting wholly of grantor(s)
   ☐ Corporation owned by grantor(s) and other(s)
   ☐ Partnership consisting of grantor(s) and other(s)
   ☐ Other (describe):_____

2. If this transfer has more than one grantor, state the percentage of interest transferred by each grantor. (If the grantor is a partnership or limited partnership, state the percentage of interest transferred by each individual partner or limited partner.)

| Name of Grantor/Partnership | Percentage of interest |
|---|---|
| | % |
| | % |
| | % |

| | | |
|---|---|---|
| 3. Date of formation of grantee business | 3. | ____ ____ ____ |
| 4. Fair market value of the real property or economic interest therein at time of transfer | 4. | $ |
| 5. Basis used for depreciation of the real property on federal tax return by the grantor before this transfer | 5. | |
| 6. Basis to be used for depreciation of the real property on federal tax return by the grantee after this transfer | 6. | |
| 7. Amount of mortgages, liens or encumbrances on the real property transferred | 7. | $ |
| 8. Other consideration received from the business entity (attach schedule) | 8. | $ |
| 9. Value of shares of stock or partnership interest received in exchange for the real property or interest therein (line 4 less the sum of lines 7 and 8) (enter here and on line 7, Schedule 1) | 9. | $ |

## SCHEDULE G - TRANSFER BY OR TO A TAX EXEMPT ORGANIZATION

**NONPROFIT ORGANIZATIONS PLEASE REFER TO THE INSTRUCTIONS "EXEMPTIONS FROM THE TRANSFER TAX"**

**NOTE** A transfer by or to an eligible tax exempt organization is exempt from the Real Property Transfer Tax. To be eligible, an organization must be operated exclusively for religious, charitable or educational purposes and must provide proof of the organization's tax exempt status. If claiming tax exempt status, please answer questions 1 and 2. Additionally, the organization must provide copies of any letters granting an IRS or New York State sales tax exemption or New York City exemption and ATTACH AN AFFIDAVIT stating whether such an exemption remains in effect.

1. Is the grantor or grantee an organization exempt from taxation pursuant to IRS Code Section 501(c)(3)? (✓)..... ☐ YES ☐ NO
   If "YES", attach a copy of of the letter from the U. S. Treasury Department granting the exemption.
2. Has the grantor or grantee received an exemption from sales tax from the NYS Department of Taxation and Finance? (✓) .. ☐ YES ☐ NO
   If "YES", attach a copy of the letter from the NYS Department of Taxation and Finance granting the exemption.

## SCHEDULE H - TRANSFER OF CONTROLLING ECONOMIC INTEREST

A. Indicate name, address and Employer Identification Number (EIN) of entity with respect to which a controlling economic interest has been transferred:

Name : _____

Address: _____
NUMBER AND STREET CITY STATE ZIP CODE

Employer Identification Number: ☐☐ - ☐☐☐☐☐☐☐

**NOTE** If the real property that is the subject of this transfer is owned by an entity other than the entity listed above, check (✓) the box and attach a schedule listing the name, address and Employer Identification Number of the entity. ..... ☐

| | | |
|---|---|---|
| B. Total percentage of economic interest transferred in this transaction | B. | % |
| C. Total percentage of economic interest transferred by this grantor(s) or others in related transfers or pursuant to plan (including this transaction) | C. | % |
| D. Total percentage of economic interest transferred by this grantor(s) or others within the preceding three years (including this transaction) | D. | % |
| E. Total percentage of economic interest acquired by this grantee(s) or others in related transfers or pursuant to plan (including this transaction) | E. | % |
| F. Total percentage of economic interest acquired by this grantee(s) or others within the preceding three years (including this transaction) | F. | % |

**NOTE** If any of the above percentages is 50% or more, complete lines 1 and 2 below and Schedules 1 and 2. Attach a rider explaining apportionment of consideration.

**COMPUTATION OF CONSIDERATION**

| | | | |
|---|---|---|---|
| 1. Total consideration for this transfer | 1. | $ | |
| 2. Amount apportioned to item of NYC real property or interest therein (see instructions) | 2. | $ | |

## SCHEDULE I - TRANSFERS PURSUANT TO A SEPARATION AGREEMENT, MARITAL SETTLEMENT AGREEMENT OR DIVORCE DECREE

**NOTE** The consideration for a transfer pursuant to a separation agreement, marital settlement agreement or divorce decree includes the value of any marital rights exchanged for the property or economic interest as well as any other types of consideration paid by the grantee for the transfer. The consideration **will be presumed to be equal to the fair market value of the portion of the property or interest transferred,** unless you establish the consideration to be a different amount.

1. What was the fair market value of property at the time of transfer? ..... $ _____

2. Is the property a 1, 2 or 3 family house, residential condominium or residential cooperative apartment? .. ☐ YES ☐ NO

   If yes, was there a mortgage on the property at the time of transfer? ..... ☐ YES ☐ NO

   If yes, what was the balance due? (Enter also on Schedule 2, line 2) ..... $ _____

3. What was the Grantor's percentage of ownership at the time of the transfer? ..... _____%
   If the transfer was between husband and wife jointly as Grantor and either husband or wife individually as Grantee it is presumed that the percentage of ownership transferred will be 50% unless the deed specifies another percentage.

4. ***Rebuttable Presumption of Fair Market Value:*** if the marital settlement agreement, separation agreement or divorce decree specifies a value for the portion of the property or interest transferred that is different from fair market value, enter that value here. You may choose to submit relevant portions of your separation agreement, marital settlement agreement or divorce decree, or any other information in support of the value attributed to the transferred property if you have evidence that the consideration was other than fair market value ..... $ _____

**PLEASE LIST AND ATTACH ANY ADDITIONAL INFORMATION SUBMITTED**

## SCHEDULE M - MERE CHANGE OF FORM TRANSFERS

**For transfers occurring on or after June 9, 1994, a transfer that represents a mere change in identity or form of ownership or organization is not taxable to the extent the beneficial ownership of the real property or economic interest therein remains the same.** *(See instructions)* ATTACH COPIES OF ALL RELEVANT DOCUMENTS.

- For each person or entity who, prior to the transaction being reported on this Schedule M, owned a beneficial interest in the property or economic interest therein transferred, report above the percentage of beneficial interest in that real property or economic interest therein owned by that owner before and after the transfer, and describe the relationship of each beneficial owner to the grantor and grantee. Attach additional pages, if necessary.
- If, for any owner, the amount reported in column D is less than the amount reported in column E, enter zero in column F.

| A<br>1. NAME OF BENEFICIAL OWNER | B (attach rider if necessary)<br>RELATIONSHIP TO GRANTOR | C<br>RELATIONSHIP TO GRANTEE | D<br>PERCENTAGE INTEREST<br>BEFORE | E<br>PERCENTAGE INTEREST<br>AFTER | F<br>CHANGE<br>*D minus E* |
|---|---|---|---|---|---|
| | | | % | % | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| **2.** TOTAL CHANGE *(total of column F) Enter here and on Schedule 2, line 5.* | | | | | |

## SCHEDULE R - REAL ESTATE INVESTMENT TRUST TRANSFERS

Real Estate Investment Trust Transfers ("REIT Transfers") are taxed at one-half of the otherwise applicable rate. (NYC Administrative Code Section 11-2102(e)) **Attach a copy of the prospectus to Form NYC-RPT and write "REIT Transfer" on the top of the first page of Form NYC-RPT.** If you are filing Form NYC-RPT reporting a REIT Transfer that qualifies as a mere change in identity or form of ownership or organization, you must also complete Schedule M.

## General Information

**REIT TRANSFER**

A REIT Transfer is any deed or other instrument or transaction conveying or transferring real property or an economic interest in real property to a Real Estate Investment Trust as defined in Section 856 of the Internal Revenue Code (a 'REIT"), or to a partnership or corporation in which a REIT owns a controlling interest immediately following the transaction and any issuance or transfer of an interest in a REIT or in such a partnership or corporation in connection with such a transaction, provided either:

1. the transaction occurs on or after June 9, 1994 in connection with the initial formation of the REIT and conditions 1(a), 2 and 3 below are met, or

2. the transaction occurs on or after July 13, 1996 and before September 1, 2002 (or after August 30, 2002 if the transfer is made pursuant to a binding written contract entered into before September 1, 2002, with a REIT or a partnership or corporation in which the REIT owns a controlling interest, and the date of execution of that contract is confirmed by independent evidence satisfactory to the Department), and conditions 1 (b) and 2 below are met.

For a definition of "controlling interest", see General Information for Form NYC-RPT, "Imposition of Tax."

**CONDITIONS**

1a. The value of the ownership interests in the REIT or in the partnership or corporation controlled by the REIT received by the grantor as consideration for the transaction must be equal to 40 percent or more of the excess of the value of the total consideration received over the amount of mortgages and other liens and encumbrances on the property or on the grantor's economic interest in the property, other than mortgages and other liens and encumbrances created in contemplation of the formation of the REIT.

b. This condition is the same as Condition 1(a), except that the value of the ownership interests received as consideration must be equal to at least 50 percent rather than 40 percent of the excess of the total consideration received over mortgages and other liens and encumbrances on the property or economic interest transferred excluding mortgages and other liens or encumbrances created in contemplation of the transaction reported on this Schedule R.

Use the worksheet on the following page of this Schedule to make this determination.

2. The interests in the REIT or in the partnership or corporation controlled by the REIT may not be transferred by the grantor or owners of the grantor within two years following the date of the transaction other than transfers within the two-year period resulting from the death of an individual grantor or owner of a grantor.

3. At least 75 percent of the cash proceeds of the initial public offering of REIT shares must be used for the following:

   a. payments on loans secured by an interest in the real property or an economic interest therein owned directly or indirectly by the REIT, or payments into reserves therefor;

   b. capital improvements to real property owned directly or indirectly by the REIT, or payments into reserves therefor;

   c. brokerage fees and commissions, professional fees and payments to or on behalf of a tenant as an inducement to enter into a lease or sublease of real property owned directly or indirectly by the REIT, or payments into reserves therefor; or

   d. payments to acquire real property or an economic interest therein other than an acquisition that would qualify as a REIT Transfer without regard to this condition 3.

**If condition 2 or 3, where applicable, ceases to be met after this Schedule R is filed, an amended Form NYC-RPT must be filed and any additional tax due must be paid.**

**WORKSHEET FOR CONDITIONS 1(a) and 1(b)**

**1.** Add lines 1, 2, 7, 8, 9 and 10 from Form NYC-RPT, Schedule 1 and enter total here ..... **1.** $ _____

**2 a.** Enter total number of REIT shares received ..... **a.** _____

**b.** Enter maximum number of REIT shares into which ownership interests may be converted ..... **b.** _____

**c.** Add lines a and b ..... **c.** _____

**d.** Enter offering price per share of REIT shares on the date of the transaction reported ..... **d.** _____

**e.** Multiply line 2c by line 2d ..... **e.** _____

**f.** Enter value of ownership interests received not convertible into REIT shares ..... **f.** _____

**g.** Add lines e and f ..... **2g.** _____

**3.** Multiply line 1 by .40 for condition 1(a) or .50 for condition 1(b) ..... **3.** _____

- If line 3 is greater than line 2g, the transaction does not qualify as a REIT transfer. DO NOT FILE THIS SCHEDULE. You must file Form NYC-RPT and compute your tax due on Schedule 2.
- If line 3 is less than or equal to line 2g, the transaction will qualify as a REIT Transfer, provided the other conditions are met. You should complete Form NYC-RPT substituting on line 4 of Schedule 2:
  - **.5%** instead of 1%;
  - **.7125%** instead of 1.425%;
  - **1.3125%** instead of 2.625%

**SEE INSTRUCTIONS TO DETERMINE WHICH TAX RATE APPLIES**

## Instructions for Completing Worksheet

**LINE 1**

Where the value of the underlying property transferred or interest therein is used in determining the consideration for a REIT Transfer, you may, but are not required to, report as the value of the real property or interest therein (Form NYC-RPT, Schedule 1, line 7), the estimated market value as determined by the Department of Finance as reflected on the most recent Notice of Assessment issued by the Department. *(See Statements of Audit Procedure 93-2-GCT/RPTT, 3/1/93 and 95-1-GCT/RPTT, 7/28/95)* Add to the amount reported on line 1 the amount of any mortgages and other liens and encumbrances created in contemplation of the formation of the REIT in the case of condition 1(a) or in contemplation of the transaction reported on this Schedule R in the case of condition 1(b).

**LINE 2**

If the grantor received REIT shares as consideration for the transfer, enter on line 2a the number of REIT shares received. If the grantor received interests in a partnership or corporation controlled by the REIT that may be converted into REIT shares, enter on line 2b the maximum number of REIT shares into which such interests may be converted and attach an explanation of the terms of the conversion. If the grantor received interests that may be converted into REIT shares but you believe that the offering price for the REIT shares into which such interests may be converted is not a proper measurement of the value of the interests received, do not complete line 2b. Instead, attach an explanation of the terms of the conversion and enter on line 2f the fair market value of the interests received. If the grantor received interests in a partnership or corporation controlled by the REIT that cannot be converted into REIT shares at any time, enter on line 2f the fair market value of the interests received. If you enter an amount on line 2f, attach an explanation of the method used for determining the value of the interests received.

## Certification

I swear or affirm under penalties of perjury that the grantor has no present intention to transfer or convey the REIT shares or interests in a partnership or corporation controlled by the REIT received by the grantor as consideration in the transaction reported on this Schedule R within two years of the date of the transfer, other than a distribution of such shares or interests to the partners or shareholders of the grantor, and that, to the best of my knowledge, condition 3 above regarding the use of the cash proceeds of the REIT offering will be satisfied, if applicable. I further swear or affirm that I will file an amended Form NYC-RPT and pay any additional tax due if any such transfer or conveyance occurs within such two-year period or if condition 3 above, if applicable, ceases to be met.

**GRANTOR**

Sworn to and subscribed to before me on this _____ day of _____, _____

_____
Signature of Notary

Notary's stamp or seal

_____
Name of Grantor

_____
Signature of Grantor

**GRANTEE**

Sworn to and subscribed to before me on this _____ day of _____, _____

_____
Signature of Notary

Notary's stamp or seal

_____
Name of Grantee

_____
Signature of Grantee

# AFFIDAVIT OF COMPLIANCE
## WITH SMOKE DETECTOR REQUIREMENT FOR ONE- AND TWO-FAMILY DWELLINGS

**State of New York**
**County of** } **SS.:**

The undersigned, being duly sworn, depose and say under penalty of perjury that they are the grantor and grantee of the real property or of the cooperative shares in a cooperative corporation owning real property located at

_____ , _____ ,
**Street Address Unit/Apt.**

_____ New York, _____ _____ (the "Premises");
**Borough** **Block** **Lot**

That the Premises is a one or two family dwelling, or a cooperative apartment or condominium unit in a one- or two-family dwelling, and that installed in the Premises is an approved and operational smoke detecting device in compliance with the provisions of Article 6 of Subchapter 17 of Chapter 1 of Title 27 of the Administrative Code of the City of New York concerning smoke detecting devices;

That they make affidavit in compliance with New York City Administrative Code Section 11-2105 (g). (The signatures of at least one grantor and one grantee are required, and must be notarized).

| | |
|---|---|
| _____ **Name of Grantor** (Type or Print) | _____ **Name of Grantee** (Type or Print) |
| _____ **Signature of Grantor** | _____ **Signature of Grantee** |
| **Sworn to before me this** _____ **date of** _____ **20** _____ | **Sworn to before me this** _____ **date of** _____ **20** _____ |

These statements are made with the knowledge that a willfully false representation is unlawful and is punishable as a crime of perjury under Article 210 of the Penal Law.

**NEW YORK CITY REAL PROPERTY TRANSFER TAX RETURNS FILED ON OR AFTER FEBRUARY 6th, 1990, WITH RESPECT TO THE CONVEYANCE OF A ONE- OR TWO-FAMILY DWELLING, OR A COOPERATIVE APARTMENT OR A CONDOMINIUM UNIT IN A ONE- OR TWO-FAMILY DWELLING, WILL NOT BE ACCEPTED FOR FILING UNLESS ACCOMPANIED BY THIS AFFIDAVIT.**

# Instructions for Form NYC-RPT

## Real Property Transfer Tax Return

### IMPORTANT

1. **Always submit pages 1-4 of the return and Smoke Detector Requirement Affidavit . Attach Schedules A through I, Schedule M and Schedule R as required.**
2. **Where the consideration is $400,000 or more, a copy of the Contract of Sale or closing statement must be attached to the return.**
3. **Please file your return at the correct office. See FILING OF RETURN on pages 16 and 17.**
4. **A fee of one hundred dollars ($100) must be paid upon the filing of the form NYC-RPT for those transactions for which the filing of a New York State Real Property Transfer Report (RP-5217NYC) is not required to be filed. Such transactions include, but are not limited to, transfers of co-ops, leaseholds and controlling economic interests.**

**IMPOSITION OF TAX**

The tax is imposed on conveyances of real property or interests therein, on certain grants, assignments or surrenders of leasehold interests, on transfers of controlling economic interests in real property and on all transfers of shares of stock in a cooperative housing corporation or an entity formed for the purpose of cooperative ownership of real property when the consideration as entered on Schedule 2, Computation of Tax, line 3 exceeds $25,000.

An ***economic interest*** in real property means:

- the ownership of shares of stock in a corporation which owns or leases real property;
- the ownership of an interest or interests in a partnership, association, or other unincorporated entity which owns or leases real property; and
- the ownership of a beneficial interest or interests in a trust which owns or leases real property.

A ***controlling interest*** in the case of a *corporation* means:

- 50% or more of the total combined voting power of all classes of stock of the corporation; or
- 50% or more of the total fair market value of all classes of stock of the corporation.

A ***controlling interest*** in the case of a ***partnership, association, trust or other unincorporated entity*** means:

- 50% or more of the capital, profits or beneficial interest in the partnership, association, trust or other unincorporated entity.

**NAME AND ADDRESS BOX**

Print or type the names, addresses, and social security or employer identification numbers of the grantor and grantee as they appear in your deed, lease, or other instrument that conveys the interest in real property. If the grantor or grantee is a single member LLC, enter the names and identification numbers (SSN and/or EIN) for both the LLC and the single member. If the conveyance is pursuant to a mortgage foreclosure or any other action governed by the Real Property Actions and Proceedings Law, the defaulting mortgagor or debtor is the grantor. If this transaction includes more than one grantor or grantee, complete Schedule 3 and provide the requested information for all such grantors or grantees that are not listed on page 1 of this form. For any grantor and grantee that is a partnership or a multiple member LLC, provide the requested information for each general partner or member (name and SSN/EIN) in a supporting document with a separate page for each partnership or LLC, including the name of the partnership or LLC. If the social security number or employer identification number is not provided for each grantor and grantee, the general partners of a partnership or members of an LLC which is either a grantor or grantee, or the single member of single member LLC, attach an affidavit attesting to the reasons that information is missing.

**PROPERTY LOCATION**

Enter the location of the property that is transferred or the location of the property in which an economic interest is transferred. If the transfer involves more than one property, list the properties separately. Attach additional sheets if necessary.

**CONDITION OF TRANSFER - Check all boxes that apply**

g. Check here if the transfer was pursuant to a partial or complete liquidation of a corporation, partnership or other entity. See instructions for Schedule D.

k. A gift of real property (or an interest therein) that is subject to indebtedness may be subject to tax because the indebtedness is deemed to be consideration for the transfer. However, see instructions for Schedule 2, line 2, transfers of interests in residential property on or after August 28, 1997.

o. Nonprofit organizations should see instructions, page **17** for information on exemption from Real Estate Tax and related charges.

v. Check this box if the conveyance involved the grant or assignment of a leasehold interest in real property located in a tax-free New York area to an approved business participating in the START-UP NY program. These transfers are exempt from the New York City Real Property Transfer Tax. See NYS Tax Law §39(g) and New York State Tax Form TP-584-SNY.

**Type of Property**

Check the type of property that is transferred or in which an interest is transferred.

**Type of Interest**

For any transfer where you intend to record a deed or other document you should check the relevant box at the left and file your return pursuant to the instructions on pages 16 and 17 of this booklet.

If you are not recording a deed or other document in connection with this transaction, check the box at the right and file your return with the New York City Department of Finance, Non-Recorded RPTT Return Processing, 66 John Street, 13th Floor, New York, NY 10038, pursuant to the instructions on pages 16 and 17 of this booklet.

If this is a transfer of stock in a cooperative housing corporation, complete Schedule B. If this is a transfer of stock or of partnership interests or other controlling economic interest in real property, complete Schedule H.

**SCHEDULE 1**
**DETAILS OF CONSIDERATION**

**Cooperatives.** In the case of a transfer of an individual residential cooperative unit (other than the original transfer of the unit by the cooperative corporation or cooperative plan sponsor) the consideration does not include any portion of the mortgage on the underlying real property. In the case of an original transfer of any cooperative unit, or of a subsequent transfer of a cooperative unit other than an individual residential unit, a proportionate share of any preexisting mortgage(s) on the underlying real property must be included in the consideration. An individual unit that is used for residential purposes by the occupant shall be presumed to be residential unless such residential use is *de minimis*.

**Liquidations.** In the case of a liquidation of a corporation, partnership, or other entity, if the fair market value of the property or interest therein distributed exceeds the consideration received, such fair market value is the measure of the tax. Enter the amount from Schedule D, line 3 on Schedule 1, line 11.

**Marital Transfers.** In the case of a transfer pursuant to a separation agreement, marital settlement agreement or divorce decree, consideration will be presumed to be equal to the fair market value of the portion of the property or interest transferred unless you establish the consideration to be a different amount.

If the measure of consideration is fair market value, the fair market value amount should not be reduced by any mortgages on the property. The fair market value amount should be inserted on Line 10 of Schedule 1.

If the measure of consideration is a value for the property that is specified in an agreement or decree, this value should reflect the portion of any mortgage the grantee may have assumed and/or taken subject to rather than reflect only the equity transferred. The specified value should be inserted on Line 10 of Schedule 1. If the specified value does not include mortgages, the mortgage amounts must be added as appropriate on line(s) 2, 3, 4, or 6 of Schedule 1.

In either situation, if the real property is encumbered by any mortgages that qualify as excludible liens, you may deduct the percentage of any excludible liens equal to the percentage of the interest in the real property that is transferred on Line 2 of Schedule 2.

In addition, you must complete Schedule I.

**Transfers to Business Entities.** In the case of a transfer of property or interest therein to a business entity in exchange for an interest in the entity, the value of such interest in the entity is equal to the fair market value of the property or interest therein less the amount of mortgages, liens or encumbrances thereon. (See Schedules F and M)

**SCHEDULE 2**
**COMPUTATION OF TAX**

**PAYMENT -**
If the real property is located in Staten Island (Richmond County), make check or money order payable to: **Richmond County Clerk.**

For real property not located in Staten Island, make check or money order payable to: **NYC Department of Finance.**

**LINE 1 - Total Consideration**
Enter the amount from line 11, Schedule1, page 2.

**LINE 2 - Excludible liens- Transfers involving certain residential property or interest therein**
With certain exceptions, the amount of mortgages, liens or encumbrances is excluded from consideration for the transfer on or after August 28, 1997 of a one-, two-, or three-family house, an individual residential cooperative apartment or individual residential condominium unit, or economic interest in such property if the mortgage, lien or encumbrance existed before the date of the transfer and remains on the property or interest after the date of the transfer. This provision does not apply to any mortgage, lien or encumbrance placed on the property or interest in connection with, or in anticipation of, the transfer, or by reason of deferred payments of the purchase price. This exclusion also does not apply to a transfer to a mortgagee, lienor or encumbrancer of the property or interest, or to a qualifying real estate investment trust transfer. Recently adopted rules govern the application of the exclusion. Under the rules, an existing mortgage will be excluded in all transfers pursuant to gifts or divorce. In any other transfer, an examination time period beginning six months prior to, and ending three months after, the transfer is established. Mortgages placed on the property or discharged outside that time period will be excluded unless there is documentary evidence that the mortgage was placed or discharged in connection with the transfer. Mortgages placed or discharged within the examination period will be excluded unless the facts and circumstances indicate that the mortgage was placed or discharged in connection with the transfer. Mortgages that are modified will be excluded in all cases except where the modifications occur within the examination period AND result in a change in the identity of the lender PLUS a change of at least ten percent in either the interest rate or term of the mortgage loan. See Title 19 of the Rules of the City of NY §23-03(k) for more information.

Enter on line 2 of Schedule 2 the amount of any mortgage, lien or encumbrance included in the amount entered on line 3 of Schedule 1 that is eligible for the exclusion described above.

NOTE: *You may not enter any amount online 2 if you have not checked box a, b or c under "Type of Property" on page 2 of Form NYC-RPT or you HAVE checked box d, f, q or t under "Condition of Transfer".*

## LINE 4 - Tax Rate

Insert the appropriate tax rate based on the consideration on line 3. Note: the tax rate is determined after certain liens are excluded but before taking into account the mere change of form exemption. Tax rates depend on the kind of real property that is transferred or is held by the entity whose stock or partnership interest is the subject of this transfer.

Effective for transfers on or after August 1, 1989, the tax rates are as follows:

**Certain Residential Property and Interests**
1% of the consideration where the consideration is $500,000 or less or 1.425% of the consideration where the consideration is greater than $500,000 in the following instances:

- conveyances where the real property transferred, or the real property in which the economic interest is transferred, is a one-, two-, or three family house, an individual cooperative apartment, an individual residential condominium unit, or an individual dwelling unit in a dwelling which is to be occupied as the residence or home of four or more families living independently of each other; and
- grants, assignments or surrenders of leasehold interests in a one-, two-, or three-

family house, or an individual dwelling unit in a dwelling which is to be occupied or is occupied as the residence or home of four or more families living independently of each other.

An individual condominium that is used for residential purposes by the occupant shall be presumed to be residential, unless such residential use is *de minimis*. (For illustrations, see RCNY Section 23-03(b)(9) and (10).)

**Other Transfers**

- For all transfers involving property or interests in property other than the residential property specified above, the rate is 1.425% of the consideration where the consideration is $500,000 or less or 2.625% of the consideration where the consideration is greater than $500,000.

**LINE 5**

If you qualify for the "Mere Change In Form Exemption", enter the percentage from Schedule M, line 2, Column f. If you do not qualify for the Mere Change In Form Exemption, enter 100%.

**LINE 7 - Tax**

Attach additional schedules 1 and 2 if varying tax rates apply.

**LINE 8 - Credit**

a. **Liquidations** - If a purchaser acquires a controlling economic interest in a corporation, partnership, association, trust or other entity owning real property in a transaction subject to the Real Property Transfer Tax and within 24 months of such acquisition the entity owning the real property or interest therein is liquidated and the real property or interest therein is conveyed to the purchaser of the controlling economic interest, a credit is available against the transfer tax due on the liquidation in the amount of the transfer tax paid with respect to the original acquisition of the controlling economic interest. In no event shall this credit be greater than the tax payable upon the conveyance in liquidation.

b. **Original Co-op Transfer** - In the case of the original transfer of cooperative housing corporation stock by a cooperative corporation or cooperative plan sponsor in connection with the grant or transfer of a proprietary leasehold, a credit is allowed for a proportionate part of the amount of any tax paid upon the conveyance to the cooperative housing corporation of the land and building or buildings comprising the cooperative dwelling or dwellings. This credit applies only for original transfers of stock by the cooperative housing corporation or cooperative plan sponsor. It does not apply to taxable resales of cooperative housing corporation stock.

No credit is allowed for any tax paid more than 24 months prior to the date on which occurs the first in a series of transfers of shares of stock in the initial offering of cooperative housing corporation shares.

Attach a detailed schedule to support the credit claimed on this line.

**LINE 10 - Interest**

If the tax is not paid on or before the due date (determined without regard to any extension of time), interest must be paid on the amount of the underpayment from the due date to the date paid. For information as to the applicable rate of interest call *(212) 504-4036*.

**LINE 11 - Penalties**

a) If you fail to file a return when due, add to the tax 5% for each month or partial month the form is late up to 25%, unless the failure is due to reasonable cause.

b) If you fail to pay the tax shown on the return by the prescribed filing date, add to the tax (less any payments made) 1/2% for each month or partial month the payment is late up to 25%, unless the failure is due to reasonable cause.

c) The total of the additional charges in a) and b) may not exceed 5% for any one month.

**SCHEDULE 3**

If this transaction includes more than one grantor or grantee, complete this schedule and provide the requested information for all such grantors or grantees that are not listed on page 1 of this form. For any grantor and grantee that is a single member LLC, provide the requested information for the single member (name and EIN or SSN). For any grantor and grantee that is a partnership or multiple member LLC, provide the requested information for each general partner or member (name and SSN) on a supporting document with a separate page for each partnership or LLC, including the name of the partnership or LLC. If the social security number or employer identification number is not provided for each grantor and grantee, the single member of a single member LLC or a general partner of a partnership or a member of a multiple member LLC which is either a grantor or grantee, attach an affidavit attesting to the reasons that information is missing.

**SCHEDULE A**

**Line 2d**

If bid price is paid in cash, enter here and on Schedule 1, line 1. If other than cash, enter here and on the appropriate line on Schedule 1.

**Line 2f**

Enter remaining mortgages, liens or encumbrances here and on Schedule 1, line 3, 4, 5, 6 or 10 as appropriate.

**SCHEDULE C**

**Line 4**

Enter remaining mortgages, liens or encumbrances here and on Schedule 1, line 3, 4, 5, 6 or 10 as appropriate.

**SCHEDULE D**

In a liquidation, the measure of the tax is the greater of fair market value or consideration. The greater of fair market value or consideration, and the applicable rate of tax are determined separately for each parcel of real property or economic interest in a parcel of real property that is distributed in a liquidation. If this transaction involves the distribution in liquidation of more than one such parcel or economic interest, complete a separate Schedule D for each such property or interest. Attach additional schedules 1 and 2 as necessary. (See §23-03 (g) of the rules of the City of New York for examples of calculation of the tax base in liquidations.)

**SCHEDULE F**

**Line 8**

If you received other property in exchange for the real property or interest therein that was transferred to the business entity, enter the value of the other property here. If assets other than real property or interests therein were transferred to the business entity in connection with this transaction, the consideration received must be apportioned among the assets transferred. Attach schedule.

**SCHEDULE H**

If the entity named in A owns assets in addition to real property or interests therein, the consideration subject to tax is deemed equal to the fair market value of the entity's real property or interests therein multiplied by the percentage of the ownership interest that is transferred. See Administrative Code §11-2102(d). Consideration should be entered on Schedule 1 on appropriate lines.

If the entity named in A owns more than one parcel of real property or economic interest therein, the consideration and the applicable rate of tax is determined separately for each parcel of property or economic interest. Attach separate Schedules H, 1 and 2, as necessary.

If any of the percentages in B, C, D, E or F is 50 percent or more, a return must be filed and tax paid with respect to any transaction reflected in items B, C, D, E or F. The tax rate applicable to each item of real property or economic interest therein is based on its proportionate share of the aggregate consideration for all transactions reflected in items B, C, D, E or F.

**SCHEDULE M - MERE CHANGE OF FORM TRANSFERS**

**For transfers occurring on or after June 9, 1994, a transfer that represents a mere change in identity or form of ownership or organization is not taxable to the extent the beneficial ownership of the real property or economic interest therein remains the same. (NYC Administrative Code Section 11-2106 (b) (8)). However, a transfer to a cooperative housing corporation, other than a corporation formed under Articles 2, 4, 5, or 11 of the Private Housing Finance Law, of the property that will comprise the cooperative dwelling will not qualify for this exemption.**

The following are types of transfers that may qualify for the mere-change exemption in whole or in part. If you checked condition "g", "i", or "l" on Form NYC-RPT, page 1, the transfer may qualify for this exemption in whole or in part. Transfers other than those listed may also qualify for the exemption in whole or in part.

a. A transfer of property or interest therein to a new or pre-existing corporation in which the owners of the property or interest therein prior to the transfer are shareholders;

b. A transfer of property or interest therein by one wholly-owned subsidiary of a corporation to another wholly-owned subsidiary of the same corporation;

c. A transfer of property or interest therein to a new or pre-existing partnership in which the owners of the property or interest therein prior to the transfer are partners; or

d. A distribution of property or interest therein by a corporation or partnership to its shareholders or partners.

**Examples:**

1. A transfer of property owned by three individuals as equal tenants-in common to a corporation or partnership in which the same three individuals are equal shareholders or partners will be fully exempt as a mere change of form of ownership.

2. A transfer of a cooperative apartment owned by an individual to a corporation in which the individual is a 25 percent shareholder will be exempt to the extent that the individual retains a 25% beneficial interest in the coop after the transfer.

3. Corporation X is owned 25% by individual A and 75% by individual B. If Corporation X distributes New York City real property to A and B as equal tenants-in-common, the transfer will be exempt to the extent A retains the same 25 percent interest in the property and B retains a 50 percent interest in the property. The transfer will be taxable to the extent of the additional 25 percent interest in the property transferred to A

For additional information, see Title 19 of the Rules of the City of NY §23-05(b)(8).

## EXEMPTIONS FROM THE TRANSFER TAX

A. The following parties are exempt from the payment of the tax and from filing a return:

1. The State of New York, its agencies, instrumentalities, public corporations (including a public corporation created pursuant to agreement of compact with another state or Canada) or political subdivisions.

2. The United States of America and its agencies and instrumentalities, insofar as they are immune from taxation.

   The exemption of such governmental bodies does not relieve a grantee from them of liability for the tax or from filing a return.

B. The tax imposed does not apply to any of the following deeds:

1. A deed, instrument or transaction by or to the United Nations or any other world-wide international organization of which the United States is a member.

2. A deed, instrument or transaction by or to any corporation, association, trust, community chest, fund or foundation, organized and operated exclusively for religious, charitable, or educational purposes, or for the prevention of cruelty to children or animals, and no part of the net earnings of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, provided, however, that nothing in this paragraph shall include an organization operated for the primary purpose of carrying on a trade or business for profit, whether or not all of its profits are payable to one or more organizations described in this paragraph.

3. A deed, instrument or transaction to any governmental body listed in "A" above.

4. A deed or instrument given solely as security for a debt, or a deed or instrument given solely for the purpose of returning such security.

5. A deed or instrument or transaction from a mere agent, dummy, strawman or conduit to a principal, or a deed from the principal to an agent, dummy, strawman or conduit.

Where a tax does not apply to any deed, neither the grantor nor the grantee is required to pay the tax. However, a return relating to the deed must be filed.

C. The tax does not apply to the grant or assignment of a leasehold interest in real property located in a tax-free New York area to an approved business participating in the START-UP NY program. See NYS Tax Law §39(g) and New York State Tax Form TP-584-SNY.

**FILING OF RETURN AND PAYMENT OF FILING FEE AND TAX**

A notarized joint return shall be filed by both the grantor and the grantee for each deed, instrument, or transaction, whether or not a tax is due. Thus, a return must be filed although the consideration for the transaction is $25,000 or less. Where the total consideration is $400,000 or more, a copy of the contract of sale or closing statement must be attached to the return. A return need not be filed for the grant of a leasehold interest in a 1-, 2-, or 3-family house or an individual dwelling unit except where tax is owed or the lease is to be recorded.

## FILING FEE

A fee of one hundred dollars ($100) must be paid upon the filing of the form NYC-RPT for those transactions for which the filing of a New York State Real Property Transfer Report (RP-5217NYC) is not required to be filed. Such transactions include, but are not limited to, transfers of co-ops, leaseholds and controlling economic interests.

**RECORDED TRANSFERS**

Returns relating to a transfer in Manhattan, the Bronx, Brooklyn or Queens, where a deed or other document is recorded, must be filed via ACRIS (nyc.gov/finance). **Any tax due is required to be paid at the office of the City Register in the county where the deed is recorded within 30 days of the delivery of the deed.**

In Staten Island, returns relating to a transfer in Staten Island where a deed or other document is recorded, are required to be filed using the paper original and any tax due is required to be paid at the Office of the County Clerk for Richmond County within 30 days of the delivery of the deed.

### The locations of the offices of the City Register are as follows:

**MANHATTAN** (New York County)
66 John Street, 13th Floor
New York, New York 10038

**BRONX** (Bronx County)
3030 Third Avenue, 2nd Floor
Bronx, New York 10455

**BROOKLYN** (Kings County)
210 Joralemon Street, Room 2
Brooklyn, New York 11201

**QUEENS** (Queens County)
144-06 94th Avenue
Jamaica, NY 11435

The location of the Richmond County Clerk is as follows:

**STATEN ISLAND** (Richmond County)
Richmond County Clerk
County Court House, Room 103
Staten Island, New York 10301
(718) 390-5386

**NON-RECORDED TRANSFERS**

In the case of transfers where no document is recorded, including but not limited to transfers of controlling economic interests in real property or transfers of interests in entities formed for cooperative ownership of real property, returns must be filed within 30 days of the transfer with:

**NYC Department of Finance**
**Non-Recorded RPTT Return Processing**
**66 John Street, 13th Floor**
**New York, NY 10038**

The tax may be paid by certified check, or an Attorney's Trust Account check, drawn on a U.S. bank, or money order made payable to the order of:

**NYC Department of Finance.**

**Returns filed on or after February 6, 1990, in connection with a conveyance of a one- or two-family dwelling or a cooperative apartment or condominium unit in a one- or two-family dwelling must be accompanied by an Affidavit of Compliance with Smoke Detector Requirement.**

NYC-RPT returns are available at City Register offices, the office of the Richmond County Clerk or online at **nyc.gov/finance**.

**IMPORTANT REAL ESTATE TAX INFORMATION FOR NONPROFIT ORGANIZATIONS**

If you are a nonprofit organization you should know:

1. You must apply for an exemption from Real Estate Tax with the Payment Operations Division. Exemption forms can be obtained online at **nyc.gov/finance**, or any of the Borough Offices of the Property Division.

**MANHATTAN**
**66 John Street, 13th Floor**
**New York, NY 10038**

**BRONX**
**3030 Third Avenue, 2nd Floor**
**Bronx, NY 10455**

**BROOKLYN**
**210 Joralemon St., Room 200**
**Brooklyn, NY 11201**

**QUEENS**
**144-06 94th Avenue**
**Jamaica, NY 11435**

**STATEN ISLAND**
**350 St. Marks Place**
**Staten Island, NY 10301**

2. Once you have received an exemption, you must renew it every year with the Payment Operations Division.

3. Many groups are exempt from property taxes but still may be required to pay water and sewer charges. You must file separately for an exemption from water and sewer charges with the Bureau of Customer and Conservation Services. Applications can be obtained from any of the Bureau's borough offices (call (718) 595-7000 for addresses). Once granted, this exemption need not be renewed annually.

**EVEN IF THIS TRANSFER OF REAL PROPERTY IS FROM ANOTHER NONPROFIT ORGANIZATION, YOU MUST STILL COMPLY WITH THE ABOVE REQUIREMENTS.**

For more information call 311, or visit our website at **nyc.gov/finance**

**PRIVACY ACT NOTIFICATION**

The Federal Privacy Act of 1974, as amended, requires agencies requesting Social Security Numbers to inform individuals from whom they seek this information as to whether compliance with the request is voluntary or mandatory, why the request is being made and how the information will be used. The disclosure of Social Security Numbers for grantors and grantees is mandatory and is required by section 11-102.1 of the Administrative Code of the City of New York. Disclosure by attorneys is voluntary. Such numbers disclosed on any report or return are requested for tax administration purposes and will be used to facilitate the processing of tax returns and to establish and maintain a uniform system for identifying taxpayers who are or may be subject to taxes administered and collected by the Department of Finance. Such numbers may also be disclosed as part of information contained in the taxpayer's return to another department, person, agency or entity as may be required by law, or if the taxpayer gives written authorization to the Department of Finance.

**TP-584** (4/13)

New York State Department of Taxation and Finance

# Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax

*Recording office time stamp*

*See Form TP-584-I,* Instructions for Form TP-584, *before completing this form. Print or type.*

**Schedule A — Information relating to conveyance**

| | | |
|---|---|---|
| Grantor/Transferor<br>☐ Individual<br>☐ Corporation<br>☐ Partnership<br>☐ Estate/Trust<br>☐ Single member LLC<br>☐ Other | Name *(if individual, last, first, middle initial)* ( ☐ *check if more than one grantor)* | Social security number |
| | Mailing address | Social security number |
| | City State ZIP code | Federal EIN |
| | Single member's name if grantor is a single member LLC *(see instructions)* | Single member EIN or SSN |
| Grantee/Transferee<br>☐ Individual<br>☐ Corporation<br>☐ Partnership<br>☐ Estate/Trust<br>☐ Single member LLC<br>☐ Other | Name *(if individual, last, first, middle initial)* ( ☐ *check if more than one grantee)* | Social security number |
| | Mailing address | Social security number |
| | City State ZIP code | Federal EIN |
| | Single member's name if grantee is a single member LLC *(see instructions)* | Single member EIN or SSN |

Location and description of property conveyed

| Tax map designation – Section, block & lot *(include dots and dashes)* | SWIS code (six digits) | Street address | City, town, or village | County |
|---|---|---|---|---|
| | | | | |

Type of property conveyed *(check applicable box)*

**1** ☐ One- to three-family house
**2** ☐ Residential cooperative
**3** ☐ Residential condominium
**4** ☐ Vacant land
**5** ☐ Commercial/Industrial
**6** ☐ Apartment building
**7** ☐ Office building
**8** ☐ Other _____

Date of conveyance
month day year

Percentage of real property conveyed which is residential real property _____%
*(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state percentage acquired _____%)
c. ☐ Transfer of a controlling interest (state percentage transferred _____%)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☐ Leasehold assignment or surrender
n. ☐ Leasehold grant
o. ☐ Conveyance of an easement
p. ☐ Conveyance for which exemption from transfer tax claimed *(complete Schedule B, Part III)*
q. ☐ Conveyance of property partly within and partly outside the state
r. ☐ Conveyance pursuant to divorce or separation
s. ☐ Other *(describe)* _____

| *For recording officer's use* | Amount received<br>Schedule B., Part I $<br>Schedule B., Part II $ | Date received | Transaction number |
|---|---|---|---|
| | | | |

## Schedule B — Real estate transfer tax return (Tax Law, Article 31)

**Part I** – Computation of tax due

| | | | |
|---|---|---|---|
| **1** | Enter amount of consideration for the conveyance *(if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)* ☐ **Exemption claimed** | **1.** | |
| **2** | Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)* | **2.** | |
| **3** | Taxable consideration *(subtract line 2 from line 1)* | **3.** | |
| **4** | Tax: $2 for each $500, or fractional part thereof, of consideration on line 3 | **4.** | |
| **5** | Amount of credit claimed for tax previously paid *(see instructions and attach Form TP-584.1,* Schedule G*)* | **5.** | |
| **6** | Total tax due* *(subtract line 5 from line 4)* | **6.** | |

**Part II** – Computation of additional tax due on the conveyance of residential real property for $1 million or more

| | | | |
|---|---|---|---|
| **1** | Enter amount of consideration for conveyance *(from* Part I*, line 1)* | **1.** | |
| **2** | Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property, as shown in* Schedule A*)* | **2.** | |
| **3** | Total additional transfer tax due* *(multiply line 2 by 1% (.01))* | **3.** | |

**Part III** – Explanation of exemption claimed on Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York, or any of their instrumentalities, agencies, or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify, or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal Bankruptcy Act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property, without the use or occupancy of such property, or the granting of an option to purchase real property, without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a one-, two-, or three-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment ..... j ☐

k. Conveyance is not a conveyance within the meaning of Tax Law, Article 31, section 1401(e) *(attach documents supporting such claim)* ..... k ☐

*The total tax (from Part I, line 6 and Part II, line 3 above) is due within 15 days from the date conveyance. Please make check(s) payable to the county clerk where the recording is to take place. If the recording is to take place in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, make check(s) payable to the ***NYC Department of Finance*****.** If a recording is not required, send this return and your check(s) made payable to the ***NYS Department of Taxation and Finance*****,** directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-0045.

## Schedule C — Credit Line Mortgage Certificate (Tax Law, Article 11)

**Complete the following only if the interest being transferred is a fee simple interest.**
I (we) certify that: *(check the appropriate box)*

1. ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

2. ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
   - ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
   - ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
   - ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee, or other officer of a court.
   - ☐ The maximum principal amount secured by the credit line mortgage is $3,000,000 or more, and the real property being sold or transferred is **not** principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

     **Please note:** for purposes of determining whether the maximum principal amount secured is $3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
   - ☐ Other *(attach detailed explanation)*.

3. ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
   - ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
   - ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

4. ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City but not in Richmond County, make check payable to the **NYC Department of Finance.**)*

## Signature (both the grantor(s) and grantee(s) must sign)

The undersigned certify that the above information contained in schedules A, B, and C, including any return, certification, schedule, or attachment, is to the best of his/her knowledge, true and complete, and authorize the person(s) submitting such form on their behalf to receive a copy for purposes of recording the deed or other instrument effecting the conveyance.

| Grantor signature | Title | Grantee signature | Title |
|---|---|---|---|
| | | | |
| Grantor signature | Title | Grantee signature | Title |

**Reminder:** Did you complete all of the required information in Schedules A, B, and C? Are you required to complete Schedule D? If you checked *e*, *f*, or *g* in Schedule A, did you complete Form TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in the New York City boroughs of Manhattan, Bronx, Brooklyn, or Queens, to the ***NYC Department of Finance***? If no recording is required, send your check(s), made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, RETT Return Processing, PO Box 5045, Albany NY 12205-0045.

## Schedule D - Certification of exemption from the payment of estimated personal income tax (Tax Law, Article 22, section 663)

**Complete the following only if a fee simple interest or a cooperative unit is being transferred by an individual or estate or trust.**

**If the property is being conveyed by a referee pursuant to a foreclosure proceeding, proceed to Part II, and check the second box under *Exemptions for nonresident transferor(s)/seller(s)* and sign at bottom.**

**Part I -** New York State residents

If you are a New York State resident transferor(s)/seller(s) listed in Schedule A of Form TP-584 (or an attachment to Form TP-584), you must sign the certification below. If one or more transferors/sellers of the real property or cooperative unit is a resident of New York State, **each** resident transferor/seller must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all resident transferors/sellers.

### Certification of resident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) as signed below was a resident of New York State, and therefore is not required to pay estimated personal income tax under Tax Law, section 663(a) upon the sale or transfer of this real property or cooperative unit.

| Signature | Print full name | Date |
|---|---|---|
| Signature | Print full name | Date |
| Signature | Print full name | Date |
| Signature | Print full name | Date |

**Note:** A resident of New York State may still be required to pay estimated tax under Tax Law, section 685(c), but not as a condition of recording a deed.

**Part II -** Nonresidents of New York State

If you are a nonresident of New York State listed as a transferor/seller in Schedule A of Form TP-584 (or an attachment to Form TP-584) but are not required to pay estimated personal income tax because one of the exemptions below applies under Tax Law, section 663(c), check the box of the appropriate exemption below. If any one of the exemptions below applies to the transferor(s)/seller(s), that transferor(s)/seller(s) is not required to pay estimated personal income tax to New York State under Tax Law, section 663. **Each** nonresident transferor/seller who qualifies under one of the exemptions below must sign in the space provided. If more space is needed, please photocopy this Schedule D and submit as many schedules as necessary to accommodate all nonresident transferors/sellers.

If none of these exemption statements apply, you must complete Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, or Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form.* For more information, see *Payment of estimated personal income tax,* on page 1 of Form TP-584-I.

### Exemption for nonresident transferor(s)/seller(s)

This is to certify that at the time of the sale or transfer of the real property or cooperative unit, the transferor(s)/seller(s) (grantor) of this real property or cooperative unit was a nonresident of New York State, but is not required to pay estimated personal income tax under Tax Law, section 663 due to one of the following exemptions:

☐ The real property or cooperative unit being sold or transferred qualifies in total as the transferor's/seller's principal residence (within the meaning of Internal Revenue Code, section 121) from _____ (Date) to _____ (Date) *(see instructions)*.

☐ The transferor/seller is a mortgagor conveying the mortgaged property to a mortgagee in foreclosure, or in lieu of foreclosure with no additional consideration.

☐ The transferor or transferee is an agency or authority of the United States of America, an agency or authority of the state of New York, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.

| Signature | Print full name | Date |
|---|---|---|
| Signature | Print full name | Date |
| Signature | Print full name | Date |
| Signature | Print full name | Date |

Department of Taxation and Finance

# Change in Mailing Address for Certain Real Estate Transfer Tax Forms if Using a Private Delivery Service

**TP-39**
(1/17)

There has been a change to the address that must be used when submitting certain forms through a private delivery service rather than by U.S. Mail.

Send **Form TP-584**, *Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax,* to:

NYS TAX DEPARTMENT
RETT PROCESSING UNIT
90 COHOES AVE
GREEN ISLAND NY 12183-1515

Send **Form TP-588**, *Cooperative Housing Corporation Information Return,* to:

NYS TAX DEPARTMENT
TDAB – TRANSFER TAX
90 COHOES AVE
GREEN ISLAND NY 12183-1515

See Publication 55, *Designated Private Delivery Services,* for information about establishing the date you filed, and for the address to use for other forms.

Department of Taxation and Finance

# Important Notice to Home Buyers

**TP-41**
(6/16)

If you are buying residential property and you plan to make it your primary residence, you may be entitled to school tax relief through the New York State STAR credit. To receive this credit, you must register with the Tax Department after you have taken title to the property. To register or to get more information, visit our website at *www.tax.ny.gov* or call 518-457-2036. Do **not** file an application for the STAR "exemption" with your assessor, since new STAR exemptions will no longer be granted. School tax relief is now provided to new applicants through the STAR credit.

FOR CITY USE ONLY

**C1. County Code** ____ **C2. Date Deed Recorded** ____/____/____ (Month / Day / Year)

**C3. Book** ____ **C4. Page** ____

**OR**

**C5. CRFN** ____

# REAL PROPERTY TRANSFER REPORT

**STATE OF NEW YORK**
**STATE BOARD OF REAL PROPERTY SERVICES**

# RP - 5217NYC

**(Rev 11/2002)**

## PROPERTY INFORMATION

**1. Property Location** ____ (STREET NUMBER) ____ (STREET NAME) ____ (BOROUGH) ____ (ZIP CODE)

**2. Buyer Name** ____ (LAST NAME / COMPANY) ____ (FIRST NAME)

____ (LAST NAME / COMPANY) ____ (FIRST NAME)

**3. Tax Billing Address** Indicate where future Tax Bills are to be sent if other than buyer address (at bottom of form)

____ (LAST NAME / COMPANY) ____ (FIRST NAME)

____ (STREET NUMBER AND STREET NAME) ____ (CITY OR TOWN) ____ (STATE) ____ (ZIP CODE)

**4. Indicate the number of Assessment Roll parcels transferred on the deed** ____ # of Parcels **OR** ☐ Part of a Parcel

**4A.** Planning Board Approval - N/A for NYC

**4B.** Agricultural District Notice - N/A for NYC

**5. Deed Property Size** ____ (FRONT FEET) **X** ____ (DEPTH) **OR** ____ (ACRES)

**Check the boxes below as they apply:**

**6.** Ownership Type is Condominium ☐

**7.** New Construction on Vacant Land ☐

**8. Seller Name** ____ (LAST NAME / COMPANY) ____ (FIRST NAME)

____ (LAST NAME / COMPANY) ____ (FIRST NAME)

**9. Check the box below which most accurately describes the use of the property at the time of sale:**

A ☐ One Family Residential
B ☐ 2 or 3 Family Residential
C ☐ Residential Vacant Land
D ☐ Non-Residential Vacant Land
E ☐ Commercial
F ☐ Apartment
G ☐ Entertainment / Amusement
H ☐ Community Service
I ☐ Industrial
J ☐ Public Service

## SALE INFORMATION

**10. Sale Contract Date** ____/____/____ (Month / Day / Year)

**11. Date of Sale / Transfer** ____/____/____ (Month / Day / Year)

**12. Full Sale Price** ____

( Full Sale Price is the total amount paid for the property including personal property. This payment may be in the form of cash, other property or goods, or the assumption of mortgages or other obligations.) *Please round to the nearest whole dollar amount.*

**13. Indicate the value of personal property included in the sale** ____

**14. Check one or more of these conditions as applicable to transfer:**

A ☐ Sale Between Relatives or Former Relatives
B ☐ Sale Between Related Companies or Partners in Business
C ☐ One of the Buyers is also a Seller
D ☐ Buyer or Seller is Government Agency or Lending Institution
E ☐ Deed Type **not** Warranty or Bargain and Sale (Specify Below )
F ☐ Sale of Fractional or Less than Fee Interest ( Specify Below )
G ☐ Significant Change in Property Between Taxable Status and Sale Dates
H ☐ Sale of Business is Included in Sale Price
I ☐ Other Unusual Factors Affecting Sale Price ( Specify Below )
J ☐ None

## ASSESSMENT INFORMATION - Data should reflect the latest Final Assessment Roll and Tax Bill

**15. Building Class** ____

**16. Total Assessed Value (of all parcels in transfer)** ____

**17. Borough, Block and Lot / Roll Identifier(s) ( If more than three, attach sheet with additional identifier(s) )**

____ ____ ____

## CERTIFICATION

**I certify that all of the items of information entered on this form are true and correct (to the best of my knowledge and belief) and I understand that the making of any willful false statement of material fact herein will subject me to the provisions of the penal law relative to the making and filing of false instruments.**

### BUYER

____ (BUYER SIGNATURE) ____ (DATE)

____ (STREET NUMBER) ____ (STREET NAME (AFTER SALE))

____ (CITY OR TOWN) ____ (STATE) ____ (ZIP CODE)

### BUYER'S ATTORNEY

____ (LAST NAME) ____ (FIRST NAME)

____ (AREA CODE) ____ (TELEPHONE NUMBER)

### SELLER

____ (SELLER SIGNATURE) ____ (DATE)

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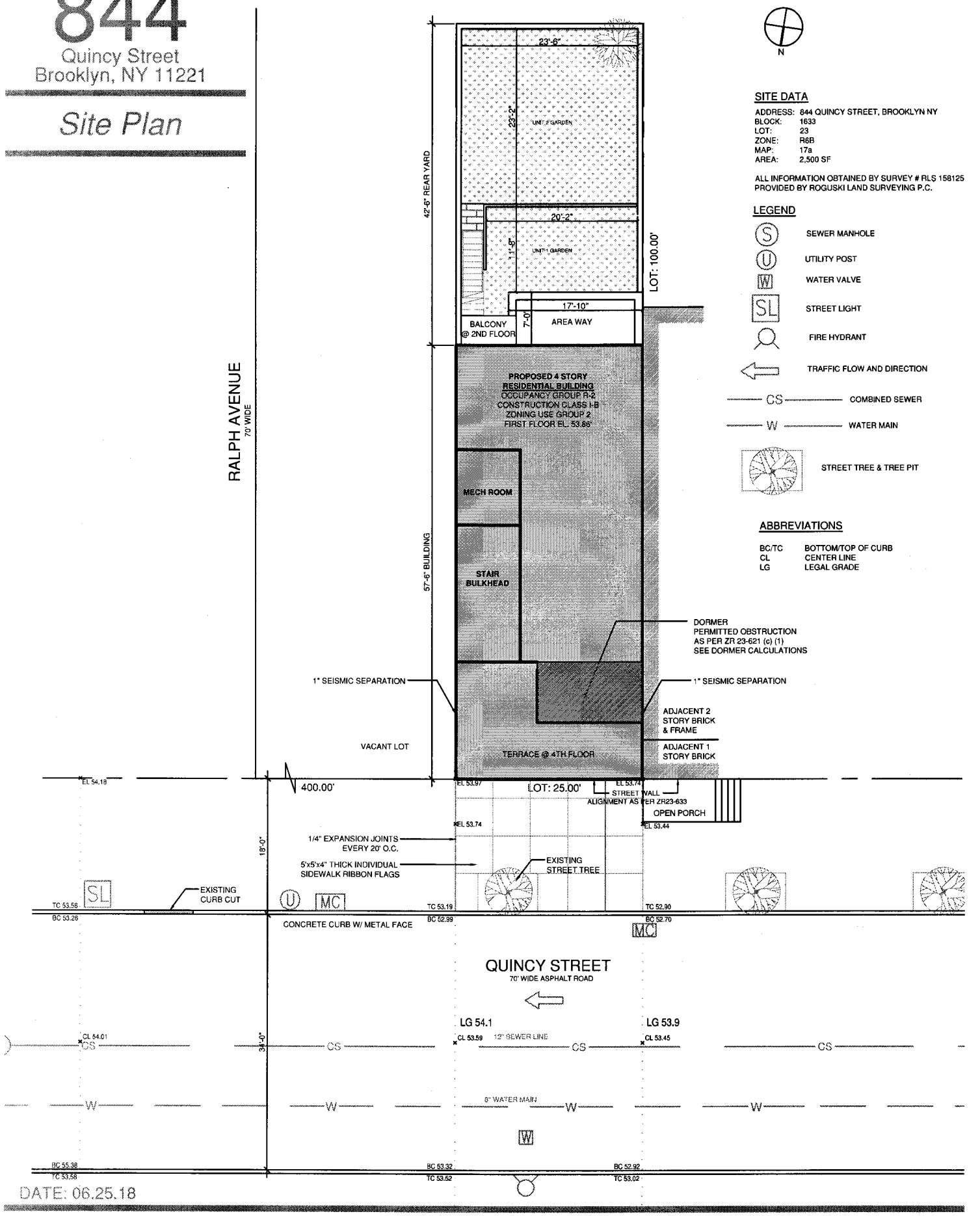
# FLOOR PLANS

# EXHIBIT 6

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# 844
Quincy Street
Brooklyn, NY 11221

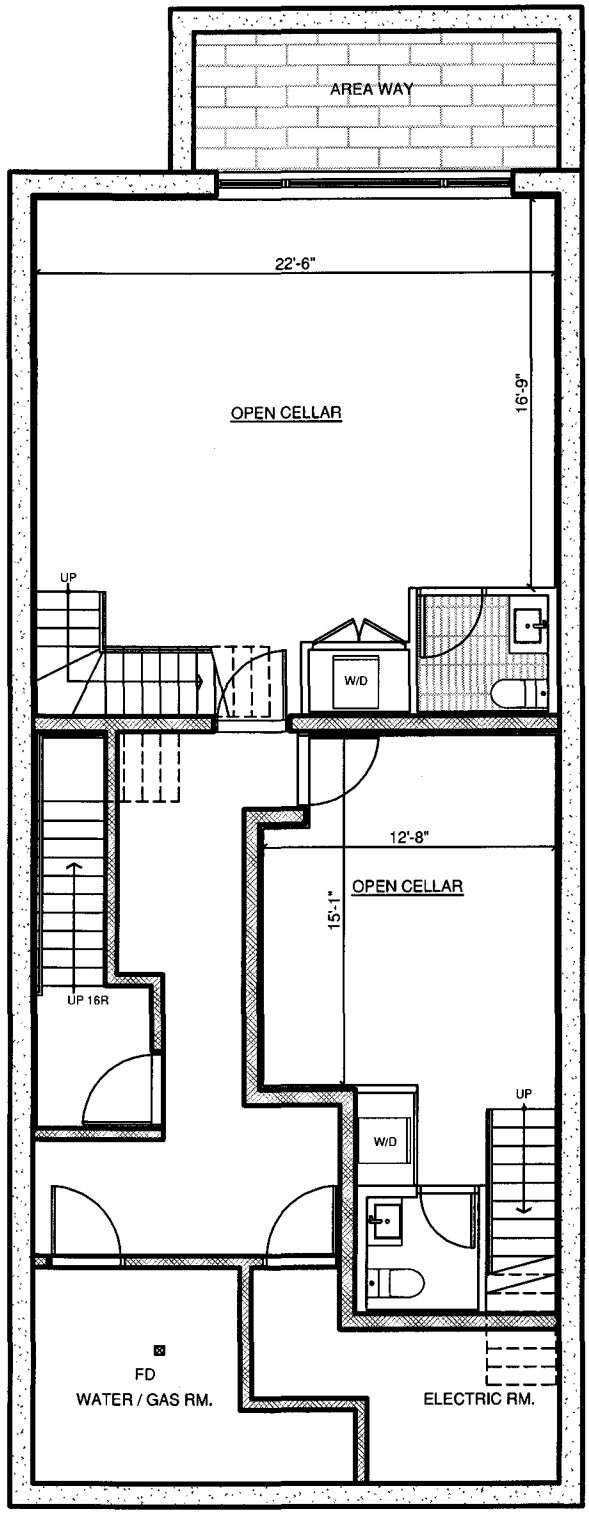
## Site Plan




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES. SQUARE FOOTAGES EXCEED THE USABLE FLOOR AREA. SPONSOR RESERVE THE RIGHT TO MAKE ANY CHANGES WITH THE OFFERING PLAN. THE COMPLETE TERMS ARE IN THE OFFERING PLAN AVAILABLE FROM SPONSOR.

# 844
Quincy Street
Brooklyn, NY 11221

## *Cellar Plan*



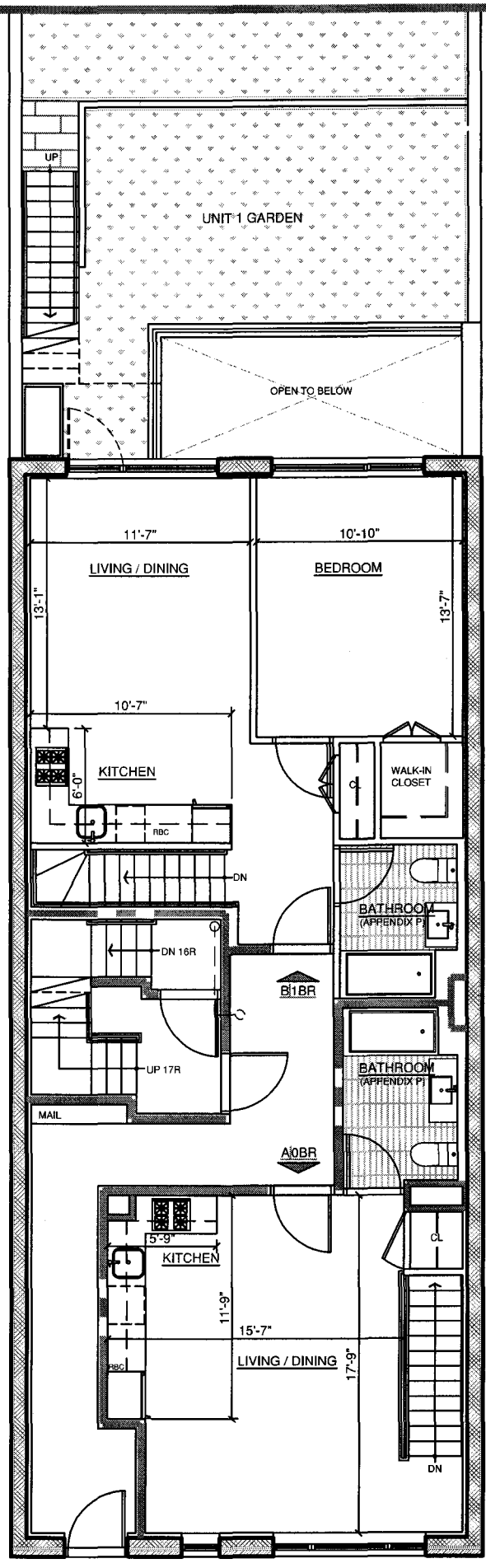

DATE: 06.25.18

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# 844

Quincy Street
Brooklyn, NY 11221

## *First Floor Plan*

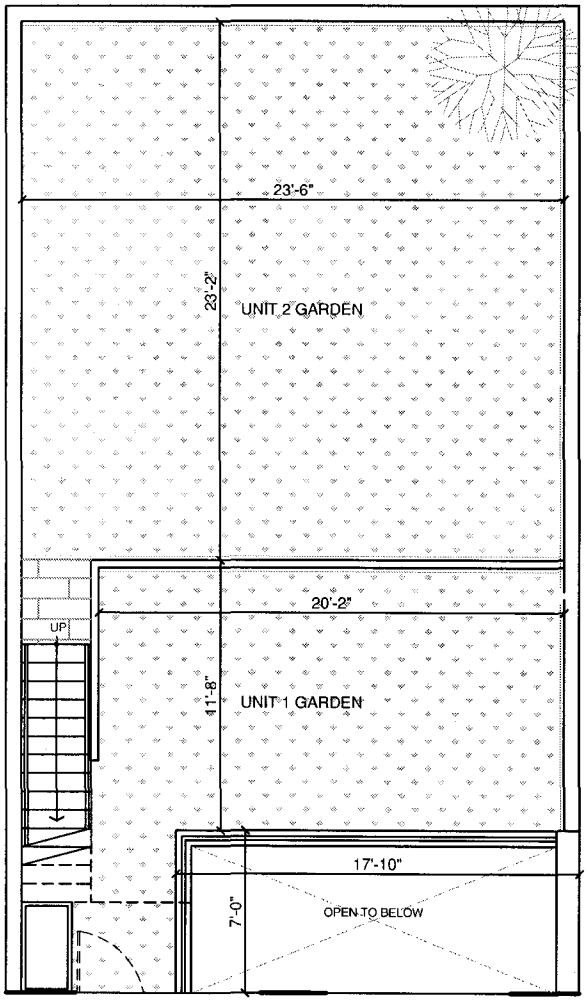



DATE: 06.25.18

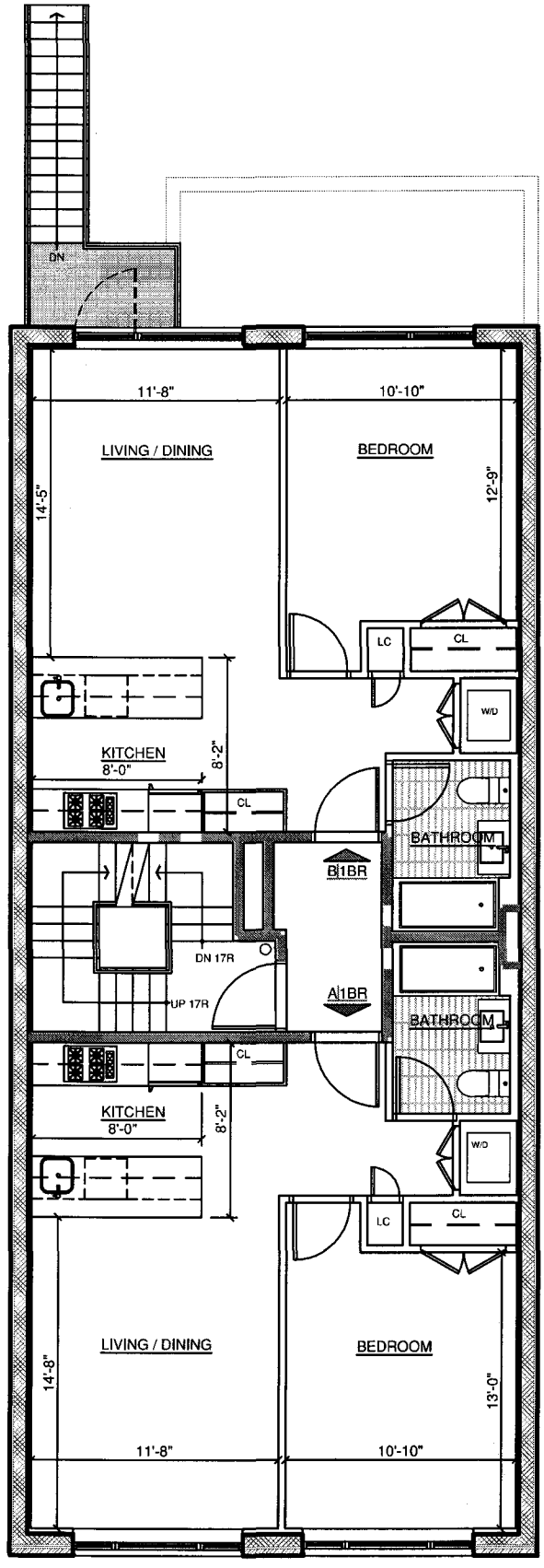
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# 844
Quincy Street
Brooklyn, NY 11221

## 2nd Floor Plan




REAR YARD

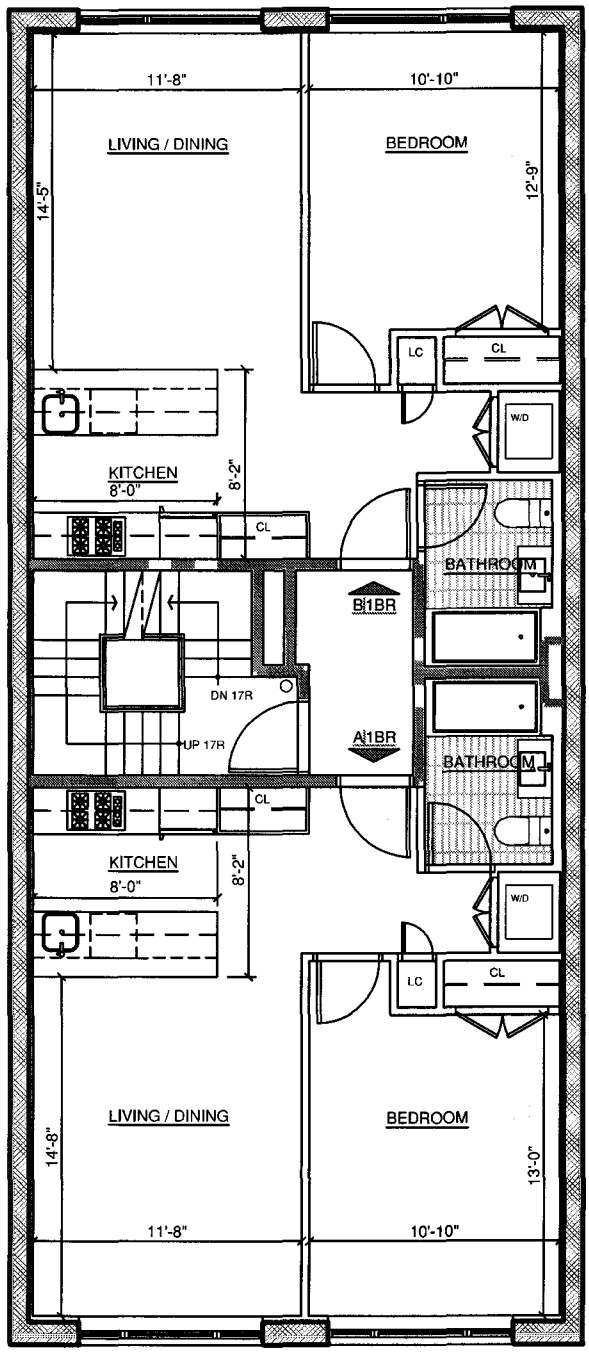



DATE: 06.25.18

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# 844
Quincy Street
Brooklyn, NY 11221

## *3rd Floor Plan*



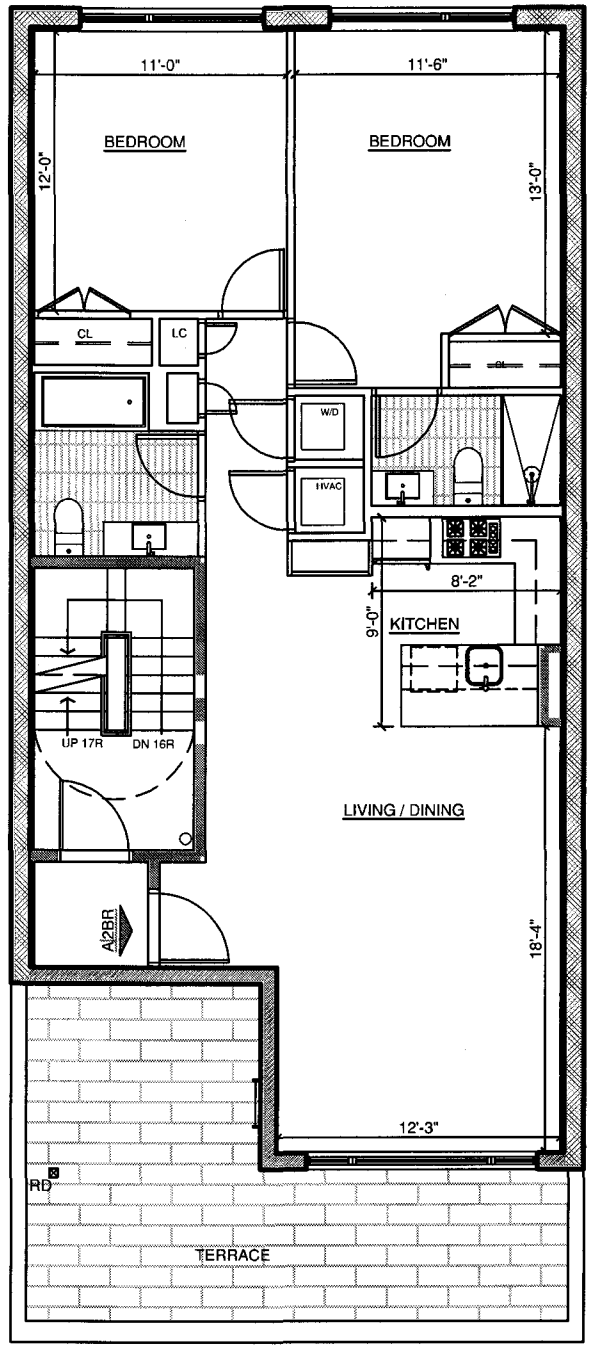

DATE: 06.25.18

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# 844

Quincy Street
Brooklyn, NY 11221

## *4th Floor Plan*

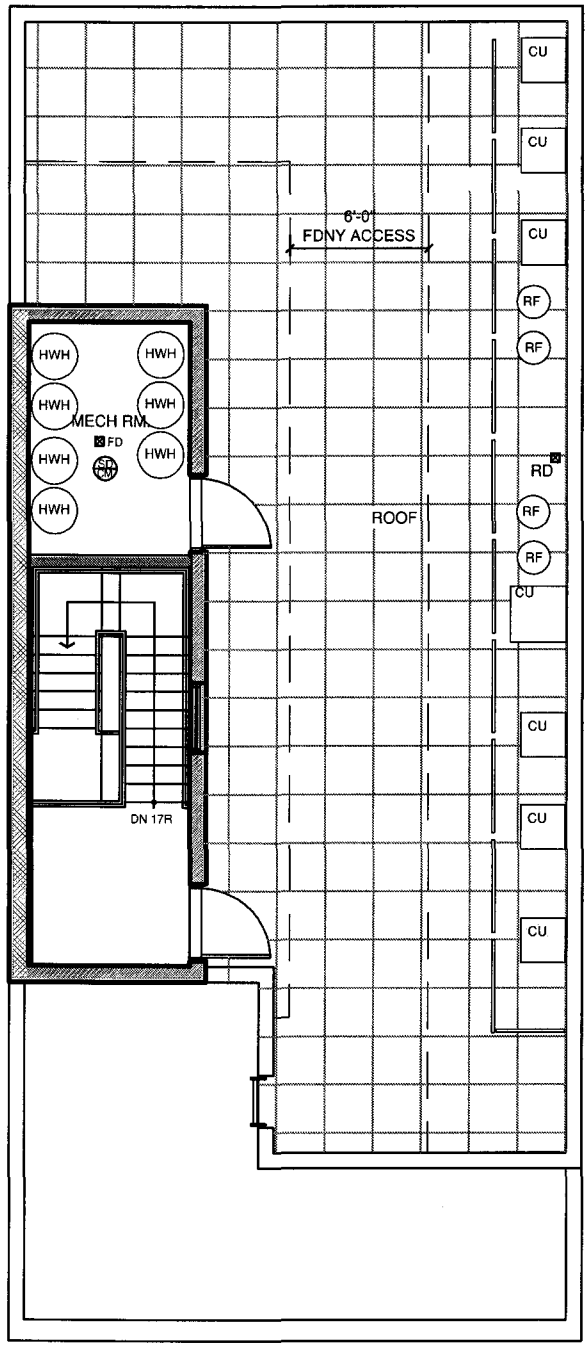



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# 844
Quincy Street
Brooklyn, NY 11221

## *Roof Plan*

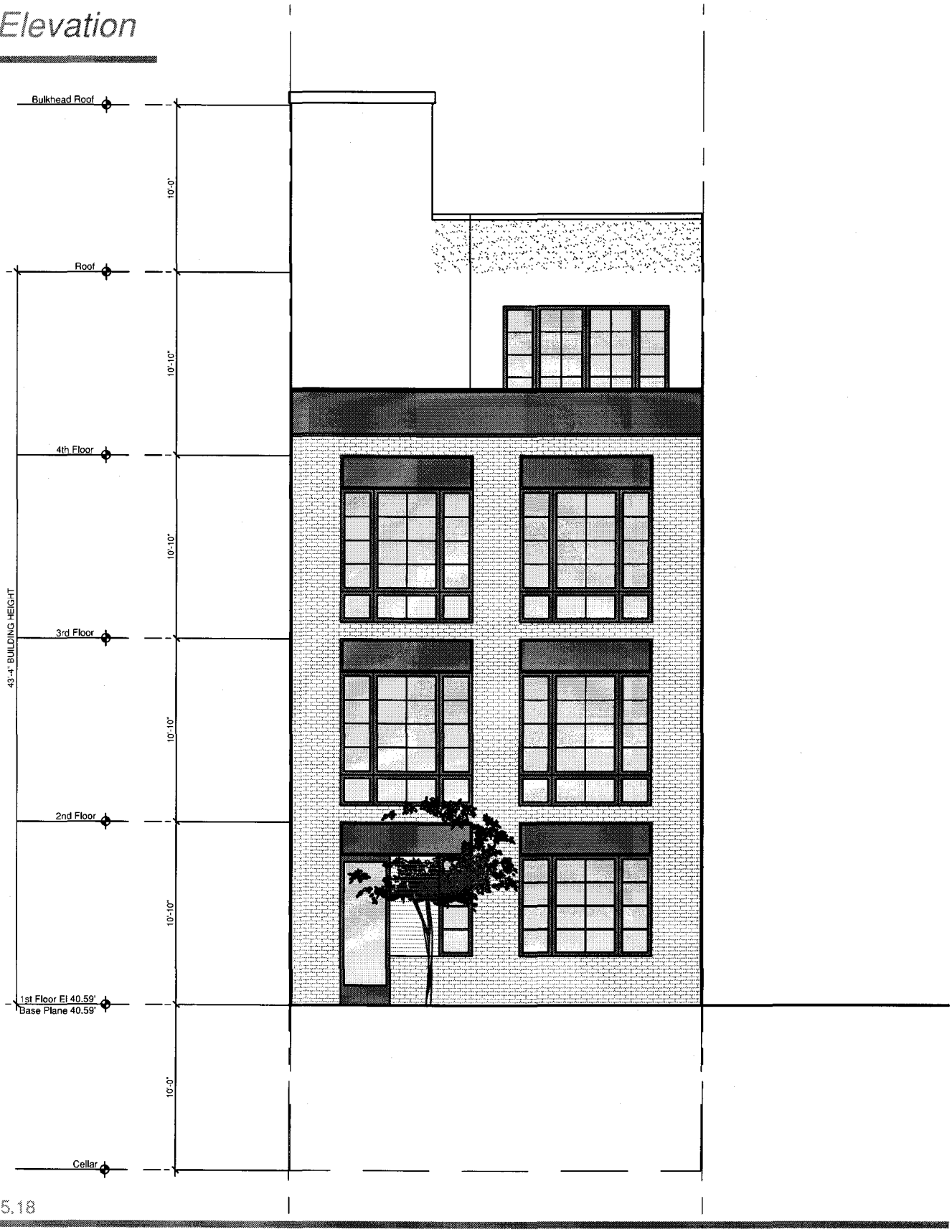



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# 844
Quincy Street
Brooklyn, NY 11221

## *North Elevation*

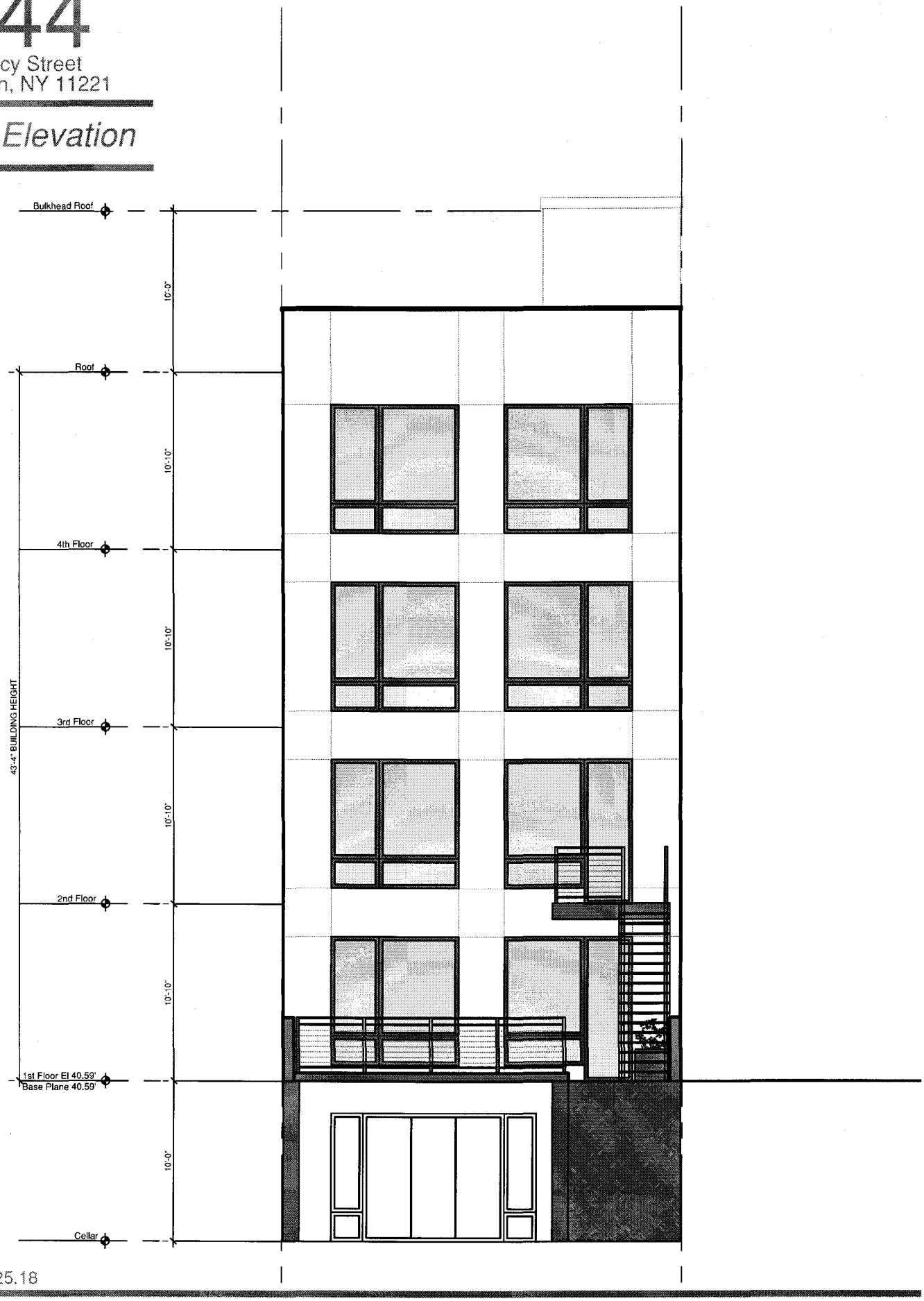



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# 844
Quincy Street
Brooklyn, NY 11221

## *South Elevation*

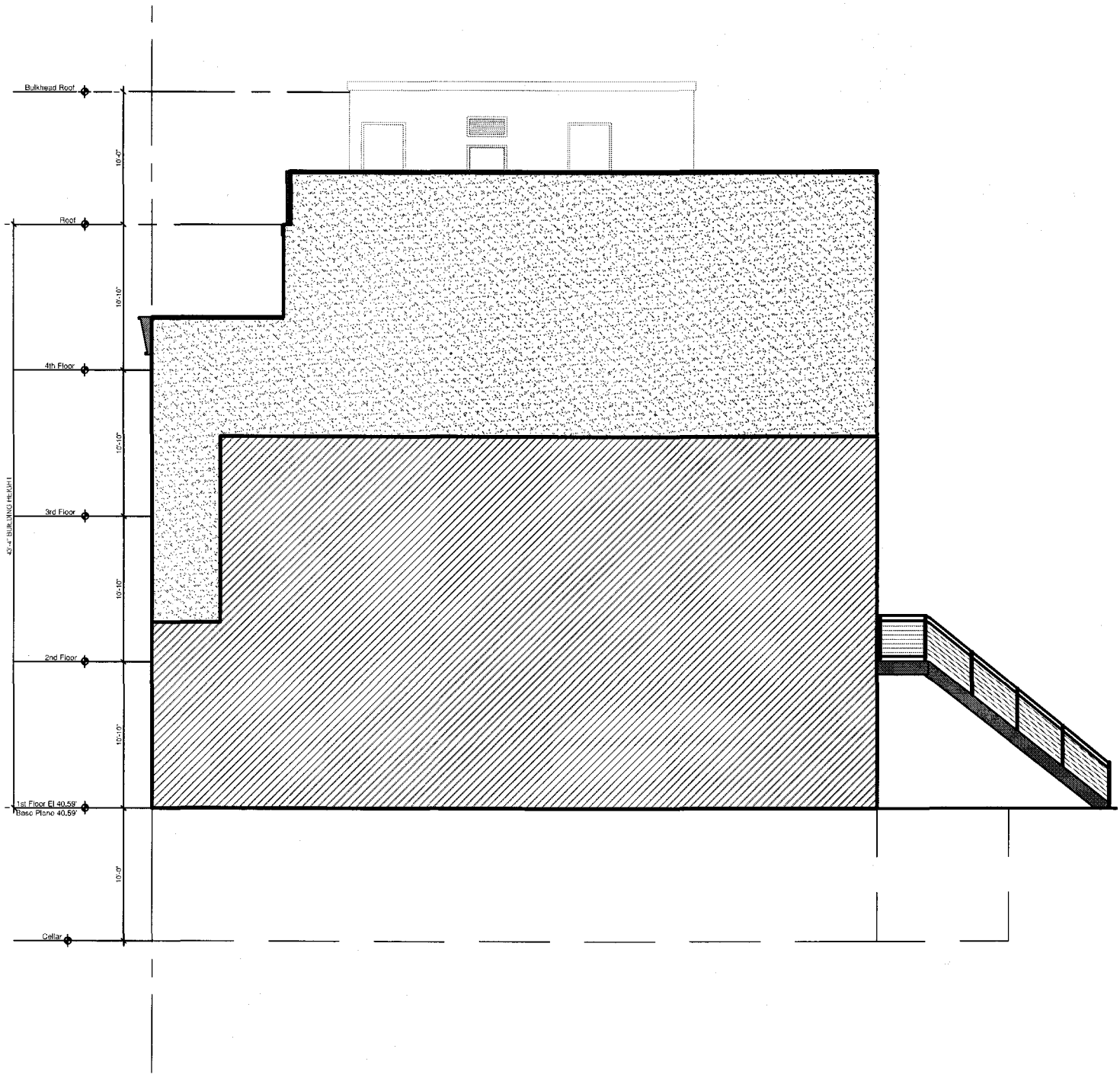



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# 844
Quincy Street
Brooklyn, NY 11221

## *West Elevation*

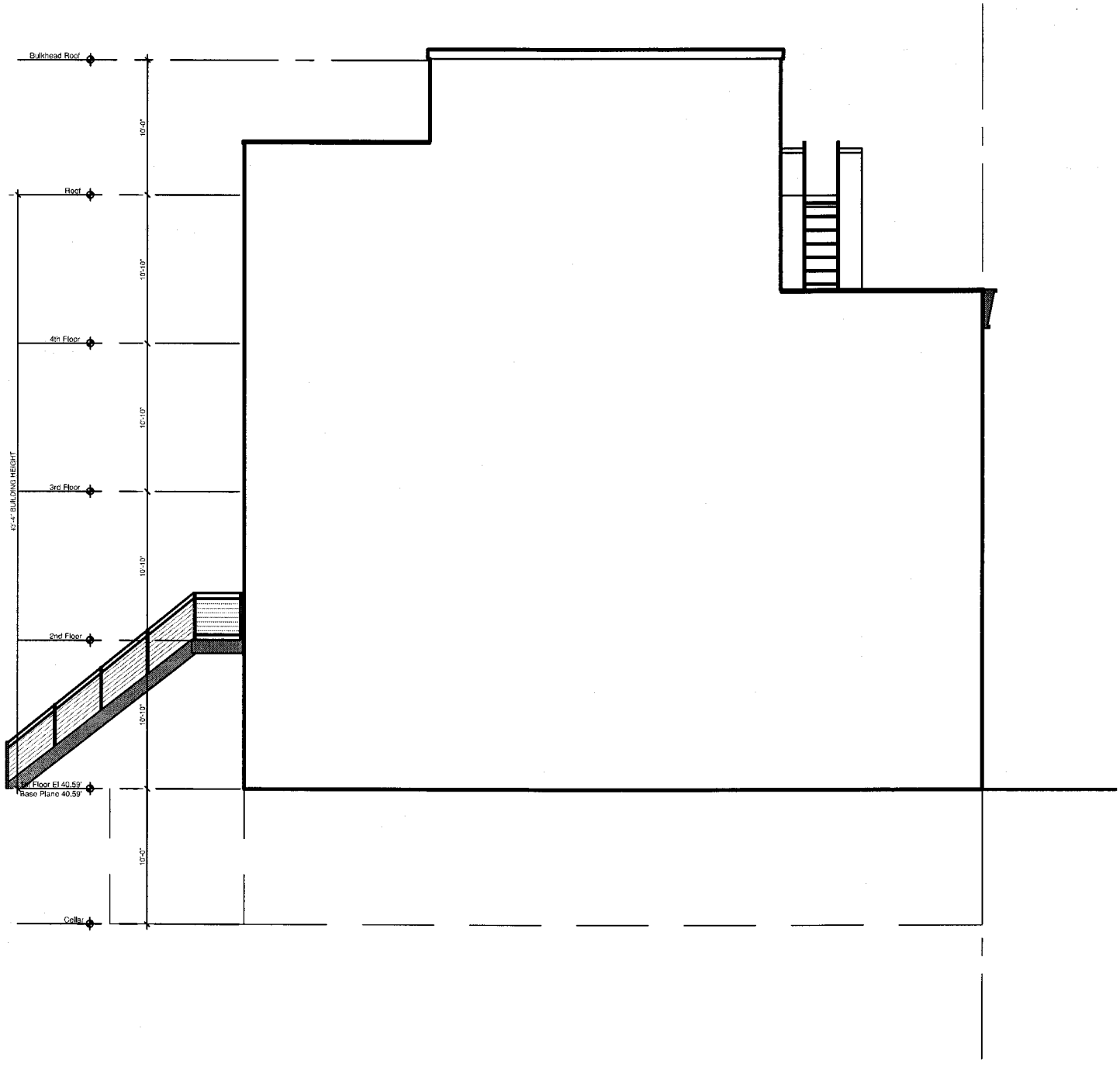



DATE: 06.25.18

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# 844
Quincy Street
Brooklyn, NY 11221

## *East Elevation*




DATE: 06.25.18

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES, SQUARE FOOTAGES EXCEED THE USABLE FLOOR AREA, SPONSOR RESERVE THE RIGHT TO MAKE ANY CHANGES WITH THE OFFERING PLAN. THE COMPLETE TERMS ARE IN THE OFFERING PLAN AVAILABLE FROM SPONSOR.

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# DECLARATION OF CONDOMINIUM

# EXHIBIT 7

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**DECLARATION**

**Establishing a Plan for Condominium Ownership**
**Of the Premises Known as**

**THE 844 QUINCY STREET CONDOMINIUM**

**and having a street address of**
**844 QUINCY STREET**
**BROOKLYN, NEW YORK 11221**

**Pursuant to Article 9-B of the Real Property**
**Law of the State of New York**

**Name: THE 844 QUINCY STREET CONDOMINIUM**

**Sponsor: 844 QUINCY PARTNERS LLC**
**188 Ralph Avenue**
**Brooklyn, New York 11233**

**Date of Declaration: _____,_____**

**Prepared by:**
**MAVRIDES, MOYAL, PACKMAN & SADKIN, LLP**
**Attorneys At Law**
**276 Fifth Avenue, Suite 404**
**New York, New York 10001**

**The land affected by the within instrument lies in**
**Block 1633, F/K/A Lot 24, N/K/A Lots _____ - _____ on the Tax Map of the Borough of Brooklyn,**
**County of Kings, State of New York.**

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**PLAN OF CONDOMINIUM OWNERSHIP**

**DECLARATION OF**
**844 QUINCY PARTNERS LLC**
**PURSUANT TO ARTICLE 9-B OF**
**THE REAL PROPERTY LAW OFTHE STATE OF NEW YORK**

In the Borough of Brooklyn, County of Kings, and City and State of New York on this ___ day of _____ 20__, 844 QUINCY PARTNERS LLC**,** a limited liability company organized under the laws of the State of New York, whose office is located at 188 Ralph Avenue, Brooklyn, New York 11233 ("Declarant") does hereby declare as follows:

## ARTICLE 1
## SUBMISSION OF THE PROPERTY

By this Declaration, the Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and to other property, real, personal or mixed, used in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property to be known as 844 QUINCY STREET CONDOMINIUM ("Condominium"). The Condominium shall be known by and located at the street address 844 Quincy Street, Brooklyn, New York.

Attached to this Declaration as "Schedule D: and made a part hereof are the By-Laws of the Condominium, which set forth detailed provisions governing the operation, use and occupancy of the Condominium (the By-Laws, as they may be amended from time to time are hereinafter referred to as the "By-Laws").

## ARTICLE 2
## DEFINITIONS

Capitalized terms not otherwise defined herein, in Schedule one or in the other Condominium Documents, shall have the meanings set forth in Section 339-e of the Condominium Act.

## ARTICLE 3
## THE LAND

Included in the Property is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, and is designated on the Tax Map of Kings County as Block 1633, Lot 24 and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Sponsor in fee simple absolute.

## ARTICLE 4
## THE PROPERTY

Included in the Property is a building (the "Building") that the Sponsor renovated, to be converted to a Condominium according to the floor plans of the Building (the "Floor Plans") certified by Robert Bianchini, R.A., registered architect intended to be filed simultaneously with the recording of this Declaration in the Kings County Office of the Register of The City of New York (the "Register's Office"), which plans set forth a description of the Building, stating the number of stories, the number of Units and the layout of the Units, Common Elements and Limited Common Elements. The street address of the Property is 844 Quincy Street, Brooklyn, New York 11221.

## ARTICLE 5
## THE BUILDING

The Building contains, besides a lobby, hallways, corridors and other service, utility and mechanical areas, seven (7) residential units, located in the cellar, basement, floors one through four and a bulkhead (collectively, the "Units" and individually a "Unit"). The principal materials of which it is constructed are block, brick, wood and steel. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Unit and the Common Elements to which each Unit has immediate access, the Units are described on Exhibit B hereto. Each Unit will be sold to one or more Owners, each Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the Common Elements of the Condominium, as hereinafter set forth in this Declaration, and referred to as the "Common Elements" all in accordance with Article 9-B of the Real Property Law of the State of New York.

## ARTICLE 6
## THE UNITS

"Exhibit B" annexed hereto and made a part hereof sets forth the following data with approximate location in the Building and with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number, approximate square foot area, approximate location in the Building and number of bedrooms and baths; the appurtenant Common Elements (as hereinafter defined) to which such Unit has immediate access and/or exclusive use; and the Common Elements appurtenant to such Unit. The precise location of each Unit is shown on the Floor Plans.

Each shall consist of the structural elements enclosing or supporting the Unit that are not designated as Common Elements in this Declaration. Each Unit Owner shall be responsible for any personal property, furniture, furnishings in the Unit and the following items in, on or affixed to the Unit (which shall not be insured by the Condominium Board), whether existing in the Unit as of the date of the Unit Owner's acquisition of the Unit thereafter, which list is not intended to be all-inclusive: the front entrance door and any other entrance doors to such Unit (including all locks, peep holes and hardware), interior doors and hardware, hallways serving a Unit exclusively, the interior walls, partitions, wood or other floors (including all underlayerments above the

concrete slab) and floor coverings, and ceilings affixed, attached or appurtenant to such Unit, smoke and carbon monoxide detectors, window blinds or draperies, and associated hardware, all plumbing, gas and heating fixtures, equipment and appliances such as refrigerators, microwaves, dishwashers, washers and dryers, heating, ventilating and air conditioning units, heating equipment, ranges and other appliances, electrical panel boxes, lighting and electrical fixtures and switches to any special equipment, fixtures or facilities affixed, attached or appurtenant to the Unit, to the extent located within a Unit from the electrical panel box (including electrical branch wiring but excluding electrical service risers) and serving or benefiting only that Unit, sinks, bathtubs, water closets, built-in cabinetry of any type, kitchen cabinets, countertops in kitchens and bathrooms and all other facilities as may be affixed, attached or appurtenant to such Unit or to a Terrace appurtenant to such Unit and serving such Unit and/or Terrace exclusively. Plumbing, gas and heating fixtures and equipment as used in this paragraph shall include fireplace, fireboxes and dampers, exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner or prior owner of the Unit may have installed within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, flutes or ductwork within the walls, ceiling or floors.

Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, exercisable at any time but subject to the provisions of the By-Laws, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, furnishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law, or the Residential Rules and Regulations of the Condominium.

As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units without the need to execute specific and particular deeds or indentures for each and every Unit.

## ARTICLE 7
## DIMENSIONS OF UNITS

The square feet area of the Units as set forth in the floor plans and in Exhibit B to the Declaration are approximate and were obtained by using the method customarily used in New York City to measure rental and condominium apartments. Each Unit is measured horizontally from the exterior face of the exterior wall and or window system (columns, mechanical pipe shafts, shaft ways, chases, chase ways and conduits are not deducted) to the centerline of the partition separating one Unit from another Unit, or the centerline of a shear-wall separating one Unit from another Unit to the corridor face of common corridors, to the shaft face of shear-walls of stairs, elevators and to the mechanical side face of walls of other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior face of the opposite exterior wall and/or window system. Each Unit is measured vertically from the top of the concrete floor to the underside of the concreate slab or dropped ceiling. Common Elements located within a Unit shall

not be considered part of such Unit. Each Terrace is measured from the exterior face of the exterior wall to the outside face of the parapet wall. This method of measurement is applicable to all Units. All dimensions of rooms and other interior areas shown on the floor plans were calculated from the interior faces of walls exclusive of structural and mechanical enclosures projecting into the space. Accordingly, as the measurements are not measured from the interior to interior, the square foot areas of each Unit as set forth in Schedule A and the Declaration may significantly exceed the useable floor areas of each Unit. The measurements referenced herein are each within reasonable tolerances.

## ARTICLE 8
## THE COMMON ELEMENTS

The Common Elements of the Condominium (the "Common Elements") consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements include but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all facilities therein for the common use of Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The "Limited Common Elements" of the Condominium consist of those Common Elements which serve or benefit exclusively a Unit or Unit Owners. A Common Element which is not a Limited Common Element is a "General Common Element."

The General Common Elements include the following:

(a) The Land (including the landscaping appurtenant thereto), together with all easements, rights and privileges appurtenant thereto.

(b) All foundations, foundation walls, footings, columns, girders, beams, supports, interior load-bearing walls, partitions, floor slabs and ceilings.

(c) All exterior walls of the Building, excluding however, the portions thereof on the Unit side of such walls.

(d) All passages and corridors, mechanical and other rooms, all fire staircases, landings and stairs, areas and spaces located in the Building, serving or benefiting the Units.

(e) Ventilation supply system consisting of motors, ductwork, fans and controls and piping.

(f) Water systems.

(g) All mechanical equipment and associated piping and controls.

(h) All electrical risers, feeders, lines and equipment including incoming service, main switch change and distribution panelboards, conduits, wires, meters, transformers

and panelboards, excluding however, all such items located with a Unit serving only that Unit.

(i) All plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot water (including pumps, valves, pressure reducers, meters and water heaters), excluding, however, all such items located within a Unit and serving only that Unit.

(j) All storm and sanitary sewer equipment and pipes (including vent lines, ejectors, interceptors, filters and valves), excluding, however, all such items located within a Unit and serving only that Unit.

(k) All electric service rooms, gas and water meter rooms, building storage rooms, and other service, mechanical and utility rooms serving or benefiting any of the Units.

(l) All central and appurtenant installations for services such as power, light, telephone, television, intercom, electricity (including all pipes, ducts, wires, chutes, cables and conduits used in connection therewith).

(m) All other facilities of the Building (including shafts, pipes, wires, ducts, vents, flues, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Units.

(n) All other parts of the Property either existing for the common use of the Units or the Unit Owners or that are necessary or convenient for the existence, maintenance, operation or safety of the Property.

(o) With respect to the ground floor, lobbies, egress stairs and corridors. The exterior space at the Building entries consisting of the stairs, railings, lighting and other electrical equipment, planters and other freestanding structures.

(p) With respect to the Cellar floor through Bulkhead, corridors, egress, stairs, and their enclosing walls and doors and all mechanical equipment serving same; all utilities and mechanical and electrical equipment used for any combination of the Units

(q) The rooftop, and all mechanical equipment serving same.

(r) Smoke detection alarm system.

(s) Portion of the Cellar.

The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with that Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

## ARTICLE 9
## LIMITED COMMON ELEMENTS

Certain portions of the Common Elements are limited and restricted in use to the owners of certain Units to which the Limited Common Elements are appurtenant, subject to the right of the Condominium Board to enter upon any Limited Common Element to make structural repairs or replacements to said Limited Common Element and subject to the Rules and Regulations of the Condominium. Except for normal wear and tear and acts of God, the cost of maintenance and repairs will be borne by all Unit Owners as a Common Expense unless the repair was occasioned by the negligence of one or more of the Unit Owners or their guests or agents, in which case the cost shall be borne exclusively by said Unit Owners.

The Limited Common Elements are listed in Schedule B of the Declaration.

## ARTICLE 10
## USE OF UNITS

As more particularly set forth and described in the By-Laws, except as otherwise herein and in the By-Laws expressly provided, the Units may be used only for residential purposes and, subject to compliance with the By-Laws, for a lawful home occupation. Units may be owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign government), and may only be occupied by said individual, or an officer, director, stockholder or employee of such corporation, or a member of said limited liability company, or a partner or employee of said partnership, or said fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries or partners or employees of partnership fiduciaries) or the beneficiary of said fiduciary, or a principal or employee of such other entity, or members of the immediate family or non-paying guests of any of the foregoing. Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

## ARTICLE 11
## CHANGES IN UNSOLD UNITS

Except to the extent prohibited by law, Sponsor or its designee shall have the right, at any time and from time to time, without prior notice and without the vote or consent of the Board or any other Unit Owner or any mortgagee to: (a) make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Units (the "Unsold Units") at the time owned by Sponsor or its designee (the term "Sponsor's Designee" or similar terms shall mean any affiliate of Sponsor); (b) change the layout of, or number of rooms in, any Unsold Unit from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Unsold Units (including those resulting from a subdivision or combination or otherwise)

into one or more Units, altering any boundary walls between any Unsold Units, and/or incorporating within any Unsold the use of any portion of the Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alterations); (d) if appropriate, reapportion among the Unsold Units affected by any such change in size or number pursuant to the preceding clause (c); their percentage interests in the Common Elements; provided however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto; provided, however, that any such alteration, addition, improvement, change, reapportionment or re-designation shall not cause the Property or any portion thereof to not comply with any laws, ordinances and regulations of any governmental authorities having jurisdiction and Sponsor (or such designee) shall hold the Board and all other Unit Owners harmless from any liability arising therefrom.

## ARTICLE 12
## SERVICE OF PROCESS

The Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium. The Secretary of State shall be directed to mail a copy of any process served to the following address: Condominium Board of The 844 Quincy Street Condominium, 844 Quincy Street, Brooklyn, New York 11221 Attention: President. As required by Law, the Condominium Board shall notify the Secretary of State of any change in the person authorized to receive a copy of any process served against the Secretary of State. This Article may be amended from time to time by the Condominium Board to designate additional persons to receive service of process in any action which may be brought against the Condominium. Any member of the Condominium Board or any Unit Owner or any Member of the Board for the Condominium who receives service of process from the Secretary of State shall promptly deliver copies of the same to other members of the Condominium Board and any Member of the Board or managing agent of the Condominium, if applicable.

## ARTICLE 13
## DETERMINATION OF COMMON INTEREST IN COMMON ELEMENTS

The Common Interest of each Unit in the Common Elements has been allocated pursuant to the method set forth in Real Property Law Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

## ARTICLE 14
## ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or (c) any encroachment shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration made to the Common Elements in

accordance with the terms of this Declaration and the By-Laws by, or with the consent (when required by the By-Laws) of the Board, or made by Sponsor or its designee, (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

## ARTICLE 15
## EASEMENTS

All pipes, wires, conduits and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements will be owned in common by the Unit Owners. Every Unit Owner shall have an easement in common with the Owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Owner's Unit.

Each Unit Owner shall have an easement of support and necessity and shall be subject to an easement of support and necessity in favor of all other Units and the General Common Elements.

Each Unit Owner shall have, to the extent reasonably necessary, in common with all other Unit Owners, an easement for ingress and egress and to the extent reasonably necessary, for the use of any Common Element or Limited Common Element.

Each Unit Owner shall have, in common with all other Unit Owners and each Unit shall be subject to an easement: (a) to install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property; and (b) to maintain, any encroachment on any Unit or the General Common Elements resulting from repair, alteration, rebuilding, restoration or replacement of the Units or the Common Elements.

Each Unit and the Common Elements shall have easements of subjacency, support and necessity, and the same shall be subject to such easements in favor of all other Units and the Common Elements.

The Board shall have a right of access to each Unit (and to each Limited Common Element which comprises a part of any Unit) to inspect the same, to remove violations therefrom and to maintain, repair, improve or replace any pipes, wires, conduits and public utility lines located in any Unit and servicing any other Unit. The cost of such repair shall be a Common Expense.

The Sponsor, on behalf of itself and its successors and assigns who may take title to portions of the Condominium for purposes of development and sale, reserves the easements, licenses, rights and privileges of right-of-way in, through, over, under and across the Common Elements of the Condominium. For the purpose of completing the construction and sale of Units

and facilities in the Condominium and, towards this end, Sponsor reserves the right to grant and reserve easements and rights of-ways, in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, on behalf of itself and said successors and assigns, also reserves the right to connect with and make use of the utility lines, wires, pipe, conduits, cable lines, sewers and drainage lines which may from time-to-time be in or along the streets and roads or other areas of the Common Elements. The Sponsor, on behalf of itself and said successors and assigns, also reserves the right to continue to use the Common Elements and any facilities, rental offices, model units and signs located on the Common Elements to market and sell Units constructed in the Condominium and on the balance of the overall development. This paragraph shall not be amended without the written consent of the Sponsor.

All emergency personnel, including, but not limited to, police, fire, and medical purposes shall be granted an easement of ingress and egress over, upon and through the Common Elements, if necessary.

## ARTICLE 16
## ADMINISTRATION

The administration of the Condominium shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws, which are made a part of this Declaration and are attached hereto as Schedule D.

## ARTICLE 17
## SUBJECT TO DECLARATION, BY-LAWS ETC.

All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units shall signify that the provisions of the Declaration and the By-Laws and Rules and Regulations or the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

## ARTICLE 18
## AMENDMENT AND WITHDRAWAL

The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless eighty percent (80%) of the Unit Owners in number and in common interest and the first mortgagees, if any, of each of these Units agree to such revocation of the property from the Plan by duly recorded instruments.

The provisions of the Declaration may be modified or amended by an instrument executed by the Board, upon a vote of sixty-six and two-thirds percent (66 2/3%) of the Unit Owners in number and Common Interest held at a duly called meeting of the Unit Owners, provided that:

(i) No amendment shall change any Condominium parcel, nor alter the percentage in the Common Elements appurtenant to any Unit or alter any rights or obligations respecting the Common Elements without the consent of the affected Unit Owners, the registered mortgagees holding a mortgage on the Unit.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of registered mortgagees.

Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Register of Kings County.

## ARTICLE 19
## COMMON CHARGES

All sums assessed as Common Charges by the Board of the Condominium but unpaid, together with interest thereon at the rate of ten (10%) percent per annum, or together with any interest or late charges imposed by the Board, but in no event greater than the highest interest rate permitted by law, chargeable to any Unit Owner shall, when filed in the New York County office of the Register of the City of New York, constitute a lien on his/her Unit prior to all other liens except: (a) tax or assessment liens on the Unit by any governmental taxing authority, including but not limited to, State, County, and City taxing agencies, if any; and (b) all sums unpaid on any mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York by the Condominium in like manner as a mortgage on real property, and costs incurred including reasonable attorney's fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale, his/her successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges shall be charges to all other Unit Owners as a Common Expense. The term "institutional mortgage" used herein shall be a mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, real estate investment trust, real estate mortgage investment conduit, agency of the United States Government or the City and State of New York, or other similar institutional lender or a purchase money mortgage granted by the Seller or any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans.

Every Unit Owner shall pay the Common Charges assessed against his/her Unit when due and no Unit Owner may except himself/herself from liability for the payment of his/her Common Charges by waiver or the use or enjoyment of any of the Common Elements or by the abandonment

of his/her Unit. However, no Unit Owner shall be liable for the payment off any Common Charges accruing subsequent to a sale, transfer or other conveyance by him/her of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

## ARTICLE 20
## UNITS ACQUIRED BY THE BOARD

In the event any Unit Owner shall convey his Unit to the Condominium Board in accordance with Section 339-x of the Real Property law or in the event the Condominium Board shall purchase any Unit at a foreclosure sale in accordance with the Article IX of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Condominium Board or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this paragraph, each Unit Owner shall, upon taking title to his Unit, grant an irrevocable power of attorney coupled with an interest, to the Condominium Board and their successors to acquire title or lease any such Unit under whatever terms the Board may, in its sole discretion, deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit. Under such terms as the Board, in its sole discretion, shall deem proper.

## ARTICLE 21
## UNIT OWNERSHIP

Upon the Closing of Title to a Unit, a Purchaser shall automatically become a Unit Owner in the Condominium and shall remain a Unit Owner until such time as he ceases to own the Unit for any reason.

## ARTICLE 22
## CONVEYANCE OF A UNIT

Upon any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceedings in accordance with this Declaration or the By-Laws, the grantee of the Unit shall be jointly and severally liable with the grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Any such grantee shall be entitled to a statement from the Condominium Board setting forth the amount of the unpaid Common Charge against the grantor in and such Grantee shall not be liable for, nor shall the Unit to be conveyed be subject to any lien for any unpaid Common Charges against the Grantor in excess of the amount set forth in such statement.

Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at foreclosure sale of an institutional mortgage.

## ARTICLE 23
## COVENANTS AND RESTRICTIONS

The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations, and provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium Board and the following covenants and restrictions:

(a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alterations to the exterior of the Unit or any part of the Common Elements may be made without the written consent of the Condominium Board. No alterations to the inside of a Unit that would impair the structural soundness of the Building may be made without the written consent of the Condominium Board. Consent may be requested by mailing a letter, certified mail, return receipt requested to the President of the Condominium Board, who shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no obligation to the proposed modification or alteration.

(c) Any interior alterations or improvements made to a Unit shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

(d) No building, balcony, terrace, sign, statuary, wall or other structure, or change or alteration to the exterior of the Units or color of the Units shall be commenced, erected, replaced, repaired or maintained, nor shall any exterior addition to, or change or alteration thereto, be made unless the Unit Owner complies with the requirements of the provisions set forth in sub paragraph (b) above.

(e) Any Unit Owner who mortgages or sells his Unit shall notify the Condominium Board and provide the name and address of his mortgagee or purchaser.

(f) The Condominium Board shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.

(g) No nuisances shall be allowed upon the Property and no use or practice shall be allowed which interfere with the peaceful possession and proper use of the Property by its residents.

(h) No Immoral or unlawful use shall be made of the Property or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(i) Regulations promulgated by the Condominium Board concerning the use of the Property shall be observed by the Unit Owners; provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(j) The Common Charges shall be paid when due.

(k) Occupancy of the Units shall be restricted to the Residential occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

(l) The use for which the Building is intended is for residential purposes.

(m) Smoking cigarettes, cigars, pipes, water pipes, hookahs and electronic cigarettes shall not be permitted in any of the General Common Elements, including but not limited to (all to the extent that they are utilized or service the Units), hallways, stairs, corridors, lobby, mail room, package room, laundry room, electrical and air-conditioning room, trash compactor room, emergency generator, exhaust and fan room, fire staircases, landings and stairs, fire safety systems servicing the Units, or any within fifteen (15) feet of any entrance or exit of the Building. Smoking cigarettes, cigars, pipes, water pipes, hookahs and electronic cigarettes shall be permitted within the individual Units and within the Limited Common Elements, including the Patio, Rear Yard, and Terrance appurtenant to their applicable Units (the "Smoking Policy"). The Smoking Policy shall be conspicuously posted in the Building and shall be included in all Unit leases and/or Interim Leases.

(n) All dogs must be leased when walking through the Common Elements. Unit Owners must pick up after their pets.

## ARTICLE 24
## POWER OF ATTORNEY TO SPONSOR AND CONDOMINIUM BOARD

Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, Sponsor to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents.

Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(a) to acquire or lease any Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners,

and after any such acquisition or leasing, to convey, sell lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired, or to sublease any Unit so leased, without the necessity of further authorization by the Unit Owners, on such terms as the attorneys-in-fact may determine;

(b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units, including retaining counsel; and

(c) to take any other action which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance of the Building or the Property, respectively or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Property which the Board deems necessary or appropriate.

In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Power of Attorney, substantially in the form set forth as an Exhibit to this Declaration.

## ARTICLE 25
## COVENANTS AND RESTRICTIONS RUNNING WITH THE LAND

All provisions of this Declaration, the By-Laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and such owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, the Residential Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any Person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as they case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

Subject to the provisions of the preceding paragraph, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

## ARTICLE 26
## UTILITIES

Electricity consumed in or on the Common Elements and water consumed in the Common Elements shall be paid for by the Condominium Board as items of Common Expense. Each Unit may be individually metered for electricity and/or gas, and if so, the expense of such utility consumed within the Unit shall be paid for by the Owner of said Unit.

## ARTICLE 27
## INVALIDITY

Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no way affect any remaining part or parts hereof, and the same shall continue in full force and effect.

## ARTICLE 28
## WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

## ARTICLE 29
## CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

## ARTICLE 30
## CERTAIN REFERENCES

A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

The terms “herein”, “hereof”, or “hereunder” or similar terms in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

Unless otherwise stated, all references herein to Articles, Section or other provisions are references to Articles, Sections or other provisions of this Declaration.

## ARTICLE 31
## COVENANT OF FURTHER ASSURANCES

Any person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board or otherwise, shall, upon prior reasonable written request at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in additional to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Unit Owner, the Board or any other Person who is subject to the terms of this Declaration fails or refuses, within ten (10) days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Board, Unit Owner or other Person is required to execute, acknowledge and deliver or to take pursuant to this Declaration, or (ii) to deliver a written notice to the Person requesting such execution, acknowledgment or delivery, and to the Board stating the reasons why such Unit Owner, Board or other Person refuses to execute, acknowledge or deliver such instrument or to take such action, then the Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such

action in the name of such Unit Owner, Board or other Person and such document or action shall be binding on such Unit Owner, Board or other Person, as the case may be.

If any Unit Owner, the Board or other Person that is subject to the terms of this Declaration fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days (or sixty (60) days with respect to Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Board or other Person is required to execute, acknowledge or deliver pursuant to this Declaration at the request of Sponsor, as the case may be, then Sponsor is hereby authorized, as attorney-in-fact for the Unit Owner, Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Board or other Person, and such instrument shall be binding on the Unit Owner, Board or other Person. The Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in this Declaration which requires consent or approval of the Condominium.

## ARTICLE 32
## INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Schedule A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the By-Laws annexed hereto as Schedule C; and (iv) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

## ARTICLE 33
## CONSENT BY SPONSOR

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission will not be required when Sponsor or such designee no longer own any Units.

## ARTICLE 34
## AUTHORIZATION TO BORROW

The Board is authorized to incur debt on behalf of the Unit Owners to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts, and unpaid Common Expenses, insurance, depreciation, obsolescence and similar purposes. The repayment of any and all such debt may be secured and paid as a provided in Section 339-jj of the New York Real Property Law.

***[No further text on this page. Signatures on the following page]***

**IN WITNES WHEREOF**, Declarant has caused this Declaration to be executed as of the _____day of _____, _____.

**SPONSOR:**

844 QUINCY PARTNERS LLC

By: _____
Name:
Title:

STATE OF NEW YORK )
ss:
COUNTY OF NEW YORK )

On the ____ day of [_____] in the year 2018, before me, the undersigned, personally appeared [_____], personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

**EXHIBIT A TO THE DECLARATION**
**DESCRIPTION OF THE LAND**

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Quincy Street distant 400 feet westerly from the corner formed by the intersection of the southerly side of Quincy Street with the westerly side of Ralph Avenue;

RUNNING THENCE southerly, parallel with Ralph Avenue, 100 feet;

THENCE westerly, parallel with Quincy Street, 25 feet;

THENCE northerly, again parallel with Ralph Avenue, 100 feet to the southerly side of Quincy Street;

THENCE easterly along the southerly side of Quincy Street, 25 feet to the point or place of BEGINNING.

**SCHEDULE B TO THE DECLARATION**
**DESCRIPTION OF THE UNITS**

THE 844 QUINCY STREET CONDOMINIUM

844 Quincy Street
Brooklyn, New York 11221

Block: 1633

| **Unit** | **Bedrooms/ Bathrooms** | **Approx. Area in Square Feet** | **Tax Lot Number** | **% of Common Interest** | **Location In Building** | **Limited Common Element** | **Limited Common Elements Square Feet** |
|---|---|---|---|---|---|---|---|
| 1A | STUDIO/1.5 BTH | 764.92 | | 13.78% | CELLAR/1ST FLOOR | N/A | N/A |
| 1B | 1 BR / 1.5 BTH | 1226.14 | | 22.17% | CELLAR/1ST FLOOR | Patio/Rear Yard | 124.83 / 472.33 |
| 2A | 1 BR / 1 BTH | 637.33 | | 11.52% | 2ND FLOOR | N/A | N/A |
| 2B | 1 BR / 1 BTH | 624.92 | | 11.31% | 2ND FLOOR | Rear Yard | 513.23 |
| 3A | 1 BR / 1 BTH | 637.33 | | 11.52% | 3RD FLOOR | N/A | N/A |
| 3B | 1 BR / 1 BTH | 624.92 | | 11.31% | 3RD FLOOR | N/A | N/A |
| 4A | 2 BR / 2 BTH | 1051.11 | | 18.39% | 4TH FLOOR | Terrace | 272.91 |

**EXHIBIT C TO THE DECLARATION**
**DEFINITIONS**

"**Appurtenant Interest**": with respect to any Unit, the undivided interest of the Unit Owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above and (iv) any other assets of the Condominium.

"**Building**" Shall mean the structure containing three (3) Residential Units with a street address of 844 Quincy Street, Brooklyn, New York 11221, known as the 844 Quincy Street Condominium.

"**By-Laws**" shall mean the by-laws governing the operations of the Condominium, which are set forth as Schedule B to this Declaration, as the same may be amended from time to time pursuant to the terms hereof.

"**Closing**" or "**Closing of Title**" or "**Closing Date**" shall mean the date, time, place and procedure by which, among other things, fee title to a Unit and its appurtenant Common Interest is conveyed pursuant to a fully-executed Purchase Agreement.

"**Common Charges**" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with Schedule A allocations and as provided in the Declaration or in the By-Laws, to meet the Common Expenses.

"**Common Elements**" shall mean, as used in the Condominium Act, consisting of all parts of the Property, other than the Units. The Common Elements shall include the General Common Elements (such as the foundations, roofs and supports of the Building), and the Residential Limited Common Elements.

"**Common Expenses**" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for Working Capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell, lease, transfer or convey the same (to the extent permitted in the Condominium Documents) or that is to be sold at foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium. The Common Expenses are paid by the Unit Owners as Common Charges and include the Residential Common Expenses and General Common Expenses.

"**Common Interest**" or "**Percentage of Interest in Common Elements**" shall mean the proportionate, undivided percentage interest of each Unit in the Common Elements, as set forth in the Declaration. The Common Interests are the basis of determine, among other things, a Unit Owner's (i) voting power for the election of members of the Condominium Board, (ii) liability for a share of the Common Expenses and (iii) share of any distributions upon the termination of the Condominium.

"**Condominium Board**" or "**Board**" shall mean the executive and administrative entity, whose members are selected pursuant to the terms of the By-Laws and the Offering Plan, which is to act for the Unit Owners in govern the affairs of the Condominium.

"**Condominium**" shall mean a form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements.

"**Condominium Act**" shall mean the New York Condominium Act, as same may be amended from time to time (New York Real Property Law, Article 9-B).

"**Condominium Documents**" shall mean the Declaration, the By-Laws, the Rules and Regulations and the Floor Plans, each of which will be recorded or filed simultaneously with (or soon after) the recording of the Declaration, pursuant to the provisions of the Condominium Act. Any amendment or certification of any Condominium Document shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected Condominium Document, so long as such amendment or certification was made in accordance with the provisions of the Condominium Act. The Condominium Documents shall be construed together and shall be deemed to incorporate one another to the extent that any requirement of the Condominium Act as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others. If any conflict exists among the Condominium Documents, the Declaration controls, except that a construction consistent with the Condominium Act controls in all cases over any inconsistent construction.

"**Consummation of the Plan**" conversion of the Building into a Condominium as evidenced by the acceptance for filing by the Department of Law of a post-closing amendment.

"**Declarant**" shall mean Bison Development Group LLC, and its successors and assigns.

"**Declaration**" shall mean the instrument creating the Condominium, which is set forth in Part II of the Plan, as may be amended from time to time.

"**Facilities**" shall mean all personal property and fixtures now or hereafter existing in, on or under the Land or the Building and either existing for the common use of one or more of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchanges mechanisms,

devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, Siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls or detention tanks, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, sheetrock, interior walls, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits, and rigs for window cleaning.

"**Family Members**" the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law, grandparents, great-grandparents, and aunts and uncles of the Residential Unit Owners or persons unrelated by blood or marriage who reside in such Residential Unit Owner's Residential Unit, as permitted by Law. The term "spouse", as used herein, shall mean a "domestic partner", i.e., an adult person to whom the Residential Unit Owner is married or an adult lifetime partner whose relationship with the Residential Unit Owner is characterized by an emotional and financial commitment and interdependence. The definition of Family Members may be modified by the Condominium Board by amendment to the Rules and Regulations of the Condominium.

"**Filing Date**" shall mean the date a letter is issued by the Department of Law accepting the Plan or an amendment to the Plan, as the case may be, for filing.

"**First Closing**" the first date upon which title to a Residential Unit is accepted for filing by the Department of Law.

"**Floor Plans**" shall mean the floor plans of the Building and the Units described in Section 339-p of the Condominium Act. The set of Floor Plans will show the layout, location and approximate dimensions of the Units, state the Sponsor's name and bear the verified statement of a licensed architect or professional engineer, certifying that it is an accurate copy of portions of the Plans as filed with the New York City Department of Buildings and filed in the Register's Office simultaneously with the recording of the Declaration. Such Floor Plans may be amended or supplemented from time to time, as required by the Sponsor and provisions of the Condominium Act.

"**General Common Elements**" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, either existing for the common use of all of the Units or all the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in the Declaration and the Floor Plans, and excluding the Limited Common Elements.

"**Initial Control Period**" shall mean the period ending on the earlier of (i) thirty (30) days after the date when Residential Units representing seventy-five percent (75%) of the Common Interest in the Condominium have been closed or (ii) two years after the First Closing.

"**Institutional Lender**" shall mean a holder of a mortgage that has been recorded and is security by the Property (with respect to the construction financing) or by a Unit, which is holding of one or more of the following: a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, a federal, state, municipal, teacher's or union employee, welfare, pension retirement fund or system.

"**Institutional Mortgage**" shall mean any first mortgage covering the Property (with respect to the construction financing) or one or more Units that is a Permitted Mortgage.

"**Land**" shall mean that certain tract, plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, on which the Condominium is to be developed, as more particularly described in the Declaration (Block: _____, Lots: _____ ) of the Tax Map of the Division of Land Records of the City of New York).

"**Law**" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, the rules, regulations, order and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over Property and/or the Condominium and/or the direction of any public officer pursuant to Law which are applicable at the time in question.

"**Limited Common Elements**" shall mean the Common Elements appurtenant to a Unit or Units, the use and enjoyment of which is restricted to the owners of such residential Unit or Units to the exclusive of all other Unit Owners (i.e., Terraces). The respective responsibilities of such Unit Owners and the Condominium Board for repair and their maintenance of Limited Common Elements are set forth in the Declaration and By-Laws.

"**Majority of Unit Owners**" shall mean Unit Owners of more than fifty percent (50%) in aggregate Common Interest appurtenant to all Units or Unit Owners of more than fifty percent (50%) in aggregate Common Interest of only those Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present.

"**Managing Agent**" shall mean the management company or manager named in the Plan or any successor management company or manager which manages the Property at the time in question.

"**Permitted Mortgage**" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws and shall include any mortgage placed upon a Unit owned or retained by Sponsor.

"**Permitted Mortgagee**" shall mean any holder or guarantor of a Permitted Mortgage at the time in question.

"**Permitted User**" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee or other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements, or (ii) the Condominium Board, or (iii) the Condominium Documents, or (iv) Sponsor.

"**Person**" shall mean any natural person, partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"**Plan**" shall mean the Condominium Offering Plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York, as accepted for filing pursuant to Section 352-e of the General Business Law of the State of New York and any amendments thereto.

"**Property**" shall mean the Land, the Building (and any structures attached thereto), the Units, all the improvements erected on the Land, all easements rights and appurtenances pertaining thereto and all other property, real, personal or mixed, used or intended to be used in connection therewith, which shall be submitted to Condominium Ownership.

"**Purchase Agreement**" shall mean the agreement between the Sponsor and a Purchaser to purchase a Residential Unit for the purchase price.

"**Purchaser**" shall mean any Person named as Purchaser in a Purchase Agreement which has been duly executed by such Person and accepted by Sponsor.

"**Residential Common Charges**" shall mean expenses specifically allocated and apportioned based on the special or exclusive use or availability or exclusive control of the Residential Units Owners.

"**Residential Common Elements**" shall mean those certain portions of the Common Elements, that are to be used by the Owners of Residential Units, as mort particularly described in the Declaration.

"**Residential Unit**" shall mean any of the three (3) Residential Units located in the Building.

"**Register's Office**" shall mean the Office of the Register of the City of New York, County of New York.

"**Rules and Regulations**" shall mean the Rules and Regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws, it being agreed that the Rules and Regulations shall apply only to Unit Owners and their Permitted Users.

"**Selling Agent"** shall mean Brown Harris Stevens Residential Sales LLC, which will be involved with the sale, renting, and/or promotion of the Residential Units.

"**Special Assessment**" shall mean the charges allocated and assessed by the Condominium Board to all Unit Owners or the Unit Owners only, pro-rata in accordance with their respective Common Interest as the case may be (except as otherwise provided in the Declaration or in the By-Laws).

"**Sponsor**" shall mean Bison Development Group LLC, its successors and assigns, as well as any other Person(s) designated by Sponsor in writing to the Condominium Board or by amendment to the Plan to retain Sponsor's rights under the Plan and the Condominium Documents.

"**Terrace**" shall mean any terrace, balcony, or garden which is appurtenant to a Residential Unit as a Limited Common Element and shall include any pavers, decking and drains, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are collectively referred to as the "Terraces."

"**Unit**" as defined in the Condominium Act. It specifically refers to any of the two (2) Residential Units to be offered for sale under the Plan. The Unit is designated as such in the Declaration, together with the Unit's Appurtenant Common Interest.

"**Unit Owner**" shall mean any Person (including Sponsor, if Sponsor owns any Unsold Unit) who holds fee title to one or more Units at the time in question. Each Unit shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety, a majority vote of such owners shall be necessary to case the Unit' Owner's vote referred to in the Declaration. All such owners are collectively referred to as "Unit Owners."

"**Unsold Unit**" shall mean any Residential Unit owned or retained by Sponsor (or Sponsor's designee as a fee owner, tenant, subtenant or party responsible for the management and financial obligations with respect to such Residential Unit) which may or may not be offered pursuant to the Plan and to any Residential Unit for which there is a signed Purchase Agreement but for which a Closing has not yet occurred.

# CONDOMINIUM BY-LAWS

# EXHIBIT 8

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**EXHIBIT D TO THE DECLARATION**

# BY-LAWS
# OF
# THE 844 QUINCY STREET CONDOMINIUM

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**BY-LAWS**
**OF**
**THE 844 QUINCY STREET CONDOMINIUM**

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# BY-LAWS
# OF
# THE 844 QUINCY STREET CONDOMINIUM

## ARTICLE 1
## PLAN OF CONDOMINIUM OWNERSHIP

Section 1.1 *Purpose*. The Purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of The 844 Quincy Street Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements, and all easements, rights, and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; and (iii) all other property, real, personal or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to other portions of the Property.

Section 1.2. *Definitions*. All capitalized terms used in these By-Laws that are otherwise not defined in any of the Articles hereof shall have the meanings set forth in the Declaration, unless the context in which the same are defined any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require.

Section 1.3. *Applicability of By-Laws*. The Provisions of these By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units and their respective employees, invitees, and guests, as well as other persons who may use the facilities located on, or forming a part of, the Condominium, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, by the Board (as herein defined) or in a proper case, an aggrieved Unit Owner. In the case of flagrant or repeated violations, the Board may ask the offending Unit Owner for sufficient surety for future compliance. The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration, as the same may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.4. *Personal Application.* All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the

Condominium in any manner are subject to these By-Laws, the Declaration and any rules and regulations established by the Condominium Board ("Condominium Board" or "Board"). The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

Section 1.5. *Principal Office of Condominium.* The principal office of the Condominium shall be located within the Property or at such other place reasonably convenient thereto, as may be designated from time to time by the Board.

## ARTICLE 2
## CONDOMINIUM BOARD

Section 2.1 *General*. As more particularly set forth in this Article, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

Section 2.2 *Status of the Condominium Board*. Unless and until the Condominium Board shall incorporate in accordance with the terms of this Article, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms herein, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable status of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board.* The principal office of the Condominium Board shall be located at either the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board*.

(A) The Condominium Board shall have all powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem

necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium;

(iii) to maintain records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts of receipts and expenditures affecting the Property; (b) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (c) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of all members of the Condominium Board shall be required for the borrowing of any sum in excess of Twenty-Five Thousand and 00/100 Dollars ($25,000.00) in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of all Unit Owners shall be required for the borrowing of any sum in excess of Twenty-Five Thousand and 00/100 Dollars ($25,000.00) in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without

limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of these By-Laws;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of these By-Laws, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens against Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) to accept the surrender of any Unit pursuant to the terms of these By-Laws, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiii) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to the vote appurtenant to any such Unit;

(xvi) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

(xvii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xviii) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(xiv) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium;

(xx) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxi) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;

(xxii) to execute, acknowledge and deliver any documents necessary for filing an appeal for reduction of assessment of real estate taxes on behalf of all units in the Condominium, unless written notice is received by the Condominium Board from any Unit Owner not to do so on behalf of his/her condominium unit;

(xxiii) unless and until real estate taxes, water charges and sewer rents are billed directly to the Unit Owners by the New York City Department of Finance and/or the Department of Environmental Protection, the Condominium Board shall promptly pay such taxes, charges and rents as a common expense. In the event there is a closing prior to the units being separately assessed for real estate taxes the Sponsor shall place in escrow in the name of the Condominium Board an amount equal to the real estate taxes which will be levied against the property for the six-month period following the First Closing and will collect at each Unit Closing the estimated amount of taxes attributable to such unit. The Unit Owners(s) will be required to pay the entire amount of tax allocated to his/her Unit at the time that the Condominium Board is required to make its real estate tax payment to the City of New York. The allocation for taxes will be based on the Unit's percentage of common interest allocated to the Unit; and

(xiv) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 *Certain Limitations on the Powers of the Condominium Board* Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own twenty-five percent (25%) of the Units, but in no event later than five years from the closing of title to the first Unit, the Condominium Board may not, without the Sponsor's prior written consent:

(i) make any addition, alteration or improvements to the Residential Common Elements or to any Unit, at the expense of the Condominium, the foregoing not to include necessary repairs and maintenance work;

(ii) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of all or part of any reserve, contingency or surplus fund, except to the extent that the aggregate amount of such fund does not exceed five percent (5%) of the budgeted expenses of the Condominium;

(iii) hire any employee in addition to any employees referred to in the Plan;

(iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date said Plan is declared effective;

(v) borrow money on behalf of the Condominium (except where necessary to perform work required by Law to the extent that existing reserves are insufficient); or

(vi) exercise a right of first refusal to lease or purchase a Residential Unit.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

The written consent of the Sponsor shall not be necessary to perform any function or take any action described in clauses (i) through (vi) if and only if, the performance of such action or the carrying out of such action is deemed necessary (and no other reasonable alternative is available) to enable to the Condominium to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building. In no event will the limitations imposed herein continue for more than five years from the First Closing.

Section 2.6 *Exercise and Delegation of Powers and Duties.*

(A) Any act within the power of the Condominium Board to perform and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees or designees of the Condominium Board.

(B) The Condominium Board may, by resolution or resolutions passed by a majority of the entire Condominium Board, designate one or more committees, each of such committees to consist of at least one Member of the Board (but the committee may also have non-Members of the Condominium Board or Unit Owners on it) which, to the extent provided in said resolution or resolutions, shall advise the Condominium Board in the management of the Condominium. The Member of the Board who is a member of any such committee, acting on behalf of the Condominium Board, or (to the extent permitted by law) any other available member, shall also have and may exercise the powers of the Condominium Board, in the management of the business and affairs of the Condominium, and may have power to sign all papers which may be required,

provided the said resolutions shall specifically so provide, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section. Such committee or committees shall have such name or names as may be determined by the Condominium Board. Committees established by resolution of the Condominium Board shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section, the Condominium Board by unanimous vote of all members may delegate to the Managing Agent any of the powers granted to the Condominium Board by these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section, any committee and Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or any other committee, the powers and duties described in subparagraphs (ii), (iv), (vi), (xiii), (xiv), (xv), (xvi) of Paragraph (A) of Section 2.4 hereof. In addition, neither Managing Agent nor any of the committees of the Condominium Board shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law or delegated pursuant to paragraphs (B) or (C) of this Section 2.6.

Section 2.7 *Number, Election and Qualification of Members*. Until the First Annual Meeting of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of three individuals, all of whom are to be designated from time to time by Sponsor. From and after the First Annual Meeting of the Unit Owners through the Initial Control period, the Condominium Board shall continue to consist of three individuals, one of whom shall be designated by the Sponsor, and two of whom shall be elected by the Unit Owners (including Sponsor). Except for members designated by Sponsor pursuant to the terms herein or in Section 2.10, all members of the Condominium Board shall be either individual Unit Owners or adult Family Members of an individual Unit Owner; (ii) officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, or trusts that are Unit Owners. In addition, no Unit Owner may be elected to serve on the Condominium Board (no may continue to serve on the Condominium Board), if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not bene paid at the time of such election, or so long as the lien remains unpaid. In no event may more than one individual owner of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 *Term of Office of Members*. The term of office of the three members of the Condominium Board designated by Sponsor prior to the First Annual Meeting of the Unit Owners shall expire when the individuals to be elected at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the three members of the Condominium Board elected at the First Annual meeting shall be fixed as follows: (a) one of such Members will serve for a term of approximately three years, (b) one of such Members will serve for a term of approximately two years, and (c) one of such members will serve for a term of

approximately one year. The Members who receive the highest number of votes will serve for the longest terms of office. At each annual meeting after the First Annual meeting, subject to the rights of Sponsor to designate certain members as set forth in these By-Laws, the Unit Owners (including Sponsor as an Owner of Unsold Units), shall elect Members to replace those Members whose terms of office are then expiring, each to serve a term of three years. Notwithstanding anything to the contrary contained in this Section, however, each member of the Condominium Board shall serve until such member's successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member may serve.

Section 2.9 *Removal and Resignation of Members.*

(A) Any member of the Condominium Board who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by an affirmative vote of a Majority of Unit Owners who are present in person or by proxy at a special meeting called for that purpose with a quorum of Unit Owners in attendance. Any member of the Condominium Board who was designed as such by the Sponsor, as the case may be, pursuant to the terms of Section 2.7, 2.10 or 4.9 hereof, may be removed, with or without cause, only by Sponsor as the case may be. If any member of the Condominium Board who was designated by Sponsor, as the case may be, is removed, such member's successor shall also be designated by Sponsor, as the case may be. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof stating inter alia, whether the proposed removal is with or without cause, and an opportunity to be present and heard thereat.

(B) Any member of the Condominium Board may resign such member's membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such by Sponsor, to Sponsor. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned such member's membership effective as of the date upon which such qualification shall cease.

Section 2.10 *Vacancies*.

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated thereto by a Unit Owners shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.6 hereof and who is designated by the unit owner who designated the member causing the vacancy. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereafter shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a member who was designated by a Unit Owner shall be filled by an individual designated by such Unit Owner.

(C) Each member of the Condominium Board who is designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Condominium Board for the remainder of the term of the member he/she replaced and until his/her successor shall be selected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board*. The first meeting of the Condominium Board following each annual meeting of the Unit Owners shall be held within ten (10) days of such annual meeting, at such time and place in the Borough of Manhattan as shall be both fixed informally by a majority of the members of the Condominium Board and designated by the Secretary in a written notice given to all members thereof by personal delivery, mail, overnight courier, facsimile or e-mail not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 *Regular Meetings of the Condominium Board.* Regular meetings of the Condominium Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that at least four (4) such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each member thereof by personal delivery, mail, overnight courier, facsimile or e-mail at least five business days prior to the day named for such meeting.

Section 2.13 *Special Meetings of the Condominium Board.* The President may call a special meeting of the Condominium Board whenever he/she deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of three or more members of the Condominium Board. Written notice of all special meetings shall be given to each member thereof by personal delivery, mail, overnight courier, facsimile or e-mail at least five business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting and no business shall be transacted at such special meeting except business reasonably related to such stated purpose.

Section 2.14 *Waiver of Notice of Meetings.* Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by him/her of notice of the time and place thereof. If all of the members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 *Quorum of the Condominium Board*. For purposes of all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board in attendance may adjourn the meeting

from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 *Conduct of Meetings*. The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 *Decisions by the Condominium Board.* Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Condominium Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members.* No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board*. Each member of the Condominium Board shall perform his/her duties, and shall exercise his/her powers, in good faith and with a view to the interest of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the members thereof or noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such members;

(y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction; or

(z) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Liability of the Condominium Board*.

(A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his/her own bad faith or willful misconduct. In connection therewith, members of the Condominium Board designated as such by Declarant shall not be deemed either to be in bad faith or to have committed willful misconduct by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Condominium Board and Declarant or its agents, provided that any compensation paid, or to be paid, to Declarant or its agents in connection with any such contract or transaction is disclosed in the Plan or an amendment thereto or is at competitive rates for goods sold or services rendered in the Borough of Manhattan.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the offices of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Condominium Board nor any member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or

(ii) Any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his/her acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member. The liability of any

Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interests of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

## ARTICLE 3
## OFFICERS

Section 3.1 *General*. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President*. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL'"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as he/she may decide, in his/her discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President*. The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him/her from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary*. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer*. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualifications of Officers*. The initial officers of the Condominium will be designated by the Sponsor. Thereafter the officers of the

Condominium shall be elected annually be a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board and shall serve at the pleasure of the Condominium Board. The President, Vice President, Secretary and Treasurer shall be elected from amongst the members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest in the Condominium if they are designated by Sponsor. Officers must be Unit Owners if they are elected by other Unit Owners.

Section 3.7 *Removal and Resignation of Officers*. Any officer of the Condominium may be removed from office with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his/her term of office, such officer shall be deemed to have resigned his/her office effective upon the date upon which his/her membership shall cease.

Section 3.8 *Vacancies*. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation for Officers*. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Liability of the Officers of the Condominium*. Each officer shall be indemnified as set forth in Section 2.19.

## ARTICLE 4
## UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners*.

Section 4.2 *Special Meetings of the Unit Owners*. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than thirty percent (30%) of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings*. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough of Manhattan as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings*.

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, overnight courier, facsimile or e-mail not later than five business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his/her address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than ten (10) days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least thirty (30) days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 *Quorum of the Unit Owners*. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning units to which fifty percent (50%) of the aggregate Common Interests appertain shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours form the time fixed for the original meeting.

Section 4.6 *Conduct of the Meetings*. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 Order of Business. The order of business at annual meetings of the Unit Owners shall be as follows:

(i) Roll call;

(ii) Proof of notice of meeting;

(iii) Reading of the minutes of the preceding meeting (unless waived);

(iv) Reports of officers of the Condominium;

(v) Reports of members of the Condominium Board;

(vi) Reports of committees;

(vii) Election of inspectors of election (when so required);

(viii) Election of members of the Condominium Board (when so required);

(ix) Unfinished business; and

(x) New business.

Section 4.8 *Voting*.

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor with respect to Unsold Units) shall be entitled to vote at all meetings of the Unit Owners.

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes and for quorum purposes.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two or more Persons own a Unit, they shall designate one Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owners of any Unit may designate any Person to act as a proxy on his/her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designor and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of six (6) months after the date thereof.

(E) Except when otherwise required by Law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

Section 4.9 *Election of Members to the Condominium Board*.

(A) When voting for residential members of the Condominium Board, each Unit Owner (including Sponsor with respect to any Unsold Units) shall be entitled to cast one vote for each one ten-thousandth of one percent (.0001%) of Common Interest attributable to Unit Owner's Unit(s) per member to be elected. However, nothing contained herein shall be deemed to either permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any one or more members to be elected. In addition, the terms of paragraphs (B), (C), and (D) of Section 4.8 hereof shall apply to all elections of members of the Condominium Board.

(B) All elections of members of the Condominium Board shall be by written ballot and each ballot cast shall state: (i) the name of the voting Unit Owner and, if such ballot is cast by proxy, the name of the proxy, (ii) the designation number(s) of the Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriate segregated by election for a period of two years.

(C) Subject to the terms of paragraph (D) of this Section, all elections of members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Units owned by Sponsor as it sees fit. However, at elections of members of the Condominium Board held during the Initial Control Period, Sponsor will have the right to designate the one Member of the Condominium Board; as set forth in Section 2.7 hereof; and Sponsor and all other Unit Owners shall have the right to vote for the remaining members of the Condominium Board.

(E) Subsequent to the Initial Control Period, (i) Sponsor shall have the right to designate one (1) of the Members of the Condominium Board so long as the Common Interest attributable to the Unsold Units equal, in the aggregate less than fifty percent (50%) but more than fifteen percent (15%) of the Common Interests attributable to all Units and, thereafter, for so long as Sponsor continues to own one Unsold Unit, Sponsor shall have the right to designate one Member to the Condominium Board. Sponsor shall always have the right to vote its respective Common Interest attributable to Unsold Units, for the remaining members of the Condominium Board. There is no restriction on the right of the Unsold Unit Owners (including Sponsor) to vote for members of the Condominium Board who are not related to or affiliated with Sponsor or other Unsold Unit Owners.

(F) Within thirty (30) days after the expiration of the Initial Control Period, one of the one members of the Condominium Board designated by the Sponsor shall resign and the resulting vacancy shall be filled by a majority vote of the remaining members of the Condominium Board (excluding members designated by Sponsor) at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 4.10 *Action Without a Meeting*. Any action required or permitted to be taken by the Unit Owner at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and in aggregate Common Interests) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

Section 4.11 *Title to Units.* Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. The sale of a Unit to a corporation, partnership, limited partnership, limited liability company, trust or any other entity (including an entity or persona entitled to diplomatic or sovereign immunity) shall require the delivery to the Condominium Board or Managing Agent of such documents as reasonably requested by the Condominium Board, including, without limitation: (i) consent and subjection to jurisdiction in State or Federal Courts in New York State; (ii) designation and authorization of a lawful agent to receive service of process by approved forms of Power of Attorney or other appropriate forms (iii) occupancy agreement, (iv) guaranty of payment; (v) escrow agreement; (vi) waiver of immunity and (vii) with respect to a foreign government purchaser, the common charge deposit required by Section 6.4 of these By-Laws.

Section 4.12 *Contractual Liability of Unit Owners.* Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Section 2.19 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners in the case of a contract relating to the General Common Elements; (ii) such proportionate share of the total liability thereunder as relating to the Common Interest of such Unit and (ii) such Unit Owner's interest in his/her Unit and its Appurtenant Interests, unless otherwise provided by Law or as otherwise provided ion the Declaration or these By-Laws.

## ARTICLE 5
## OPERATION OF THE PROPERTY

Section 5.1 *Maintenance and Repairs*.

(A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary;

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace or patio, if any) and their frames and saddles, exposed plumbing, gas and heating fixture shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner or such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or nonstructural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his/her Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, patios, windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his/her Unit.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to Units*.

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Unit Owner shall make any structural alteration, addition, improvement, or repair in or to his/her Unit or its appurtenant Limited Common Elements without the prior written approval of the Condominium Board. In the event, however, that the Condominium Board shall fail to answer any written, reasonably detailed request for such approval within thirty (30) days after such request is received, such failure to respond shall constitute the Condominium Board's consent thereto. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner (and any contractors engaged by the Unit Owner) to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board and Managing Agent may impose charges upon the Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees in reviewing the Unit Owners request for approval and insurance certificates, drafting and processing an alteration agreement and thereafter in monitoring the work performed until completion.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor or its designee shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Unit, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, (ii) subdivide, combine and change the boundary walls of Unsold Units, all without the approval of the Condominium Board and (iii) make any other change to any Unsold Unit as permitted under the Declaration all without charge and without the approval of the Condominium Board or Managing Agent and the Condominium Board shall fully cooperate with Sponsor its contractors and employees in this regard.

Notwithstanding the foregoing, all Unit Owners, including the Sponsor, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board and the Managing Agent against any liability arising from the work and (iii) with respect to Residential Unit Owners only, abide by the Residential Rules and Regulations of the Condominium, including, but not limited to, the days and hours during which work may be done.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with the terms and provisions of any alteration agreement (with respect to Residential Units only) and all policies implemented by the Condominium Board or Managing Agent, as the case may be, and in compliance with these By-Laws, the Declaration and Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature to a Unit or its appurtenant Limited Common Elements (but other than that of the nature described in

paragraph (B) hereof related to Sponsor's rights with respect to Unsold Units), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his or her or their Unit(s) and/or appurtenant Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) and/or appurtenant Limited Common Elements, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(E) Any contractor engaged by a Unit Owner to perform any alterations in the Unit shall be required to obtain and maintain in full force and effect during the course of such alteration until final completion thereof, the following policies of insurance, written by companies with an A.M. Best Company rating of at least A-VII, with provision that the coverage afforded under such policies shall apply on a primary and not an excess or contributory basis with any policies that may be available to the Condominium Board, or the Managing Agent: (i) Commercial general liability insurance in the minimum amount of One Million and 00/100 Dollars ($1,000,000.00) per occurrence and Two Million and 00/100 Dollars ($2,000,000.00) in the aggregate, which includes contractual coverage for liability assumed by the contractor, naming the Condominium Board, the Unit Owner and Managing Agent as additional insured and (ii) workers compensation insurance meeting the statutory limits of New York State.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements*. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the General Common Elements or Residential Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense attributable to the Unit Owners.

Notwithstanding the foregoing, however, and with the sole exception of alterations, additions or improvements to the Common Elements required by Law, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, equal or exceed ten percent (10%) of the Condominium's operating budget in such fiscal year, with respect to the Common Elements, for any particular project or in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by a Majority of Unit Owners if relating to the Common Elements (in either event, including Sponsor if Sponsor then owns any Unsold Unit) present in person or by proxy, at a duly constituted meeting of the Unit Owners, or by means of such other procedure as approved by the

Condominium Board. Except as otherwise provided in the Declaration and in these By-Laws, in any fiscal year, all such alterations, additions, or improvements costing less than ten percent (10%) of the Condominium's operating budget in such fiscal year, or for any particular project, may be made as aforesaid without the approval of the Unit Owners but only with the affirmative consent of a majority of the members of the Condominium Board. Notwithstanding the foregoing, for so long as Sponsor owns Units representing at least twenty-five percent (25%) of the Common Interest attributable to all Units, but in no event beyond the second anniversary of the First Closing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained. Sponsor will not withhold consent to any addition, alteration, or improvement to the Common Elements, if such addition, alteration or improvement is deemed required to comply with Law (and no other reasonable alternative is available), or to remedy any notice of violation or to remedy any work order by an insurer.

Section 5.*4* *Insurance*.

(A) To the extent commercially reasonable, the Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon coinsurance or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten (10) days' prior written notice to the Condominium Board and all of the insureds, including all Permitted Mortgagees.

(B) The Condominium Board shall also obtain and maintain, to the extent commercially reasonable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manger (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his/her own Unit or its Limited Residential Common Elements, if any) with such coverage to be primary and not on an excess or contributory basis with any other policy which may be available to the Condominium Board of Managing Agent;

(ii) rent insurance;

(iii) workmen's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage level liability insurance; and

(vi) such other insurance as the Condominium Board shall from time to time determine.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall in an amount equal to not less than eighty percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source (and, until the first regular meeting of the first nine-member Condominium Board elected by the Unit Owners, such coverage shall be at least in the amount of One Million and 00/100 Dollars ($1,000,000.00));

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than One Million and 00/100 Dollars ($1,000,000.00) in the aggregate until the first regular meeting of the first nine-member Condominium Board elected by the Unit Owners; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Condominium Board as a Common Expense.

(E) For so long as Sponsor owns at least one Unsold Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types of coverage amounts set forth in the First Year's Budget in the Plan.

Section 5.5 *Casualty or Condemnation*.

(A) in the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall exceed One Hundred Thousand and 00/100 Dollars ($100,000.00) in the aggregate. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in the paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof, is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he/she may have to pursue a separate claim against the condemning authority by reason thereof.

(B) subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, or any portion thereof, shall be the subject to all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his/her Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress

payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, and all proceeds of such Special assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

(D) If either seventy-five percent (75%) or more of the Building is destroyed or substantially damaged by fire or other casualty or seventy-five percent (75%) or more of the Common Elements are taken in a Taking, the Work shall not be performed unless seventy-five percent (75%) of more of all Unit Owners (including Sponsor or is designee, if Sponsor or such designee shall then own any Units), both in number and in aggregate Common Interest, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit after such Taking bears to the total floor area of such Unit prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(G) As used in this Section 5.5, the terms:

(i) "prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) sixty (60) days after the date upon which the Insurance Trustee notifies the Condominium Board and the Unit Owners that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) ninety (90) days after the date upon which the Insurance Trustee notifies the Condominium Board and the Unit Owners that it has received trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, sixty (60) days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "promptly resolve" shall mean that a resolution shall be duly made not more than sixty (60) days after the date upon which the Condominium Board or the Insurance Trustee, as the case may be, notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 *Use of The Property*.

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No Immoral or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of

the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon a prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 *Use of the Units*.

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with the terms contained in the balance of this Section 5.7.

(B) Each Unit shall be used only as a residence and not more than one family may occupy a Unit at any one time. Except as to Unsold Units, no transient occupant may be accommodated in a Unit. A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by the Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests). Notwithstanding the foregoing, the Condominium Board may in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased, and no transient occupant other than a guest permitted under this paragraph (B)) may be accommodated therein.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unit. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners (i) grant permission for the use of any Unsold Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unsold Unit; (ii) use any one or more Unsold Units as model units and offices for the sale, promotion, rental, management and operation of the Unsold Units or for any other purposes, subject only to compliance with Law and (iii) sell or lease Unsold Units to third parties.

Section 5.8 *Use of the Common Elements*.

(A) Subject to the terms of paragraph (B) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as storage areas) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to the main entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9 *Rights of Access*.

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his/her Unit for the purpose of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults thereunder or under the Declaration or violations of the rules and Regulations committed by such Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his/her Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his/her Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one (1) day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units and their appurtenant Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to his/her Unit and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

Section 5.10 *Modification of the Rules and Regulations*. The Condominium Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of Unit Owners owning at least sixty-six and two thirds percent (66 2/3%) of the Unit Owners, in both number and Common Interest, at a meeting of Unit Owners called for that purpose and no such amendment, modification, addition or deletion which modifies the permitted users of the Building or any portion thereof or affecting the rights and obligations of Sponsor, or the holder or any mortgage, pledge or other lien or security interest covering any Unsold Unit, as the case may be, shall be effective without the prior written consent of Sponsor. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and regulations shall be furnished to all Unit Owners not less than thirty (30) days prior to the effective date thereof.

Section 5.11 *Real Estate Taxes, Water Charges and Sewer Rents*. Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City of New York, the Condominium Board

shall promptly pay such taxes, charges and rents as a Common Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water changes and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

Section 5.12 *Gas and Electricity*. Gas and electricity shall be supplied to each Unit through a separate meter for such Unit, and each Unit Owner shall be required to pay all charges for gas and electricity consumed or used in his/her Unit directly to the utility company servicing the Building as and when billed therefor. However, the Condominium Board shall have the right, exercisable in its sole discretion, to require that gas and electricity be supplied to the Condominium through one or more common meters. In such an event, the cost thereof shall be borne by each Unit Owner based upon the consumption or usage of gas and electricity in his/her Unit, as determined by submetering, survey, or any other reasonable method prescribed by the Condominium Board and permitted by Law, and shall be payable either to the Condominium Board or to the utility company servicing the Building, as directed by the Condominium Board.

Section 5.13 *Utilities Serving the Common Elements*. The cost and expense of water, steam, electricity and gas serving or benefitting any Common Element, as applicable, shall be (i) considered part of the expense of maintaining such Common Elements, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

Section 5.14 *Records and Audits*.

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a Common Expense.

## ARTICLE 6
## COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charge*.

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt and budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges

necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgages whenever requested in writing by such Permitted Mortgagee. The Condominium Board may, subject to the provisions set forth herein, at its sole discretion from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof, however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any fiscal year occurring within the Initial Control Period. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least ten (10) days prior to the date set for adoption thereof by the Condominium Board.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respect, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses (including, without limitation, the acquisition or leasing of a Unit). All Special Assessments relative to the Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Limited Common Elements shall be levied against all Unit Owners in proportion to the Common Interest. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit

Owners, as applicable, and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses attributable to the Common Elements for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the Common Expenses attributable to the Common Elements for the next succeeding year(s) of operation. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests.

Section 6.2 *Payment of Common Charges*.

(A) All Unit Owners (including Sponsor or its designee with respect to Unsold Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit.

(B) Notwithstanding anything to the contrary contained in paragraph (A) above, during the Initial Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owners obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided all expenses of the Condominium including, but not limited to, insurance premiums and any reserve fund payments required by Sponsor's lender are paid by Sponsor. Upon commencement of the collection of Common Charges from all Unit Owners, no assessment will be imposed for any item set forth in the approved budget for the Condominium for the Condominium for which Common Charges were not collected. The Condominium Board shall remain obligated to update the budget for the Condominium in accordance with law. All Unit Owners shall be provided with at least thirty (30) days prior written notice of the expiration of such waiver period and the commencement of payment of Common Charges.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his/her Unit subsequent to a sale, transfer, or other conveyance by him/her of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article seven hereof. A purchaser or other successor in title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his/her acquisition thereof, except that, to the extent permitted by Law, a Permitted Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted Mortgage and prior to the

acquisition of title to such Unit by the Permitted Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. Any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time same is levied.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his/her Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof. Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Section 5.1 5.2 or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges*. The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 *Common Charge Deposit for Foreign Owners*. Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall deposit at the Closing of such Unit with the Condominium Board an amount equal to two (2) times the then current annual Common for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of these By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or other sum to which such Unit Owner is in default. If the Condominium Board applies or retains any part of said security the Unit Owner in question, within ten (10) days after notice from the Condominium Board, shall deposit with the Condominium Board, the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges*.

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remains unpaid for more than thirty (30) days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 399-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges or Special Assessments, together with all additional sums of money collectable by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges or Special Assessments, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges or Special Assessments, such Unit Owner shall be obligated to pay interest thereon at the highest rate chargeable to individuals pursuant to Law, to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use of his/her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's in the order of priority of such liens

## ARTICLE 7
## SELLING, LEASING AND MORTGAGING OF UNITS

Section 7.1. *Sales and Leases*. Subject to the terms of this Section 7.1, no Unit Owner may sell his/her Unit or any interest therein except by complying with the following provisions:

(A) A Unit Owner who acquired title to the Unit from Sponsor ("Sponsor Sale") is prohibited for a period of twelve (12) months from the Sponsor Sale from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld,

conditioned or delayed, in Sponsor's sole and absolute discretion (i) listing such Unit for sale or rental with any broker, (ii) placing or authorizing any listing in any broker's listing system or other listing service, (iii) advertising or otherwise offering, promoting or publicizing the availability of such Unit for sale or rental, or (iv) sell or otherwise convey the Unit, except for a deed in lieu of foreclosure.

(B) Any Unit Owner who receives a bona fide offer which he/she intends to accept (hereinafter called an "Outside Offer") for the sale of his/her Unit together with: (i) the undivided interest in the common elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units previously acquired by the Condominium Board, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Condominium (the interests in subsections (i), (ii) and (iii) are hereinafter collectively called the "Appurtenant Interests"), shall give notice to the Condominium Board of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and such other information as the Condominium Board may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, to the Condominium Board or its designee, on behalf of the owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer to the Condominium Board, on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Condominium Board may request reasonable additional information relating to the Outside Offer at any time after reviewing the initial notice and any additional information previously supplied by the Unit Owner and may schedule a personal interview to obtain additional information regarding a prospective purchaser. Within thirty (30) days after receipt of such notice and all additional information that had been reasonably requested by the Condominium Board, the Condominium Board may elect by notice to such Unit Owner, either (a) to purchase such Unit, together with the Appurtenant Interests (or to cause the same to be purchased by its assignee or designee, corporate or otherwise), on behalf of all other Unit Owners on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner or (b) to produce a purchaser who will purchase such Unit, together with the Appurtenant Interests, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner. The Condominium Board may assign their right to purchase the Unit, on behalf of all Unit Owners at any time without liability, to the offering Unit Owner. If the Condominium Board shall elect to purchase such Unit, together with the Appurtenant Interests, or to cause the Unit to be purchased by its designee, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer, but not less than forty-five (45) days after the giving of notice by the Condominium Board of its election to accept such offer. At the closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) to the Condominium Board or to its designee on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. Real estate taxes, mortgage interest and Common Charges and expenses shall be apportioned between the Unit Owner and the Condominium Board or its designee as of the closing date. If the Condominium Board or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within the Thirty (30) day period, the offering Unit Owner shall be free to contract to sell the Unit to the Outside Offeror, together with the Appurtenant Interests,

within ninety (90) days after the expiration of the period in which the Condominium Board or its designee might have accepted such offer, on the terms and conditions set forth in the notice of such Outside Offer from the offering Unit Owner to the Condominium Board. Any such deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. If the offering Unit Owner shall not convey such Unit within such 90-day period to the Outside Offeror, on the terms and conditions contained in the Outside Offer, then should the offering Unit Owner thereafter elect to sell the Unit, together with the Appurtenant Interests, to the same or to another Outside Offeror, on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 7.1 herein.

Any purported sale of a Unit in violation of this Section shall be voidable at the election of the Condominium Board by notice given to the person claiming to be the Unit Owner and the Condominium Board's right of first refusal shall be deemed reinstated.

(C) Except as set forth in Section 8, no Unit Owner may lease his/her Unit except by complying with the following provisions:

(i) Any Unit Owner who receives a bona fide offer for a lease of his/her unit which he/she intends to accept ("Lease Offer") shall give notice to the Condominium Board of such offer and of such intention, the name and address of the proposed lessee, the terms of the proposed lease, references and such other information as the Condominium Board may reasonably require, and shall offer to lease such unit to the Condominium Board or its designee on the same terms. The giving of such notice shall constitute a warranty and representation by the unit owner who has received such offer to the Condominium Board on behalf of the other unit owners that such Unit owner believes the Lease Offer to be bona fide in all respects. The Condominium Board may request reasonable additional information relating to the Lease Offer at any time after reviewing the initial notice and any additional information previously supplied by the Unit Owner, and may schedule a personal interview to obtain additional information regarding a prospective tenant. Within forty-five (45) days after receipt of such notice and all additional information that had been reasonably requested by the Condominium Board, the Condominium Board may elect by notice to such unit owner, either (a) to lease such unit on behalf of all other unit owners (or to cause the same to be leased by its assignee or designee, corporate or otherwise), on the same terms and conditions as contained in the Lease Offer and as stated in the notice from the offering unit owners the notice offering unit owner or (b) to produce a tenant who will lease such unit on the same terms and conditions as contained in the Lease Offer and as stated in the notice from the offering unit owner. If the Board does not elect to exercise the above rights within the 45-day period, the Unit Owner may enter into the lease, but if the proposed tenant fails to take occupancy within sixty (60) days after the consent of the Board has been given or the right of first refusal waived, the Lease Offer shall be deemed void and the unit owner will be required to repeat the above proceedings with respect to approval of the proposed lease. The waiver of the Condominium Board of its right to lease the unit shall not in any way be construed to relieve the unit owner from offering the lease to the Condominium Board and a unit owner who subsequently desires to lease such apartment unit shall be required again to comply with all the terms and provisions of this subsection (c).

(ii) All leases must be for a minimum period of one year (with each such lease being to a specific named tenant and with no right to substitute any other tenant during the term of the lease). No Unit may be used, leased or subleased by any so-called "executive stay" or "short term stay" company or person engaged in the business of renting or leasing units, or for hotel, dormitory, employee residence or facility, fraternity or sorority house, resort housing or similar type of non-permanent housing. All leases shall be consistent with these By-Laws and shall contain such reasonable conditions as the Condominium Board may impose in order to protect the physical and financial security and continuity of the Condominium, including (but not limited to) provisions that a lease may not be modified, amended, extended or assigned, without the prior consent in writing of the Condominium Board; that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Condominium Board; that the Condominium Board shall have power to terminate such lease and to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease; that in case of default by the Unit Owner, the Condominium Board shall have the right to require the tenant to pay its rent to and attom to the Condominium Board on demand; that the Unit Owner or tenant will maintain liability insurance naming the Condominium as an additional insured party, if available; that the tenant consents to personal jurisdiction in New York State; that the tenant waives diplomatic immunity; and that the Condominium Board shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as set forth above, the form of any such lease shall be in substantially the then current form of apartment lease recommended by The Real Estate Board of New York, Inc. with such modifications as may be approved in writing by the Condominium Board. The Condominium Board may establish other reasonable regulations governing leases of Units from time to time.

(iii) Any purported lease of a Unit in violation of this Section shall be voidable at the election of the Condominium Board, and if the Condominium Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to evict the purported tenant in the name of the said Unit Owner as the purported landlord at the expense of the Unit Owner.

(iv) The Unit Owner shall execute an assignment of lease in favor of the Condominium as security for the payment of Common Charges, special assessments and all sums due from the Unit Owner to the Condominium or the Condominium Board.

(v) Any purported lease of a Unit in violation of this Section shall be voidable at the election of the Condominium Board, and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to evict the purported tenant in the name of the said Unit Owner as the purported landlord at the expense of the Unit Owner.

(vi) Except for a Unit owned by Sponsor, or a Unit owned by a mortgagee who took title in foreclosure or by deed in lieu of foreclosure, any lease for a Unit must be for a minimum period of one year (with each such lease being to a specific named tenant and with no right to substitute any other tenant during the term of the lease).

Section 7.2. *No Severance of Ownership*. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his/her Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 7.3 *Release by Condominium Board of Right of First Refusal.* The right of first refusal contained in Section 7.1 may be released or waived by the Condominium Board, in which event, the Unit, together with the Appurtenant Interests, may be leased, sold or conveyed, free and clear of the provisions of such Section.

Section 7.4. *Certificate of Termination of Rights of First Refusal*. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section one of this Article X have been met by a Unit Owner, or have been duly waived by the Condominium Board, and that the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section one of this Article X or with respect to whom the provisions of such Section have been waived, upon request.

Section 7.5. *Financing of Purchase of Units by Condominium Board*. Acquisition of Units by the Condominium Board or its designee, on behalf of all Unit Owners, may be made from working capital and Common Charges in the hands of the Condominium Board, or if such funds are insufficient, the Condominium Board may levy an assessment against each Unit Owner in proportion to his/her ownership in the common elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Article VI, or the Condominium Board, in its sole discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing, may be secured by an encumbrance or hypothecation of any property, other than the Unit, together with the Appurtenant Interests, to be acquired by the Condominium Board.

Section 7.6. *Payment of Common Charges and Assessments.* No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his/her Unit, unless and until he/she shall have paid in full to the Condominium Board all unpaid Common Charges and assessments and expenses theretofore assessed by the Condominium Board against his/her Unit, and until he/she shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 7.7. *Exceptions to Restrictions on Sales and Leases*. The provisions of Section one of this Article X shall not apply with respect to (a) any sale, conveyance or lease by a Unit Owner of his/her Unit and Appurtenant Interests to his/her spouse or to any of his/her children over the age of eighteen (18) years, or to his/her parent or parents or to his/her brothers or sisters,

or to any one or more of them, or to a trust established for the benefit of any of them; or (b) a sale or lease of a Unit and Appurtenant Interests owned by the Sponsor or any principal thereof (as defined in the Plan); or (c) the acquisition, sale or lease of a Unit, together with the Appurtenant Interests, by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure; or (d) a conveyance or transfer by gift during a Unit Owner's lifetime; or (e) the devise of a Unit by will or intestacy. However, the Condominium Board must be given written notice of every sale or lease of a Unit.

Section 7.8. *Waiver of Partition Rights*. The Unit Owners waive all of their voting rights concerning partition with respect to any Unit acquired by the Condominium Board in accordance with this Article.

Section 7.9 *Consent to Jurisdiction and Venue in Lease*. By virtue of acquiring title to a Unit or executing a lease, all Unit Owners, tenants and occupants irrevocably submit to personal jurisdiction in the State of New York and venue in New York County in any action commenced by the Condominium Board.

Section 7.10 *Mortgages of Units*. Each Unit Owner is free to mortgage his/her Unit. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor.

## ARTICLE 8
## CERTAIN REMEDIES

Section 8.1 *Self Help*. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Limited Common Elements, if any, pursuant to the terms herein, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Condominium Board, Managing Agent, or any Member of the Board (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 8.2 *Abatement and Enjoinment*

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on such Unit Owner's part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor shall give Sponsor the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 8.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor in this Article 8 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 8.4 *Costs and Expenses*. All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board is connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 8.1 or Paragraph (A) of Section 8.2 hereof or (ii) Sponsor in connection or with any abatement, enjoinment or remedy of any violation or breach of the Condominium Documents pursuant to the terms of Paragraph (B) of Section 8.2 hereof, shall be immediately payable by (a) in the event set forth in subsection (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subsection (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent (2%) per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 8.4 shall, for all purposes hereunder, constitute additional Common Charges payable by such Unit Owner.

## ARTICLE 9
## ARBITRATION

Section 9.1 *Procedure.* Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution

by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after such arbitrator's selection or appointment.

Section 9.2. *Variation by Agreement*. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Article 10 hereof with respect to the arbitration of such dispute or any agreement to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 9.3. *Binding Effect.* The decision in any arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 9.4. *Costs and Expenses.*

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of disputant's counsel and expert witness(es).

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witness(es), shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the Elements, and shall constitute Common Expenses, to be borne by all Unit Owners if such arbitration relates solely to the Units or the Common Elements. If such arbitration relates solely to the Units, such costs and expenses shall be borne by the applicable Unit Owner(s).

## ARTICLE 10
## NOTICES

Section 10.1 *Notices*. All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) If to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a copy sent by regular first-class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) If to a Unit Owner other than Sponsor, to such Unit Owner at his/her address at the Property;

(iii) If to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) If to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Section 10.2 *Change of Address*. Any of the foregoing parties listed in Section one of this Article may change the address to which notices are to be sent or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Article shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 10.3 *Waiver of Service of Notice*. Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

## ARTICLE 11
## AMENDMENTS TO BY-LAWS

Section 11.1 *Amendments by Unit Owners*. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee, any Unsold Units, any provision of these By-Laws or the Rules and Regulations may be altered amended, modified, added to or deleted by the affirmative vote of sixty-six and two thirds percent (66 2/3%) of the Unit Owners, in both number and Common Interest, either taken at a duly called Unit Owners meeting or given in writing without a meeting as provided for in these By-Laws; provided (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) the amendment shall be approved by an affirmative vote of all Unit Owners and (3) said amendment will be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owners' interest and the interests of holders of a mortgage encumbering a Unit or Units.

Section 11.2 *Amendments Affecting Sponsor its Designee***.** Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition to or deletion of these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way against (a) Sponsor or its designee, for so long as Sponsor is the owner of one or more Units, or any Unsold Unit, unless Sponsor has given its prior written consent thereto or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless

## ARTICLE 12
## RECORDS AND AUDITS

Section 12.1 *Records*. The Condominium Board shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners for whom the Board serves and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Condominium Board shall keep a separate account for each Unit, which among other things, shall contain the amount of each assessment of Common Charges made by the Condominium Board against each Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

Section 12.2 *Availability of Documents*. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours without charge by prospective purchasers.

## ARTICLE 13
## MISCELLANEOUS

Section 13.1 *Waiver.* No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 13.2 *Severability.* If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 13.3 *Successors and Assigns.* The rights and/or obligations of Sponsor as set forth herein and in the Declaration shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all of the then Unsold Units.

Section 13.4 *Gender.* Any reference in these By-Laws to any one gender, masculine or feminine, include the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 13.5 *Captions.* The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

Section 13.6 *Compliance with Article 9-B*. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said Statue or of the Declaration, the provisions of the Statute or the Declaration, whichever the case may be, shall control.

## SCHEDULE A
## RESIDENTIAL RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, the following Residential Rules and Regulations, together with such additional Rules and Regulations as may hereafter be adopted by the Condominium Board, shall govern the use of the Residential Units and the conduct of all residents thereof:

1. The sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose by Unit Owners and their invitees other than the respective purposes for which they were indented.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors or stairways of the Building nor shall any fire exit thereof be obstructed in any manner.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, lobbies, vestibules, corridors or stairways of the Building.

4. No public hall or vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner, except as otherwise expressly provided in the By-Laws.

5. Each Unit Owner shall keep his/her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. No window guards or other window decorations shall be used in or about any Unit, unless otherwise required by Law and as approved by the Board.

7. No radio or television aerial shall be attached or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Board or the Managing Agent; nor shall anything be projected from any window of the Building without similar approval.

8. No ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Board other than air conditioning units which can be placed in the existing portion of the window designated by the Condominium Board and which can be operated with the existing service provided to the unit holder.

9. All radio, television or other electrical or electronic equipment of any kind installed or used in any Unit shall comply with all rules, regulations, requirements and recommendations of the Board of Fire Underwriters and governmental authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical or electronic equipment in such Unit Owner’s Unit.

10. No mopeds, motorcycles, bicycles, scooters or similar vehicles shall be taken into or from the Building through the main entrance or be allowed in any of the elevators other than the elevators designated by the Board or the Managing Agent for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Building.

11. No Unit Owner shall make or permit any disturbing or objectionable noises, odors or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners or their tenants or occupants. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph, stereo system, or radio or television set or other loudspeaker in such Unit Owner's Unit between midnight and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

12. No bird, dogs, or cats shall be permitted, kept or harbored in the Building unless in each instance expressly permitted in writing by the Board or the Managing Agent. Such consent, if given, shall be revocable by the Board or such Managing Agent in their sole discretion, at any time. Notwithstanding the foregoing, a Unit Owner (but no other or tenant or occupant of any Unit) may keep as pets in his/her Unit not more than two domestic dogs, not exceeding one hundred (100) pounds each (other than for visually impaired individuals, but not including pit bulls, Rottweilers, or other breeds that may pose a danger to other residents), domestic cats, caged birds and fish and other domestic animal provided that such pets do not constitute a health hazard, unsanitary condition or nuisance to any other Unit Owner, tenant or occupant. Any pet constituting a nuisance shall be permanently removed from the Building within one week after notice from the Managing Agent. In no event shall any bird, reptile or animal be permitted in any of the public portions of the Building, unless carried or on a leash.

13. Water closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water closets or other apparatus in a Unit shall be repaid and paid for by the Owner of such Unit.

14. An agent of the Board, and any contractor or worker authorized by the Board, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

15. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

16. The Condominium Board shall retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his/her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws or Declaration, and the Unit Owner has not furnished a key to the Board, then the Board or their agents (but, except in an emergency, only when specifically authorized by an officer of the Board) may forcibly enter such Unit without liability for damages or trespass by reason thereof (provided that during such entry reasonable care is given to the Unit Owner's property).

17. Complaints regarding Building services shall be made in writing to the Board.

18. Unit Owners shall not cause or permit any unusual or objectionable noise or order to be produced upon or to emanate from their Units.

19. No Unit Owner or any of his/her agents, servants, employees, licensees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance.

20. If any key or keys are given or lent by a Unit Owner or by any member of his/her family or by his/her agent, servant, employee, licensee or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit, automobile, trunk or other item of personal property, the use of the key shall be at the sole risk of such Unit Owner, and the Board shall not be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

21. Nothing shall be done or kept in any Unit which would increase the rate of insurance of the Building or contents thereof, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his/her Unit which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements.

22. Unit Owners will comply with the laws, ordinances, rules and regulations of the City of New York or any other applicable governmental authority with respect to disposal and recycling of waste and refuse, including, without limitation, the separation of trash into "recyclable" and "non-recyclable" materials. The Board may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owners for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board may also establish other rules and regulations regarding the recycling of trash. Any costs incurred by the Board to enforce the rules and regulations of the Board or the requirements of applicable law regarding the recycling of trash against a Unit Owner, including, without limitation, legal fees, fines and penalties imposed by any government agency, shall be payable by the Unit Owner as additional Common Charges. Unit Owners will comply with the following procedures with respect to the use of refuse receptacles: (a) wrap dust, flour and powered waste before depositing the same; (b) thoroughly drain and wrap

in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the receptacles; (d) crush into tight bundles all loose papers before placing the same in the receptacles; (e) deposit all bundles of waste into the receptacles; and (f) refrain from depositing waste of an explosive nature therein. Unit Owners shall deposit waste and refuse in the containers provided either before 8:00 A.M. or after 10:00 P.M. at night only. Any refuse not disposable by depositing same in the trash room must be picked up directly from the Unit by Building personnel at such times and in such manner as the Board or the Managing Agent shall determine.

23. Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building, except that each of the Unit Owners of a penthouse Unit with a private roof of the Building (and its family) may enter upon the roof and use its private terrace located on the roof for its intended purpose, in accordance with guidelines adopted by the Board from time to time for such use.

24. No Unit Owner, tenant or occupant of a Unit shall conduct any group tour or exhibition of any Unit or its contents or any auction sale in any Unit, without the prior consent of the Board.

25. Any consent or approval given under these Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Board, at any time by resolution of the Board. Further, any such consent or approval may, in the discretion of the Board be conditional in nature.

26. The Board reserves the right to rescind, alter, waive or add, as to one or more occupants, any rules or regulation at any time prescribed for the Building when, in the judgment of the Board, the Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Building or the preservation of good order therein, or the operation or maintenance of the Building or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Building. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration, waiver or addition in respect of any other Unit Owner or other occupant.

27. Notwithstanding any references to "Unit Owner" in these Rules and Regulations, the Rules and Regulations of the Condominium shall be binding upon all Unit Owners and all tenants, guests and other occupants of the Condominium. Unit Owners shall be responsible for enforcing compliance with, and liable for any violation of, the Rules and Regulations by members of their families, guests, invitees, tenants, employees, agents, visitors and any other occupants of their Units.

28. New York City law prohibits smoking and using e-cigarettes of any kind in indoor common areas, including but not limited to, lobbies, hallways, stairwells, mailrooms, fitness areas, storage areas, garages and laundry rooms in any building with three or more residential units. (See NYC Admin. Code, § 17-505 for further details.) Purchasers are advised that Smoking shall be prohibited in (i) the Common Elements including but not limited to (all to the extent that they are utilized or service the Units), hallways, stairs, corridors, lobby, mail room, package room, laundry

room, electrical and air-conditioning room, trash compactor room, emergency generator, exhaust and fan room, fire staircases, landings and stairs, fire safety systems servicing the Units, (ii) inside of Residential Units, (iii) inside of Limited Common Elements, including gardens, areas under the stoop, or the roof deck patios, (iv) and outdoor areas within 15 feet of entrances, exits, windows, and air intake units of the Building (the "Smoking Policy"). The term "Smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, Electronic Cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke. The term "Electronic Cigarette (e-cigarette)" shall mean a battery-operated device that heats a liquid, gel, herb or other substance and produces vapor for people to inhale.

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# UNIT OWNER'S SPECIMEN TITLE POLICY

# EXHIBIT 9

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*First American Title Insurance Company*

*AMERICAN LAND TITLE ASSOCIATION OWNERS POLICY (6-17-2006)*
*WITH NEW YORK COVERAGE ENDORSEMENT APPENDED (A.L.T.A.)*

**SCHEDULE A**

**Policy No** PROFORMA

| **Title Number** | **Effective Date** | **Amount of Insurance** |
|---|---|---|
| GST-17-13844-K | | $0.00 |

1. **Name of Insured:** tbd

2. **The estate or interest in the land which is covered by this policy is:** Fee Simple

3. **Title to the estate or interest in the land is vested by:**

   tbd who acquired title by deed from 844 Quincy Partners LLC dated and recorded in the Office of the Clerk Register of the County of KINGS.

4. **The land referred to in this Policy is described herein on Schedule A Description of Premises.**

   **For Information: Premises known as:** 844 Quincy Street, BROOKLYN, NY

**Authorized Signatory**

*First American Title Insurance Company*

**SCHEDULE A**
**DESCRIPTION OF PREMISES**

**Title No.** GST-17-13844-K
**Policy No.** PROFORMA

The Unit known as Unit No. _____ (hereinafter called the "Unit") in the Building known as and by the street number 844 Quincy Street, Borough of Brooklyn, County of Kings, City and State of New York, designated and described as Unit No. _____ In the Declaration establishing The 844 Quincy Street Condominium (hereinafter called the "Property"), made by 844 Quincy Partners LLC under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), dated _____, and recorded in the Office of the Register of the City of New York, County of Kings, in CRFN# , (hereinafter called the "Declaration") and designated also as Block No. 1633, Tax Lot No. on the Floor Plans of said Building, certified by _____, and filed in the said Register's Office on _____ as Condominium Plan No. _____.

TOGETHER with an undivided _____ percent interest appurtenant to the apartment unit in the common elements of the Property (hereinafter called the "Common Elements").

The land on which the Building is located is described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Quincy Street distant 400 feet westerly from the corner formed by the intersection of the southerly side of Quincy Street with the westerly side of Ralph Avenue;

RUNNING THENCE southerly, parallel with Ralph Avenue, 100 feet;

THENCE westerly, parallel with Quincy Street, 25 feet;

THENCE northerly, again parallel with Ralph Avenue, 100 feet to the southerly side of Quincy Street;

THENCE easterly along the southerly side of Quincy Street, 25 feet to the point or place of BEGINNING.

*First American Title Insurance Company*

**SCHEDULE B**

**Policy No** PROFORMA
**Title No** GST-17-13844-K

**Showing defects, liens, encumbrances and other matters against which the Company does not, by this Policy, insure:**

1. Rights of tenants or persons in possession, if any.

2. Zoning Lot Certification recorded in CRFN 2015000244861.

3. Zoning Lot Description and Ownership Statement recorded in CRFN 2015000244682

4. Policy will except the terms and conditions set forth in the Declaration of Condominium and By-Laws in *, but Company insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9B of the Real Property Law as amended.

5. Any state of facts which an accurate survey may show including possible encroachment upon the unit being insured by adjoining units and possible encroachments of the insured unit upon adjoining units. Policy, however, will insure that said encroachment by the insured unit on the adjoining units may remain undisturbed.

6. Emergency Repair Notices, if any, filed pursuant to Section D 26, 57.01 of the Administrative Code of the City of New York. Subject to Emergency Repair Liens filed against the premises. Note: Company will require an affidavit for the certified owner(s) to omit Emergency Repair Liens up to date of closing. Absent such an affidavit, Emergency Repair Liens will be omitted only up until the date of the last printed book.

7. The policy does not insure that the vault space for which the vault charge has been made has been accurately computed, nor does it insure against any deficiency for annual vault charges which may be subsequently assessed by the City of New York

8. Policy will EXCEPT water meter charges from the date of the last actual reading, and policy will further except entries for meter readings as well as frontage charges, water rents and sewer charges entered and billed subsequent to closing for periods PRIOR to closing, not shown in the Town/Village/City records at or prior to closing.

9. Mortgage Made by tbd to in the principal amount of $0.00 dated recorded To Be Recorded.

*First American Title Insurance Company*

## *STANDARD NEW YORK ENDORSEMENT*
## *(Owner's Policy)*

**Title No** GST-17-13844-K

**Attached to and made a part of Policy No.** PROFORMA

1. The following is added as a Covered Risk:

   "11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS WHEREOF, the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers

**DATED:** **First American Title Insurance Company**

By_____
Authorized Signatory

Standard New York Endorsement (11/1/2008)
For Use With ALTA Owner's Policy (6/17/2006)
Amended (7/1/2012)

# CERTIFICATION OF SPONSOR AND PRINCIPALS

# EXHIBIT 10

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CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS
PURSUANT TO 13 NYCRR 20.4(b)

State of New York
Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

RE: THE 844 QUINCY STREET CONDOMINIUM

We are the sponsor and the principals of the sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20, and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) Set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) Not omit any material fact;

(iv) Not contain any untrue statement of a material fact;

(v) Not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) Not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

**844 QUINCY PARTNERS LLC**
a New York limited liability company

By: _____
Name: Guy Iber
Title: Authorized Signatory

**PRINCIPAL:**

_____
Guy Iber

Sworn to before me this
13th day of February, 2018

_____
Notary Public

MATTHEW D. WEINBERGER
NOTARY PUBLIC - STATE OF NEW YORK
NO. 02WE6301799
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES 4/28/2018

# CERTIFICATION OF SPONSOR'S ARCHITECT

# EXHIBIT 11

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**ARC** *Architecture + Design Studio*
**71-01 Austin Street Forest Hills, NY Suite 201A Tel: 718-360-7065 E-mail: Info@ARCdesignNYC.com**

June 25, 2018

**CERTIFICATION BY SPONSOR'S ENGINEER/ARCHITECT**

Department of Law
of the State of New York
28 Liberty St., 21st Fl.
New York, New York 10005
Attn.: Real Estate Financing Bureau

Re: THE 844 QUINCY STREET CONDOMINIUM
844 QUINCY STREET, BROOKLYN, NEW YORK

The Sponsor of the Offering Plan to convert the captioned property to Condominium Ownership retained my firm to prepare a report describing the construction of the property (the "Report"). I visually inspected the property on June 20th , 2018 and examined the building plans and specifications that were prepared by the undersigned dated August 6th, 2015 and prepared the Report dated June 25th, 2018, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered architect in the state in which the property is located. I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made. I certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of the construction, provided that the construction is in accordance with the plans and specifications that I examined;

(ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of the construction, provided that the construction is in accordance with the plans and specifications that I examined;

(iii) does not omit any material fact;

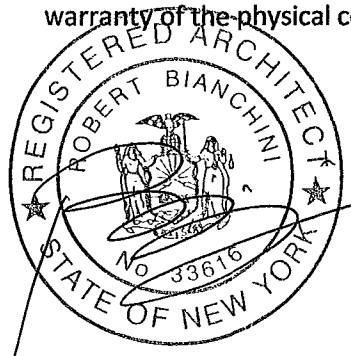
(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the Offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.




Robert Bianchini

Sworn to before me this 26th
day of ~~26th~~, 2018

Notary Public

EMILIENNE BROWN
Notary Public - State of New York
No. 01BR6254075
Qualified in Queens County
My Commission Expires January 9. 2020

# CERTIFICATION OF SPONSOR'S BUDGET EXPERT

# EXHIBIT 12

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**D & D MANAGEMENT SERVICES CORP.**
**6725 13th AVENUE**
**BROOKLYN, NEW YORK 11219** **EMAIL: ddmsc.dorina@gmail.com**
**Tel: 718-238-9879** **Fax: 1-888-399-9554**

# CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20.4(d) OF THE REGULATION ISSUED TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
Attn: Real Estate Financing Bureau

Re: 844 Quincy Street Condominium, Brooklyn, New York

To Whom It May Concern:

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review or prepare Schedule(s) B and B-1, containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes over fifteen years and the current management of fifty buildings and the sale of numerous condominium and rental properties. We are familiar with prices, practices and procedures in the area of this condominium.

I/We understand that I am/we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule(s) B and B-1.

I/We have reviewed the Schedule(s) and investigated the facts set forth in the Schedule(s) and the facts underlying it with due diligence in order to form a basis for this certification. I/We also have relied on my/our experience in managing residential buildings.

I/We certify that the projections in Schedule(s) B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/We certify that the Schedule(s):

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I/we:

(vii) (a) knew the truth;

(vii) (b) with reasonable effort could have known the truth;

(vii) (c) made no reasonable effort to ascertain the truth; or

(vii) (d) did not have knowledge concerning the representation or statement made.

I/We further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

D&D Management Services Corp.

By: _____
Dorina Miletic-Guljas

Sworn to before me
on this 9th day of April, 2018

_____
Notary Public

DONNA RUSSO
Exp: 9/30/18
Notary Public
Comm. No. 01RU4816530
State of New York

# ESCROW AGREEMENT

# EXHIBIT 13

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**ESCROW AGREEMENT AMONG SPONSOR,**

**ESCROW AGENT AND PURCHASER**

**THE 844 QUINCY STREET CONDOMINIUM**
**844 QUINCY STREET**
**BROOKLYN, NEW YORK 11221**

**AGREEMENT** made this _____ day of _____, 20___, by and among _____ ("PURCHASER"), **844 QUINCY PARTNERS LLC** ("SPONSOR"), as sponsor of The 844 Quincy Street Condominium offering plan ("Plan") and **MAVRIDES, MOYAL, PACKMAN & SADKIN, LLP** ("ESCROW AGENT").

**WHEREAS**, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale residential condominium units ("Units") at the premises located at 844 Quincy Street, Brooklyn, New York 11221 ("Premises"), subject to the terms and conditions set forth in the Plan; and

**WHEREAS**, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b), 352-h and the New York Department of Law's regulations promulgated thereunder; and

**WHEREAS**, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

**NOW, THEREFORE**, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

## 1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT has established an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of Units (the "Purchase Agreement") at Capital One, N.A., located at 265 Broadhollow Road, Melville, New York 11747, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled The 844 Quincy Street Condominium Escrow Account ("Escrow Account"). The account number is [_____].

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Matthew D. Weinberger and Michelle L. Teig. All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of 276 Fifth Avenue, Suite 404, New York, New York 10001, and a telephone number of 212-396-4288.

1.3 ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing.

1.5 The Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

## 2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Mavrides, Moyal, Packman & Sadkin, LLP, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

## 3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-e(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the Unit.

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the Unit is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

3.4 Sponsor shall not object to the release of the Deposit to:

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

**4. RECORDKEEPING.**

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

**5. GENERAL OBLIGATIONS OF ESCROW AGENT.**

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL§§ 352-e(2-b) and 352-h.

5.3 ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution, or validity thereof.

**6. RESPONSIBILITIES OF SPONSOR.**

6.1 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-h and the New York State Department of Law's regulations.

6.2 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

**7. TERMINATION OF AGREEMENT.**

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

**8. SUCCESSORS AND ASSIGNS.**

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

**9. GOVERNING LAW.**

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

**10. ESCROW AGENT'S COMPENSATION.**

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

**11. SEVERABILITY.**

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

**12. INDEMNIFICATION.**

SPONSOR agrees to defend, indemnify, and hold ESCROW AGENT harmless from and against all costs, claims, expenses, and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

**13. ENTIRE AGREEMENT.**

This Agreement, read together with GBL §§ 352-e(2-b) and 352-hand the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

[Signatures appear on the following page]

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the day and year first written above.

**ESCROW AGENT**:

**MAVRIDES, MOYAL, PACKMAN & SADKIN, LLP**

By: _____
Name: Matthew Weinberger
Title: Authorized Signatory

**SPONSOR**:

**844 QUINCY PARTNERS LLC**

By: _____
Name: Guy Iber
Title: Authorized Signatory

**PURCHASER**

_____

Unit: _____

# FORM OF INTERIM LEASE AGREEMENT

# EXHIBIT 14

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## FORM OF INTERIM LEASE AGREEMENT

AGREEMENT made this __ day of _____, between 844 QUINCY PARTNERS LLC, having an office at 188 Ralph Avenue, Brooklyn, New York 11233 (hereinafter "Sponsor") and _____ whose address is 844 Quincy Street, Unit #____, Brooklyn, New York 11221 (hereinafter "Purchaser")

WITNESSETH

WHEREAS, Sponsor is the Sponsor of a condominium conversion of premises loated at 844 Quincy Street, Brooklyn, New York 11221; and

WHEREAS, Purchaser has executed a Purchase Agreement for Unit ___ (the "Apartment") at said premises, and;

WHEREAS, Purchaser wishes to occupy said Apartment prior to the closing of title;

NOW THEREFORE, in conformity with the terms and conditions of the Offering Plan filed with the Attorney General of the State of New York, the parties agree as follows:

1) Commencing on _____, 20___, and terminating as hereinafter specified, Purchaser shall have the right to use and occuy the aforementioned Apartment.

2) After a free week grace period, Purchaser shall pay a fee for use and occupancy of the Apartment of $_____ per month. It is understood that this use and occupancy fee is not rent, and that no landlord-tenant relationship has been created between the parties, and that this Agreement is not goverened or subject to any rent regulatory laws. Purchaser has deposited with Sponsor, and Sponsor recongizes that Purchaser has deposited the sum of $_____ representing a deposit under the Purchase Agreement. **Purchaser's Deposit of $_____ shall be applied against the purchase price of the Unit at closing and is subject to forfeiture by Purchaser in the event of Purchaser's default under the Purchase Agreement.** In the event of Purchaser's default under the terms of the Interim Lease, Sponsor may direct the Escrow Agent to pay any use and occupancy fees due from Purchaser for such deposit.

3) The use and occupancy fee for the month in which closing occurs shall be adjusted at closing. No portion of the use and occupancy fee shall be applied to the purchase price of the apartment. **Any unapplied use and occupancy fee shall be refundable to Purchaser at closing.**

4) The terms of the Offering Plan and all related documents in effect as of the date hereof are incorporated in and made a part of this Agreement. To the extent that there are any inconsistencies between this Agreement and the Offering Plan, the provisions of the Offering Plan shall control.

5) As of the date of this agreement, risk of loss to the Apartment and its contents by fire or other hazard shall be determined pursuant to the terms of the Purchase agreement for such Apartment, as contained in the Offering Plan for premises in effect as of the date hereof, as if Purchaser were the owner of such Apartment.

6) Purchaser shall pay all utility costs and make any repairs to the Apartment for which it would be obligated as owner subject to the terms and provisions of Paragraph 12 herein. Sponsor will not be responsible for ordinary wear and tear to the Apartment during the Purchaser's occupancy.

7) Purchaser may not make any alterations to the Apartment without Sponsor's written consent.

8) This lease will terminate on the happening of the earliest of the following:

a. Closing
b. Rescission ("Rescission") of the Purchase Agreement by Purchaser under the Offering Plan.
c. Default by Purchaser

9) Upon a non-monetary default by Purchaser which is not cured within 30 days after notice thereof, or immediately after Rescission of the Purchase Agreement by Purchaser, Purchaser's right to occupy the Apartment will terminate, and Purchaser must vacate the Apartment. Purchaser agrees to pay Sponsor $500.00 per day for each day it remains in possession following the periods set forth above, and Purchaser and Sponsor hereby irrevocably authorize Escrow Agent to deduct said per diem sum directly from any amounts being held in escrow pursuant to the Purchase Agreement. Nothing contained herein shall be construed so as to limit Sponsor's ability to have Purchaser evicted from the Premises and to pursue any other legal remedy available to Sponsor, nor shall anything herein be construed as a waiver by the Sponsor of its right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement.

10) Any default under this Agreement will be a default under the Purchase Agreement, and any default under the Purchase Agreement will be a default under this Agreement. Before Sponsor may utilize the default under this Agreement to declare a default under the Purchaser Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser unless the Purchaser has vacated the Unit. Any such default will terminate Purchaser's right to use and occupy, and will also terminate Purchaser's right to purchase the Apartment, and shall result in loss of the down payment.

11) This Agreement may not be assigned, and may not be changed, except by signed, written instrument. This Agreement is the entire agreement between the parties as regards use and occupancy of the Apartment pending closing.

12) As of the date hereof, Purchaser confirms that all work required to be done in or about the subject Apartment has been completed, and that the condition of title as set forth in the Purchaser's title report is acceptable, and that in all respects Purchaser agrees to accept the Apartment in "as is" condition except for the aforementioned items. As of the date hereof,

Purchaser waives any right whatsoever to cancel the Purchase Agreement, except for a material change in the Offering Plan.

13) Failure to appear for closing within thirty (30) days after delivery to Purchaser of notice by fax or mail that Sponsor is prepared to close shall be deemed a default both in this Occupancy Agreement and in the Purchase Agreement entitled Sponsor to cancel the Purchase Agreement, retain all sums previously paid and remove Purchaser from the subject Apartment, and collect the increased use and occupancy fee set forth in Clause 9 above.

14) Purchaser agrees that as a term of this Occupancy Agreement to pay a lease preparation fee in the amount of Five Hundred and 00/100 Dollars ($500.00) to Sponsor's Attorney.

15) New York City law prohibits smoking and using e-cigarettes of any kind in indoor common areas, including but not limited to, lobbies, hallways, stairwells, mailrooms, fitness areas, storage areas, garages and laundry rooms in any building with three or more residential units. (See NYC Admin. Code, § 17-505 for further details.) Purchasers are advised that Smoking shall be prohibited in (i) the Common Elements including but not limited to (all to the extent that they are utilized or service the Units), hallways, stairs, corridors, lobby, mail room, package room, laundry room, electrical and air-conditioning room, trash compactor room, emergency generator, exhaust and fan room, fire staircases, landings and stairs, fire safety systems servicing the Units, (ii) inside of Residential Units, (iii) inside of Limited Common Elements, including gardens, areas under the stoop, or the roof deck patios, (iv) and outdoor areas within 15 feet of entrances, exits, windows, and air intake units of the Building (the "Smoking Policy"). The term "Smoking" shall mean inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, Electronic Cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, non-tobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device designed for people to use to inhale smoke. The term "Electronic Cigarette (e-cigarette)" shall mean a battery-operated device that heats a liquid, gel, herb or other substance and produces vapor for people to inhale.

16) In the event there are inconsistencies between the Offering Plan and this Interim Lease, the terms of the Offering Plan shall govern.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereunto set their hands this ___ day of _____, 20___.

SPONSOR:

844 QUINCY PARTNERS LLC

By:_____
Name:
Title:

PURCHASER:

_____

# TAX ESCROW AGREEMENT

# EXHIBIT 15

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# TAX ESCROW AGREEMENT

AGREEMENT made this ___ day of _____, 20___, by and among 844 Quincy Partners LLC (hereinafter referred to as "Sponsor"), the Condominium Board of The 844 Quincy Street Condominium (hereinafter referred to as the "Condominium Board") and _____ (hereinafter referred to as "Purchaser")

**W I T N E S S E T H**

WHEREAS, Sponsor is the Sponsor of The 844 Quincy Street Condominium located at 844 Quincy Street, Brooklyn, New York; and

WHEREAS, the Condominium Board is charged with governing the operation of said Condominium; and

WHEREAS, as of the date hereof, Sponsor controls the Condominium Board; and

WHEREAS, the Purchaser is acquiring title to the Unit __ (the "Unit") on the date hereof; and

WHEREAS, the individual Condominium Units located at the aforementioned property have not been separately assessed for real estate tax purposes prior to the closing of the first Unit located thereat;

WHEREAS, the Condominium Board desires to secure the Purchaser's obligation to pay Purchaser's proportionate share of the taxes due for the Unit for _____ of the _____ tax year in the event that the property has not be separately assessed by _____; and

NOW THEREFORE, the parties as agree as follows:

1. At closing, the Purchaser shall escrow funds with the Sponsor for Purchaser's proportionate share, based on the Unit's percent of Common Interest, of the Sponsor's real estate tax obligation for the _____ of the _____ tax year (the "Tax Obligation") in the amount of $_____.

2. The Condominium Board is irrevocably authorized to pay, and hereby agrees to so pay, Purchaser's proportionate share of such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. In the even that Purchaser's escrow of the Tax Obligations shall be insufficient to meet the Purchaser's proportionate share of the actual assessed real estate taxes, the Condominium Board shall assess the Purchaser for such shortfall. Purchaser hereby agrees to pay such assessment in accordance with the terms of the Declaration and the By-Laws but in no event later then the due date for such real estate tax payment.

4. Upon each subsequent closing of the remaining Units, the Sponsor shall collect the estimate amount of taxes attributable to such Unit for the _____ of the _____ tax year from the Purchaser thereof.

5. The escrow shall be kept in a non-interest bearing account.

6. The escrow account shall be maintained in accord with the laws, rules and regulations of the State of New York, specifically including, but not limited to, the General Business Law; and, shall be deemed held for the benefit of the Condominium.

7. In the event that any sum paid by the Board hereunder shall not be paid toward real estate taxes for any reason, such sum shall be reimbursed to the Purchaser or Sponsor who advanced same.

8. Purchaser shall be entitled to receive any retroactive credit for real estate taxes actually paid by Purchaser (either directly or via payment from the escrow account) from the date of closing until the individual tax lot for the Unit is separately assessed which credit is properly allocated to the Unit. In the event that such retroactive credit is given to the Sponsor, Sponsor shall promptly reimburse the Purchaser in the amount of said credit.

9. Sponsor shall be entitled to receive any retroactive credit for real estate taxes actually paid by the Sponsor for any period prior to closing which credit is properly allocated to the Unit. In the event that such retroactive credit is given to Purchaser, Purchaser shall promptly reimburse the Sponsor in the amount of said credit.

10. In the event that the individual Condominium Units have not be separately assessed for real estate tax purposes on or before _____, the Condominium Board will collect an additional escrow from each Unit Owner for the Unit Owner's proportionate share of the amount determined by the Board to be sufficient to pay the outstanding real estate taxes. In such event the Condominium Board shall be authorized to pay all outstanding real estate taxes directly to the New York City Department of Finance.

11. The Unit Owner indicated below has executed this Agreement for the purpose of consenting to the terms hereto and to agree to advance to the Board any sums that represent the proportionate share of real estate taxes for his or her Unit until the time when the City of New York actually apportions the tax lots for individual condominium units.

12. This Agreement may be signed in counterparts and facsimile or other electronic copies of signatures shall be deemed originals for purposes of this Agreement.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties have executed this Tax Escrow Agreement as of the date first written above.

SPONSOR:

844 QUINCY PARTNERS LLC

By:_____
Name:
Title:

844 QUINCY PARTNERS LLC

FOR THE CONDOMINIUM BOARD OF
THE 844 QUINCY STREET CONDOMINIUM

By:_____
Name:
Title:

CONSENT**:**

_____
Purchaser

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# HOUSING MERCHANT IMPLIED WARRANTY LAW

# EXHIBIT 16

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## ARTICLE 36-B – WARRANTIES ON SALE OF NEW HOMES

### 777. Definitions

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, Corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building Code" means the uniform fire prevention and building code promulgated under section 379 of the executive law, local building code standards approved by the uniform fire prevention and building code council uunder section 379 of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the City of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home cause by failure of such load, bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, Lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "Home" means any single-family house or unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section 721 of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupany.

6. "Owner" means the first person to whom the home is sold and during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possesion. Owner does not includue the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sweage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection;

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty Date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

**777-a. Housing merchant implied warranty**.

1. Notwithstanding the provisions of Section 251 of the Real Property Law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty (30) days after the expiration of the applicable warranty period, as described in subdivision one of this Section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this Section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminiution is value of the home cause of the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgement in an action for damages under paragraph b of section 777-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section 777-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

**777-b. Exclusion or modificaiton of warranties**.

1. Except in the case of a housing mechant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear or conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plan.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modificaiton of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in wriing to the buyer for examination prior to the time of the buyer's exection of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexteed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and proved that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranaties is sufficient if it states, for example, that "there are no warranties which extend beyond the face hereof".

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. That the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. The identification of the names and addresses of all warrantors;

c. The identificaiton of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude all or subsequent owners;

d. A statement of the products or parts covered by the limited warranty;

e. The clear and conspicuous identificaiton of any parts or portions of the home or premises that are excepted or excluded from warranty coverage; and the standards that will be used to determine whether a defect has occurred; provided howerver that;

i. Any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. Any exception, exclusion or standard that fails to ensure the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. What the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. The term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section 777-a of this article.

h. Step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. Any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately cause by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragaph.

5. a. The article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-232.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

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# FORM W-9
# (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

# EXHIBIT 17

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Form **W-9**
(Rev. November 2017)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

► Go to *www.irs.gov/FormW9* for instructions and the latest information.

**Give Form to the requester. Do not send to the IRS.**

**Print or type.** See **Specific Instructions** on page 3.

**1** Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

**2** Business name/disregarded entity name, if different from above

**3** Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____

**Note:** Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ►

**4** Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

*(Applies to accounts maintained outside the U.S.)*

**5** Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

**6** City, state, and ZIP code

**7** List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

**Social security number**

| | | | – | | – | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

**or**

**Employer identification number**

| | | – | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign Here** **Signature of U.S. person** ► **Date** ►

# General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments**. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See* What is backup withholding, *later.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting,* later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

***Example.*** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the instructions for Part II for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code,* later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships,* earlier.

## What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code,* later, and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

# Specific Instructions

## Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note: ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

## Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

## Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

| IF the entity/person on line 1 is a(n) . . . | THEN check the box for . . . |
|---|---|
| • Corporation | Corporation |
| • Individual<br>• Sole proprietorship, or<br>• Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes. | Individual/sole proprietor or single-member LLC |
| • LLC treated as a partnership for U.S. federal tax purposes,<br>• LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or<br>• LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes. | Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation) |
| • Partnership | Partnership |
| • Trust/estate | Trust/estate |

## Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

**Exempt payee code.**

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|---|---|
| Interest and dividend payments | All exempt payees except for 7 |
| Broker transactions | Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012. |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 4 |
| Payments over $600 required to be reported and direct sales over $5,000[1] | Generally, exempt payees 1 through 5[2] |
| Payments made in settlement of payment card or third party network transactions | Exempt payees 1 through 4 |

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

## Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

## Line 6

Enter your city, state, and ZIP code.

# Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester,* later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/Businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

# Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code,* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|---|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) other than an account maintained by an FFI | The actual owner of the account or, if combined funds, the first individual on the account[1] |
| 3. Two or more U.S. persons (joint account maintained by an FFI) | Each holder of the account |
| 4. Custodial account of a minor (Uniform Gift to Minors Act) | The minor[2] |
| 5. a. The usual revocable savings trust (grantor is also trustee)<br>b. So-called trust account that is not a legal or valid trust under state law | The grantor-trustee[1]<br>The actual owner[1] |
| 6. Sole proprietorship or disregarded entity owned by an individual | The owner[3] |
| 7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A)) | The grantor* |
| **For this type of account:** | **Give name and EIN of:** |
| 8. Disregarded entity not owned by an individual | The owner |
| 9. A valid trust, estate, or pension trust | Legal entity[4] |
| 10. Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 11. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 12. Partnership or multi-member LLC | The partnership |
| 13. A broker or registered nominee | The broker or nominee |
| 14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B)) | The trust |

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships,* earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

**Note:** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov.* You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint.* You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Visit *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

# FORM W-8
# (CERTIFICATION OF FOREIGN STATUS)

# EXHIBIT 18

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Form **W-8BEN**

(Rev. July 2017)

Department of the Treasury
Internal Revenue Service

# Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

▶ **For use by individuals. Entities must use Form W-8BEN-E.**
▶ **Go to *www.irs.gov/FormW8BEN* for instructions and the latest information.**
▶ **Give this form to the withholding agent or payer. Do not send to the IRS.**

OMB No. 1545-1621

| **Do NOT use this form if:** | **Instead, use Form:** |
|---|---|
| • You are NOT an individual | W-8BEN-E |
| • You are a U.S. citizen or other U.S. person, including a resident alien individual | W-9 |
| • You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services) | W-8ECI |
| • You are a beneficial owner who is receiving compensation for personal services performed in the United States | 8233 or W-4 |
| • You are a person acting as an intermediary | W-8IMY |

**Note:** If you are resident in a FATCA partner jurisdiction (i.e., a Model 1 IGA jurisdiction with reciprocity), certain tax account information may be provided to your jurisdiction of residence.

## Part I Identification of Beneficial Owner (see instructions)

| | | |
|---|---|---|
| 1 | Name of individual who is the beneficial owner | 2 Country of citizenship |
| 3 | Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.** | |
| | City or town, state or province. Include postal code where appropriate. | Country |
| 4 | Mailing address (if different from above) | |
| | City or town, state or province. Include postal code where appropriate. | Country |
| 5 | U.S. taxpayer identification number (SSN or ITIN), if required (see instructions) | 6 Foreign tax identifying number (see instructions) |
| 7 | Reference number(s) (see instructions) | 8 Date of birth (MM-DD-YYYY) (see instructions) |

## Part II Claim of Tax Treaty Benefits (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article and paragraph _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income):

_____.

Explain the additional conditions in the Article and paragraph the beneficial owner meets to be eligible for the rate of withholding: _____

## Part III Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself for chapter 4 purposes,
- The person named on line 1 of this form is not a U.S. person,
- The income to which this form relates is:
  (a) not effectively connected with the conduct of a trade or business in the United States,
  (b) effectively connected but is not subject to tax under an applicable income tax treaty, or
  (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

**Sign Here** ▶

_____ _____
Signature of beneficial owner (or individual authorized to sign for beneficial owner) Date (MM-DD-YYYY)

_____ _____
Print name of signer Capacity in which acting (if form is not signed by beneficial owner)

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# SECTION 339-KK OF THE REAL PROPERTY LAW

# EXHIBIT 19

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The Real Property Law is amended by adding a new Section 339-kk to read as follows:

"Rents. (a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the Condominium Board shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the Condominium Board has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Condominium Board, which must be held thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the Condominium Board existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent."

This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

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# PROPERTY DEED

# EXHIBIT 20

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**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument.The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.

2017120500992001001EDCD1

**RECORDING AND ENDORSEMENT COVER PAGE** **PAGE 1 OF 4**

**Document ID: 2017120500992001** Document Date: 11-22-2017 Preparation Date: 12-05-2017
Document Type: DEED
Document Page Count: 3

**PRESENTER:**
GLOBALSERVE TITLE AGENCY CORP.
1981 MARCUS AVENUE, SUITE E123
GST-17-13635-K
LAKE SUCCESS, NY 11042
516-327-4500
KARLA@TITLESR.US

**RETURN TO:**
MATTHEW MATATOF
MAVRIDES, MOYAL, PACKMAN AND SADKIN
276 FIFTH AVENUE, SUITE 404
NEW YORK, NY 10001

**PROPERTY DATA**

| Borough | Block | Lot | Unit | Address |
|---|---|---|---|---|
| BROOKLYN | 1633 | 24 | Entire Lot | 844 QUINCY STREET |

**Property Type:** APARTMENT BUILDING

**CROSS REFERENCE DATA**

CRFN_____ *or* DocumentID_____ *or* _____ Year_____ Reel____ Page_____ *or* File Number_____

**PARTIES**

**GRANTOR/SELLER:**
844 QUINCY ST LLC
100 MERRICK ROAD
EAST ROCKVILLE CENTER, NY 11570

**GRANTEE/BUYER:**
844 QUINCY PARTNERS LLC
188 RALPH AVE
BROOKLYN, NY 11233

**FEES AND TAXES**

**Mortgage :**

| | | |
|---|---|---|
| Mortgage Amount: | $ | 0.00 |
| Taxable Mortgage Amount: | $ | 0.00 |
| Exemption: | | |
| TAXES: County (Basic): | $ | 0.00 |
| City (Additional): | $ | 0.00 |
| Spec (Additional): | $ | 0.00 |
| TASF: | $ | 0.00 |
| MTA: | $ | 0.00 |
| NYCTA: | $ | 0.00 |
| Additional MRT: | $ | 0.00 |
| TOTAL: | $ | 0.00 |
| Recording Fee: | $ | 52.00 |
| Affidavit Fee: | $ | 0.00 |

| | | |
|---|---|---|
| Filing Fee: | $ | 250.00 |
| NYC Real Property Transfer Tax: | $ | 70,875.00 |
| NYS Real Estate Transfer Tax: | $ | 10,800.00 |

**RECORDED OR FILED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK**
Recorded/Filed 12-19-2017 15:44
City Register File No.(CRFN):
**2017000463481**

*City Register Official Signature*

BIK 5 1633
Lot-24

GST-17-13635-K

Bargain and Sale Deed, with Covenant against Grantor's Acts Individual or Corporation (Single Sheet)

CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT—THIS INSTRUMENT SHOULD BE USED BY LAWYERS ONLY.

**THIS INDENTURE,** made the 22nd day of November, in the year 2017

**BETWEEN** 844 Quincy ST LLC, with an address at 100 Merrick Road, East Rockville Center, New York 11570

party of the first part, and 844 Quincy Partners LLC with an address at 143 Hoover Avenue, Apt 405, Queens, New York 11435
party of the second part,
**WITNESSETH,** that the party of the first part, in consideration of 10.00 dollars
paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever,

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the property located at 844 Quincy Street, Brooklyn, New York and more particulalry described in Schedule A annexed hereto

Being and intended to be the same premises conveyed to the party of the first part by deed in CRFN 2015000444742 .

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.
AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose. The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.

**IN WITNESS WHEREOF,** the party of the first part has duly executed this deed the day and year first above written.

IN PRESENCE OF:

844 Quincy St LLC

Tzvi Ben-David

**ACKNOWLEDGEMENT TAKEN IN NEW YORK STATE**

State of New York, County of New York, ss:

On the 22nd day of Novmeber in the year 2017, before me, the undersigned, personally appeared Tzvi Ben- David, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Jan Kiderman
Notary Public, State of NY
No. 01KI6075878
Qualified in Westchester County
Commission Expires June 10, 2018

Jan Kiderman

**ACKNOWLEDGEMENT BY SUBSCRIBING WITNESS TAKEN IN NEW YORK STATE**

State of New York, County of , ss:

On the day of in the year , before me, the undersigned, a Notary Public in and for said State, personally appeared , the subscribing witness to the foregoing instrument, with whom I am personally acquainted, who, being by me duly sworn, did depose and say that he/she/they reside(s) in

(if the place of residence is in a city, include the street and street number if any, thereof);

that he/she/they know(s) to be the individual described in and who executed the foregoing instrument; that said subscribing witness was present and saw said execute the same; and that said witness at the same time subscribed his/her/their name(s) as a witness thereto

**ACKNOWLEDGEMENT TAKEN IN NEW YORK STATE**

State of New York, County of , ss:

On the day of in the year , before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

**ACKNOWLEDGEMENT TAKEN OUTSIDE NEW YORK STATE**

*State of , County of , ss:

*(Or insert District of Columbia, Territory, Possession or Foreign County)

On the day of in the year , before me the undersigned personally appeared Personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument, and that such individual make such appearance before the undersigned in the

(add the city or political subdivision and the state or country or other place the acknowledgement was taken).

# Bargain and Sale Deed With Covenants

**Title No.** GST-17-13635-M

**844 Quincy ST LLC**
**TO**
**844 Quincy Partners LLC**

SECTION:

BLOCK: 1633

LOT: 24

COUNTY OR TOWN: Kings

**RETURN BY MAIL TO:**

Matthew Matatof
Mavrides | Moyal | Packman | Sadkin
276 Fifth Avenue, Suite 404
New York, NY 10001

MADISON TITLE AGENCY L.L.C.
1125 OCEAN AVENUE
LAKEWOOD, NJ 08701
P:(732)905-9400
F:(732)905-9420
WWW.MADISONTITLE.COM

*STEWART TITLE INSURANCE COMPANY*

SCHEDULE A
DESCRIPTION OF PREMISES

Title No.: **GST-17-13635-K**

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Quincy Street distant 400 feet westerly from the corner formed by the intersection of the southerly side of Quincy Street with the westerly side of Ralph Avenue;

RUNNING THENCE southerly, parallel with Ralph Avenue, 100 feet;

THENCE westerly, parallel with Quincy Street, 25 feet;

THENCE northerly, again parallel with Ralph Avenue, 100 feet to the southerly side of Quincy Street;

THENCE easterly along the southerly side of Quincy Street, 25 feet to the point or place of BEGINNING.

**DESCRIPTION**

**NYC DEPARTMENT OF FINANCE**
**OFFICE OF THE CITY REGISTER**

2017120500992001001S1250

**SUPPORTING DOCUMENT COVER PAGE** **PAGE 1 OF 1**

**Document ID: 2017120500992001** Document Date: 11-22-2017 Preparation Date: 12-05-2017
Document Type: DEED

**ASSOCIATED TAX FORM ID:** 2017112000183

**SUPPORTING DOCUMENTS SUBMITTED:**

| | Page Count |
|---|---|
| RP - 5217 REAL PROPERTY TRANSFER REPORT | 2 |

FOR CITY USE ONLY

C1. County Code | | C2. Date Deed Recorded | / / | Month Day Year

C3. Book OR C4. Page | | |

C5. CRFN | |

# REAL PROPERTY TRANSFER REPORT

STATE OF NEW YORK
STATE BOARD OF REAL PROPERTY SERVICES

# RP - 5217NYC

## PROPERTY INFORMATION

1. Property Location: 844 (STREET NUMBER) | QUINCY STREET (STREET NAME) | BROOKLYN (BOROUGH) | 11221 (ZIP CODE)

2. Buyer Name: 844 QUINCY PARTNERS LLC (LAST NAME / COMPANY) | (FIRST NAME)

(LAST NAME / COMPANY) | (FIRST NAME)

3. Tax Billing Address: Indicate where future Tax Bills are to be sent if other than buyer address (at bottom of form) (LAST NAME / COMPANY) | (FIRST NAME)

(STREET NUMBER AND STREET NAME) | (CITY OR TOWN) | (STATE) | (ZIP CODE)

4. Indicate the number of Assessment Roll parcels transferred on the deed: 1 # of Parcels OR ☐ Part of a Parcel

4A. Planning Board Approval - N/A for NYC

4B. Agricultural District Notice - N/A for NYC

5. Deed Property Size: (FRONT FEET) X (DEPTH) OR (ACRES)

Check the boxes below as they apply:

6. Ownership Type is Condominium ☐

7. New Construction on Vacant Land ☐

8. Seller Name: 844 QUINCY ST LLC (LAST NAME / COMPANY) | (FIRST NAME)

(LAST NAME / COMPANY) | (FIRST NAME)

9. Check the box below which most accurately describes the use of the property at the time of sale:

A ☐ One Family Residential
B ☐ 2 or 3 Family Residential
C ☐ Residential Vacant Land
D ☐ Non-Residential Vacant Land
E ☐ Commercial
F ☑ Apartment
G ☐ Entertainment / Amusement
H ☐ Community Service
I ☐ Industrial
J ☐ Public Service

## SALE INFORMATION

10. Sale Contract Date: 9 / 18 / 2017 (Month Day Year)

11. Date of Sale / Transfer: 11 / 22 / 2017 (Month Day Year)

12. Full Sale Price: $ 2,700,000.00

( Full Sale Price is the total amount paid for the property including personal property. This payment may be in the form of cash, other property or goods, or the assumption of mortgages or other obligations.) *Please round to the nearest whole dollar amount.*

13. Indicate the value of personal property included in the sale: |

14. Check one or more of these conditions as applicable to transfer:

A ☐ Sale Between Relatives or Former Relatives
B ☐ Sale Between Related Companies or Partners in Business
C ☐ One of the Buyers is also a Seller
D ☐ Buyer or Seller is Government Agency or Lending Institution
E ☐ Deed Type not Warranty or Bargain and Sale (Specify Below )
F ☐ Sale of Fractional or Less than Fee Interest ( Specify Below )
G ☐ Significant Change in Property Between Taxable Status and Sale Dates
H ☐ Sale of Business is Included in Sale Price
I ☐ Other Unusual Factors Affecting Sale Price ( Specify Below )
J ☑ None

## ASSESSMENT INFORMATION - Data should reflect the latest Final Assessment Roll and Tax Bill

15. Building Class: C1

16. Total Assessed Value (of all parcels in transfer): 178,396

17. Borough, Block and Lot / Roll Identifier(s) ( If more than three, attach sheet with additional identifier(s) )

BROOKLYN 1633 24 | | |

2017112000183201 02

CERTIFICATION

I certify that all of the items of information entered on this form are true and correct (to the best of my knowledge and belief) and understand that the making of any willful false statement of material fact herein will subject me to the provisions of the penal law relative to the making and filing of false instruments.

**BUYER**

BUYER SIGNATURE: [redacted] DATE: Guy Iberi, Authorized Signatory

188 RALPH AVE

STREET NUMBER | STREET NAME (AFTER SALE)

BROOKLYN | NY | 11233

CITY OR TOWN | STATE | ZIP CODE

**BUYER'S ATTORNEY**

LAST NAME | FIRST NAME

AREA CODE | TELEPHONE NUMBER

**SELLER**

[redacted]

SELLER SIGNATURE | DATE

Tzvi Ben-David, Authorized Signatory