CONDOMINIUM OFFERING PLAN FOR

320 MACON CONDOMINIUM

320 MACON STREET
BROOKLYN, NEW YORK 11216
COUNTY OF KINGS

TOTAL PURCHASE PRICE FOR 4 RESIDENTIAL UNITS:	$3,324,000.00
TOTAL PURCHASE PRICE FOR ALL UNITS OFFERED FOR SALE:	$3,324,000.00

The Condominium will include four (4) Residential Units and one (1) Commercial Unit. The Commercial Unit is not being offered for sale under this Plan.

SPONSOR:

320 Macon GP LLC
7 Penn Plaza, Suite 1400
New York, New York 10001
347-630-5533

SELLING AGENT:

The Corcoran Group
49 East 10th Street
New York, New York 10003
212-539-4973

The term of the initial offering of this Plan commenced on _____, 20__ and expires on _____, 20__ unless the said date is extended in a duly filed amendment.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER CONSUMMATION OF THE PLAN, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH THE MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THE PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES 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.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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PART I

SPECIAL RISKS TO BE CONSIDERED BY PURCHASER

(See the "Definitions" Section in Part I of this Plan and see Exhibit C to the Declaration in Part II of the Plan for definitions of capitalized terms)

THE CAPTIONS ARE INSERTED AS A MATTER OF CONVENIENCE AND REFERENCE, AND IN NO WAY DEFINE, LIMIT OR DETERMINE THE SCOPE OF THE DISCLOSURES INCLUDED IN THE OFFERING PLAN.

ALL SPECIAL RISKS ARE IMPORTANT AND SHOULD BE READ CAREFULLY BY PURCHASERS.

The disclosures set forth herein are provided by Sponsor, as required by N.Y. Gen. Business Law § 352-e, *et. seq.* (the "Martin Act") and governing regulations.

1. Sponsor's Right to Rent Unsold Units.

A. **Sponsor is retaining the unconditional right to rent rather than sell units after consummation of the plan. Accordingly, this plan may not result in the creation of a condominium in which the majority of the units are owned by owner-occupants or investors unrelated to Sponsor. Purchasers for their own occupancy may never gain control of the condominium board under the terms of the plan.** At the time of acceptance for filing of this Plan with the Department of Law, Sponsor currently contemplates offering for sale all Residential Units under this Plan. However, under the terms of the Plan, Sponsor may declare the Plan effective on the sale of fifteen (15%) of the Units offered hereby, namely one (1) Unit. Moreover, the Sponsor [5a(ii)] has reserved the unconditional right, after Consummation of the Plan, to rent or lease any Unsold Unit, prior to closing the sale thereof to any party, to cease marketing Residential Units for sale at any time, in Sponsor's sole discretion or to use or offer the Units for any lawful purpose. Certain Unsold Units may be occupied under short-term leases having a term in excess of 30 days. Residents of the Condominium may consist of both Residential Unit Owners and tenants leasing from Sponsor or other Residential Unit Owners. Accordingly, it is possible that a significant portion of Residential Unit Owners will not be residents of the Building and that a significant portion of occupants in the Building may not be Residential Unit Owners. As a consequence of the foregoing, a Residential Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. Because 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 15% necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. Since the Board does not have the right to approve or disapprove potential purchasers of Residential Units, the Board is unable to limit the number of purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those who purchased such

Residential Units as an investment. (See the Sections of the Plan entitled "Introduction" and "Rights and Obligations of Sponsor.")

B. 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 apartments 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 holder of unsold units has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. 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 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See "Rights and Obligations of Sponsor," D (2).

C. Sponsor reserves the unconditional right, after Consummation of the Plan, prior to the date of closing title to a Unit, to rent or license, rather than sell, such Unit to Purchasers and others. Consequently, a Purchaser of a Unit may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at the closing vacant and free and clear of all leases, tenancies and rights of occupancy. 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 license or other written occupancy agreement. (See the subsection entitled "Features of Condominium Ownership" under the Section entitled "Introduction" in Part I of the Plan for further details.)

2. Purchase Agreement.

A. At the time a Purchase Agreement is executed, a Purchaser is required to make a Deposit in the amount of 10% of the Purchase Price, which Deposit shall be made by Purchaser's wire transfer to the account of the Escrow Agent.

B. The balance of the Purchase Price shall be paid by official bank check issued by a New York bank or trust company which is a member of The New York Clearinghouse Association or, at Sponsor's election, upon not less than two days' prior written notice, by wire as directed by Sponsor with instructions with respect thereto provided by Sponsor to Purchaser. Funds drawn on out-of-state or foreign banks or New York bank or trust companies which are not members of The New York Clearinghouse Association will not be accepted in payment of the Purchase Price (including the Deposit) for a Unit unless otherwise agreed by Sponsor. Sponsor makes no representations or guarantees that the foregoing will not be further modified. (See the Section entitled "Procedure to Purchase" under the subsection entitled "Escrow and Trust Fund Requirements" set forth in Part I of the Plan.)

C. Purchasers are further advised that (i) the risk of loss of any portion of the Deposit(s) required by this Plan and the Purchase Agreement shall be borne by Purchaser; (ii) if a Purchaser Deposit is in excess of $250,000.00 for the purchase of a Unit, such Deposit will not

be federally insured in excess of $250,000.00; and (iii) if a Purchaser has any additional accounts in the bank where the Escrow Account is held, the funds in said accounts will be added together with the Deposit held in escrow and the total will only be insured up to the $250,000.00 FDIC maximum coverage. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Purchasers are encouraged to visit http://www.fdic.gov for further information and updates. (See the Section entitled "Procedure to Purchase" set forth in Part I of the Plan.)

D. In the event a Purchaser defaults under the Purchase Agreement, **TIME BEING OF THE ESSENCE** with regard to the obligations of Purchaser thereunder, and Purchaser does not cure such default within 30 days after Sponsor gives written notice to the Purchaser of such default, **TIME BEING OF THE ESSENCE** with regard to the obligation of Purchaser to cure within such 30-day period, Sponsor may terminate the Purchase Agreement by notice of termination to Purchaser and retain the Deposit and all other sums deposited by Purchaser under the Purchase Agreement, together with interest earned thereon as liquidated damages (which cumulative amounts will be in excess of 10% of the Purchase Price), it being acknowledged and agreed that it is extremely difficult and impracticable to ascertain the extent of detriment to Sponsor caused by the breach by Purchaser under the Purchase Agreement and the failure of the consummation of the transaction contemplated by the Purchase Agreement or the amount of compensation Sponsor should receive as a result of Purchaser's breach or default. Upon termination of the Purchase Agreement, Purchaser shall have no further rights thereunder, and Sponsor may sell the Unit to any third party as though the Purchase Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale). In addition, if Purchaser has breached or defaulted, Sponsor shall be entitled to commence an action against Purchaser to attempt to recover Custom Work Costs if no Custom Work Deposit shall have been made by Purchaser, or if, to the extent the Custom Work has already commenced, the Custom Work Deposit is insufficient to cover the Custom Work Cost. Sponsor shall also be entitled to commence an action against Purchaser to attempt to recover Restoration Costs to the extent that such Restoration Costs have or will be incurred by Sponsor. (See the Section entitled "Procedure to Purchase" in Part I of the Plan for further details.)

E. For purposes of this Plan and the Purchase Agreement, the term "**TIME BEING OF THE ESSENCE**" shall mean that a failure by Purchaser to do what is required at the time specified in the Purchase Agreement is a material breach of the Purchase Agreement and constitutes a default entitling Sponsor to the remedies set forth in this Plan and the Purchase Agreement. (See the Section entitled "Procedure to Purchase" in Part I of the Plan for further details.)

F. The Purchase Agreement provides that Purchaser shall be obligated to reimburse Sponsor (provided Sponsor prevails in defending or enforcing Sponsor's rights) for any legal fees and disbursements incurred by Sponsor in defending or enforcing Sponsor's rights under the Purchase Agreement or if Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder. **THE PURCHASE AGREEMENT ALSO PROVIDES, IN CLEAR AND EXPLICIT TERMS, THAT, EXCEPT AS PROHIBITED BY LAW, THE PARTIES WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN, THE PURCHASE**

AGREEMENT OR THE RELATIONSHIP CREATED THEREBY. (See the Purchase Agreement in Part II of the Plan for further details.)

G. Sponsor reserves the right to negotiate the terms and conditions of the Purchase Agreement with each Purchaser or group of Purchasers to whom an offer is made, including but not limited to terms and conditions pertaining to: 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; performance of work in the Residential Unit or the revision of floor plans and the allocation and payment of costs therefor; the availability of Common Charge rebates, Purchase Price rebates and/or subsidies payable as a credit against the Purchase Price or on a periodic basis, or the availability of special incentives to groups or subgroups of Units or Purchasers (so long as such groups or subgroups are not determined based upon any protected class or mechanism which could be construed as a violation of any applicable Fair Housing laws); extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of license or occupancy agreements and the amount of license or occupancy fees; the application of such fees towards the Purchase Price; the allocation of legal fees and expenses incurred by either Sponsor or Purchaser in defending or enforcing such party's rights under the Purchase Agreement; and any other matter. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the foregoing list for all or some Purchasers without further amendment to this Plan. 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 rights of rescission under a Purchase Agreement. (See the Section of the Plan entitled "Changes in Prices and Units" set forth in Part I of the Plan).

H. Submission to Sponsor or the Selling Agent of a signed Purchase Agreement and payment of the Deposit (subject to collection) does not create a binding Purchase Agreement. Rather, prospective Purchasers will be notified within 15 days after such submission as to whether the Purchase Agreement has been accepted or rejected. The Purchase Agreement will not be binding on Sponsor until approved and executed by Sponsor and delivered by Sponsor or Sponsor's Counsel to the prospective Purchaser or such Purchaser's attorney. Sponsor reserves the right to request and obtain information concerning any prospective Purchaser, subject to any limitations and requirements imposed by Law. Purchaser acknowledges and agrees that Sponsor may obtain certain permissible information about Purchaser's (or Purchaser's principals or permitted assignees) credit history prior to counter-executing a Purchase Agreement in order to permit Sponsor to comply with the requirements of the applicable federal laws (including without limitation, the Fair Credit Reporting Act). Purchaser, upon execution of a Purchase Agreement thereby authorizes Sponsor, prior to Sponsor counter-executing the Purchase Agreement, to obtain such information from a credit reporting agency or elsewhere and agrees to execute any documentation necessary in this regard. If such Purchaser receives no response within the 15-day period, the Purchase Agreement will be deemed rejected and canceled and all monies paid thereunder shall be refunded to Purchaser within five Business Days thereafter. Upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. (See the Section of the Plan entitled "Procedure to Purchase" set forth in Part I of the Plan.)

I. If a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date and Sponsor elects not to terminate the Purchase Agreement as a result

of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) the Purchaser will be required to pay to Sponsor, in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, a daily amount equal to 0.04% 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. (See the Sections entitled "Procedure to Purchase" and "Closing Costs and Adjustments" in Part I of the Plan for further details.)

J. If the Plan is withdrawn or abandoned, the Deposit, and if applicable, Custom Work Costs previously paid to and actually collected by Sponsor, shall be returned to Purchaser with any interest earned thereon within 5 days after the amendment abandoning the Plan has been accepted for filing. (See the Sections entitled "Description of Property and Improvements" and "Procedure to Purchase" for further details.)

3. Purchaser Financing.

A. So long as Purchaser agrees to abide by all of the terms and conditions associated therewith, a Purchase Agreement shall include a financing contingency rider, the form of which is attached hereto as Schedule C to the form Purchase Agreement included in Part II of the Plan (the "Financing Contingency Rider") which would permit Purchaser to obtain financing as a condition precedent of closing title to a Unit upon the terms and conditions more particularly set forth therein. The Financing Contingency Rider provides, among other things, for the following:

(i) If Purchaser's commitment lapses or expires prior to the Closing Date and Purchaser has made a good faith effort to extend the Commitment, as such term is defined in the Financing Contingency Rider, Sponsor will afford Purchaser a 15-day right to rescission, but only if Purchaser provided Sponsor with prior written notice of the lapse or expiry of the loan commitment, and Purchaser also demonstrates that it has made a good faith effort to extend the loan commitment in accordance with the requirements of the Financing Contingency Rider.

(ii) In the event the Closing Date is adjourned by Sponsor to a date beyond which Purchaser is able, (at Purchaser's sole cost and expense), to extend Purchaser's loan commitment at the lender's then prevailing rate of interest, then, Sponsor will afford Purchaser a 15-day right of rescission should Purchaser properly elect to rescind the Purchase Agreement within such period, upon written notice in accordance the terms of the Purchase Agreement and the Financing Contingency Rider to the Sponsor of such fact, and the Purchase Agreement and Financing Contingency Rider shall be deemed canceled and of no further force or effect, and Escrow Agent shall return to Purchaser the Deposit, together with interest earned thereon, if any, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan.

B. Sponsor may condition the giving of a Financing Contingency Rider upon, among other things, Purchaser's agreement to seek financing from one or more lenders

designated by Sponsor. (See the Section entitled "Procedure to Purchase" in Part I and the "Financing Contingency Rider" in Part II of the Plan for further details.)

C. 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 holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which percentage in some cases may be as high as 70%. 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 10% or more. Purchasers are advised, among other things, that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include limiting the number of units that may be owned by a single owner.

Thus it may be possible for a Purchaser to experience difficulty obtaining a loan as a result of the foregoing. It also may 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. Purchasers may also find it difficult to resell Units if prospective buyers are unable to obtain loans due to such minimum sales requirements or any other reason. Purchasers should further note that pursuant to existing Law, and except as otherwise set forth herein, Sponsor may declare the Plan effective upon entering into Purchase Agreements for a minimum of 15% (which percentage shall be determined prior to Sponsor's submission of the amendment declaring the Plan effective) 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 the minimum number of sales if Purchasers counted towards effectiveness do not ultimately purchase a Unit. Notwithstanding the foregoing, if, after the Plan shall have been declared effective but prior to the First Closing, all Purchase Agreements are caused to be rescinded or terminated, Sponsor shall re-declare the plan effective in order to effectuate Consummation of the Plan, regardless of whether a Declaration shall have been recorded. (See the Section entitled "Effective Date" in Part I of the Plan for further details.)

D. If Purchaser obtains a mortgage loan for the purchase of the Unit, the Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to N.Y. Real Prop. Tax Law § 339-ee (2), which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of the Unit with a mortgage loan, Purchaser must cause the lender making such mortgage loan to accept from Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to such mortgage loan as determined by Sponsor. Upon such assignment, that portion of the mortgage loan assigned by Sponsor will be exempt from mortgage recording tax under N.Y. Real Prop. Tax Law § 255. In such event, Purchaser will be obligated to pay any costs or fees incurred in connection with such assignment. Sponsor shall be solely entitled to the benefits of the exemption and accordingly, Purchaser will pay to

Sponsor an amount equal to the mortgage recording tax savings resulting from such exemption. (See the Section entitled "Closing Costs and Adjustments" in Part I of the Plan for further details.)

4. Working Capital Fund and The Capital Repair and Replacement Reserve.

A. Working Capital Fund. At the initial Closing to a Residential Unit, each Purchaser shall be required to make a non-refundable contribution at the Closing to such Unit(s) to or in respect of the capital repair and replacement reserve of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to one (1) months' Common Charges then in effect for such Unit pursuant to the budget then in effect and in accordance with Schedule A hereto, as the same may be amended from time to time (the "Working Capital Fund Contribution"). The Working Capital Fund will be held in a separate account and used for working capital, or for any purposes permitted by Law and may be augmented by allocations from the monthly Common Charges collected from each Unit Owner or special assessments levied against the Units. Purchasers should note that Sponsor has the authority to utilize the Working Capital Fund in its sole and absolute discretion during the time that Sponsor controls the Board. 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. The Working Capital Fund may be used to reduce Common Charges for all owners (including during any Control Period). Purchasers are further advised that if Sponsor enters into leases for Unsold Units after Consummation of the Plan, the tenants thereunder will not be obligated to make the Working Capital Fund Contributions and accordingly, the Working Capital Fund may be insufficient for the payment of unanticipated expenses, if any. Additionally, a "bulk purchaser" of Units will not be obligated to make the Working Capital Fund Contribution. (See the Sections of the Plan entitled "Working Capital Fund and Apportionments" and "Closing Costs and Adjustments" set forth in Part I of the Plan).

B. Capital Repair and Replacement Reserve. Schedule B (First Year's Budget) includes a line item for a Capital Repair and Replacement Reserve for the sole purpose of costs and expenses related to capital repairs, replacements and improvements. For so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Board must maintain the Capital Repair and Replacement Reserve and any change in the amount of the Capital Repair and Replacement Reserve shall be made only with Sponsor's prior written consent, which such consent may be granted or withheld in Sponsor's sole discretion. Capital Repairs and Replacements shall include a building-wide replacement of a major component of any of the following systems: (1) heating, ventilation and air conditioning; (2) plumbing; (3) wiring; (4) windows; or, a major structural replacement to or repair of the building. Sponsor makes no representation that the Capital Repair and Replacement Reserve will satisfy the requirements of a Purchaser's lender. No assurance or guarantee is given that capital repairs, replacements and improvements will not be required in the future. The Capital Repair and Replacement Reserve reflected in Schedule B is not intended to meet the cost of any specific major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase monthly Common Charges or institute a Special Assessment of Common Charges. Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises. (See the Section of the Plan entitled "Capital Repair and Replacement Reserve" and Schedule B set forth in Part I of the Plan).

5. Purchase Restrictions.

A. Except as otherwise set forth herein, there are no limitations on who may purchase Units. Notwithstanding the foregoing, any Purchaser of a Unit who is a Governmental Entity shall be required to deposit into escrow an amount equal to or greater than one year of Common Charges then in effect for the Unit being acquired by the Governmental Entity to secure their obligations under the Condominium Declaration for the payment of Common Charges and/or Special Assessments and otherwise. Sponsor will not knowingly accept an offer of purchase from an individual younger than 18 years of age or an incompetent under Law. Sponsor is not obligated to offer or sell any Units and may, if it chooses, withhold one or more Units for future sale. While Sponsor reserves the right to refuse to approve and execute a Purchase Agreement at any time and from time to time for any reason whatsoever, without the consent of the Board or another Unit Owner, or mortgagee, Sponsor shall not discriminate against any person because of race, creed, color, sex, disability, religion, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will 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 funds constituting Purchaser's required Deposit thereunder (See the Sections entitled "Procedure to Purchase" and "Terms of Sale" set forth in Part I of the Plan).

B. No Purchaser may be a Prohibited Person (defined hereinafter) at any time prior to Closing. Each Purchaser must be in full compliance with all applicable orders, rules, regulations and recommendations of the OFAC of the U.S. Department of the Treasury. The term "Prohibited Person" shall mean any person or entity: (a) listed in the Annex to, or otherwise subject to the provisions of, (i) the Executive Order No. 13224, "Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism" issued on September 23, 2001, and/or (ii) Executive Order 12947, "Prohibiting Transactions with Terrorists Who Threaten to Disrupt the Middle East Peace Process" issued on January 23, 1995 (both the "Executive Orders"); (b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise subject to the provisions of, the Executive Orders; (c) with whom Beneficiary is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Orders; (d) who commits, threatens or conspires to commit or supports "Terrorism" as defined in the Executive Orders; (e) that is named as a "Specially Designated National and Blocked Person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, www.ustreas.gov/Offices/enforcement/ofac, or at any replacement website or other replacement official publication of such list; or (f) who is an affiliate of or affiliated with a person or entity listed above. (See the Section of the Plan entitled "Introduction" and the form of Purchase Agreement set forth in Part II of the Plan.)

C. Prohibition of Advertising and Selling. Prior to the initial Closing to a Residential Unit, Purchasers are prohibited from advertising, listing, offering, promoting or publicizing the availability of the Unit for resale or rental with any broker or otherwise, without Sponsor's prior written consent, which consent may be withheld or conditioned in Sponsor's sole discretion. Subsequent to the initial Closing, Purchasers are prohibited from advertising, listing, offering, promoting or publicizing the availability of the Unit for resale with any broker or otherwise, without Sponsor's prior written consent, which consent may be withheld or

conditioned in Sponsor's sole discretion, for 18 months following the Closing Date (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Residential Units offered pursuant to the Plan). In the event that a Purchaser conveys its Residential Unit in violation of the foregoing, Sponsor shall be entitled to void the conveyance. Alternatively, Sponsor may elect, in its sole discretion, to collect from Purchaser, and Purchaser shall be obligated to pay to Sponsor, a sum equal to 25% of any profits that Purchaser receives from the conveyance. (See the Section entitled "Rights and Obligations of Unit Owners" in Part II of the Plan for further details.)

6. FHA/Fannie Mae. Sponsor anticipates, but does not guarantee, submitting an application to Fannie Mae and/or FHA to be added to a list of "approved" condominiums. As used herein, the term "approved" means only that loans secured by individual condominium units within such condominium project are currently eligible for delivery to Fannie Mae and FHA pursuant to the underwriting guidelines of such agencies. There is no guaranty or assurance that Sponsor will submit an application or if submitted, such application will satisfy the criteria for approvals, or in the event that either or both of the Fannie Mae and FHA requirements are satisfied, whether the Condominium will continue to satisfy such criteria. There is no guarantee or assurance whether the programs run by Fannie Mae and/or FHA will be available or continue to be available in the future or whether the program requirements of Fannie Mae or HUD will change. The Board shall be obligated to cooperate with Sponsor and to provide the Required Documentation for obtaining Fannie Mae or FHA approvals. Purchasers should be further advised that if FHA approval is granted to the Condominium (i) no more than 50% of the total Units may be encumbered by FHA securitized, guaranteed or insured loans, and (ii) after the first 12 months of condominium operation, at least 50% of the Units must be owner-occupied in order for the project to qualify for re-certification. It shall not be a basis for a Purchaser to rescind a Purchase Agreement if, for any reason, Sponsor's application to either or both of Fannie Mae and FHA, is not approved (or if Sponsor does not make such application). There is no guarantee or assurance that Purchasers will be able to obtain mortgages insured by Fannie Mae and/or FHA. (See a copy of Schedule B set forth in Part I of the Plan.).

7. Risk of Loss Prior to Unit Closing. Purchasers are advised that the risk of loss to any Unit by fire or other casualty is assumed by Sponsor until the Closing for such Unit has occurred, at which time such risk to the Unit (but not to any portion of the Common Elements) shall be assumed by Purchaser, but without any obligation or liability by Sponsor to repair or restore any Unit. If a Purchaser is given possession of the Unit prior to Closing pursuant to an Interim License Agreement, then Purchaser shall assume the risk of loss for its personal property and shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from Purchaser's use or occupancy that is not otherwise covered by insurance, unless the cause thereof originated outside the Unit and did not result from the acts or omissions of Purchaser or other occupants of the Unit or Purchaser's guests, invitees, agents or workers. In the event that a Unit is damaged or destroyed as a result of a fire or other casualty prior to the Closing, Sponsor shall not be obligated to make any repairs to the Unit or its installations.

If 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 subject 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 Board and other Unit Owners, belong entirely to Sponsor. In the event that a Unit is damaged or destroyed by fire or other casualty prior to the Closing and Sponsor notifies Purchaser that it does not elect (which election shall be in Sponsor's sole discretion, provided that Sponsor shall notify Purchaser within 90 Business Days from the date of the casualty as to whether Sponsor will elect to restore) 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 (see the Section entitled "Rights and Obligations of Unit Owners and Board of Managers"), the Purchase Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser the Deposit, together with interest earned thereon, if any, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan.

However, notwithstanding anything to the contrary herein, if there is a default by Purchaser under the Purchase Agreement (beyond any applicable grace period), Sponsor shall be entitled to retain the Deposit and to commence an action against Purchaser to attempt to recover Custom Work Costs if no Custom Work Deposit shall have been made by Purchaser, or if, to the extent the Custom Work has already commenced, the Custom Work Deposit is insufficient to cover the Custom Work Cost. Sponsor shall also be entitled to commence an action against Purchaser to attempt to recover Restoration Costs to the extent that such Restoration Costs have or will be incurred by Sponsor. (See the Section entitled "Procedure to Purchase," "Rights and Obligations of Sponsor" and "Repair or Reconstruction After Fire or Other Casualty" in Part I of the Plan for further details).

8. Fees Paid by Purchaser to Sponsor at Closing. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's Counsel for contracts and closings, in connection with the Closing to Purchaser's Unit: (i) the sum of $1,750.00 for the preparation of closing documents and attendance at closing; (ii) if the Purchaser requests the Closing to occur other than at the office of Sponsor's Counsel located at 7 Penn Plaza, Suite 1400, New York, New York 10001, or such other place that Sponsor may designate in its closing notice and Sponsor consents to such change, at no fee, for each Closing held within Manhattan and $2,500.00 for each Closing held in any borough outside Manhattan; (iii) if the closing is adjourned through no fault of Sponsor, an additional fee of $750.00 for each such adjournment to help defray the cost of preparing for and coordinating the new closing; (iv) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion, or substitution of names on the Purchase Agreement, a fee of $1,000.00, payable in advance, for preparation of an assignment agreement; (v) if Purchaser finances the purchase, a fee of $500.00 to process the lender's loan documents; (vi) if Purchaser, Purchaser's counsel or Purchaser's lender is more than one hour late to the Closing, Sponsor reserves the right to adjourn or delay the Closing and cause Purchaser to pay an adjournment fee of $750.00; and (vii) if Purchaser is purchasing the Unit in connection with a 1031 exchange, a fee of $500.00. Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit. If the scheduled Closing is adjourned due to Purchaser's failure to comply with its Closing obligations, the determination of which shall be within the sole discretion of Sponsor's Counsel, Sponsor's Counsel shall also be entitled to an attendance fee. The payment of legal fees by

Purchaser to Sponsor's Counsel does not create any attorney-client relationship between Purchaser and Sponsor's Counsel. (See the Section entitled "Closing Costs and Adjustments" in Part I of the Plan for further details.)

9. Transfer Taxes.

A. Although the NYC RPT Tax and the NYS Tax are generally a seller's obligation, the obligation is transferred to the purchaser in the sale of condominium units from the sponsor to the purchaser pursuant to the Plan. as is customary in condominium offerings throughout New York State. Therefore, upon closing, Purchasers shall be obligated to pay the NYC RPT Tax and NYS Tax, which, by Law, are the primary obligation of a seller. For purposes of calculating the taxes payable, the consideration will be "grossed up" by the amounts of such taxes which would otherwise be the seller's obligation. Purchasers who acquire two or more Residential Units that have not been legally combined into a single residence prior to the transfer will be obligated to pay the NYC Real Property Transfer Tax at the commercial, which is currently 2.625%. Purchaser shall also be obligated to pay the Mansion Tax, if any, which is currently 1% of the Purchase Price (the computation of which shall include the RPT Taxes and NYS Taxes as described above), which by Law is the primary obligation of the Purchaser when the Purchase Price of a Residential Unit is $1,000,000.00 or more. (See the Section entitled "Closing Costs and Adjustments" in Part I of the Plan for further details).

B. Purchasers are free to use a title company of their choice without incurring additional fees from Sponsor. Royal Abstract of New York LLC, having an office at 500 Fifth Avenue, Suite 1540, New York, New York 10110, telephone number 212-376-0900, 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; and (ii) issued the Specimen Title Policy set forth in Part II of the Plan.

C. Each title underwriter selected by Purchaser must agree (i) to timely submit the Unit Deed, all Transfer Tax forms and checks for payment of such Transfer Taxes required to be submitted to the appropriate governmental authorities for recording and payment in connection with the conveyance of the Unit to Purchaser; and (ii) indemnify Sponsor, its counsel, agents, Escrow Agent, and others for loss, damages, penalties, fines and the like (including attorneys' fees) in the event the title underwriter (or its abstract company) fails to file such Unit Deed and Transfer Tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency. If said title underwriter does not execute an indemnification substantially in the form set forth as Schedule D to the Purchase Agreement, Purchaser must, as more fully set forth in the Purchase Agreement, agree to: (a) indemnify Sponsor, its counsel, agents, Escrow Agent, and others for loss, damages, penalties, fines and the like (including attorneys' fees) if its title underwriter (or such title underwriter's abstract company) fails to file such Unit Deed, transfer tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency, and (b) provide such further assurances as Sponsor shall reasonably require (including, without limitation, providing funds in escrow to secure Purchaser's indemnity obligations). (Please refer to the "Closing Costs and

Adjustments" Section of Part I of the Plan and a copy of the Purchase Agreement set forth as an Exhibit in Part II of the Plan.)

10. First Year of Condominium Operation and Projected First Closing Date.

A. The estimated First Year of Condominium Operation is the 12-month period set forth in Part I of the Plan under the Section entitled "Definitions" and at the top of Schedule A. As with any condominium conversion project, it is difficult to predict with precision the date Sponsor will first be able to close title to a Unit. Accordingly, the First Closing may occur before, during or after the projected First Year of Condominium Operation and closings to certain Units may occur substantially before or after closings for other Units. Sponsor hereby reserves the right, at any time, to delay the anticipated First Year of Condominium Operation by updating Schedule B and submitting an amendment to the Plan.

Sponsor anticipates that the First Closing will occur by the date of the commencement of the First Year of Condominium Operation that is set forth in Schedule B, such date being also referred to herein as the Projected First Closing Date. However, if the First Closing does not occur within six months of the Projected First Closing Date, Sponsor will file an amendment to include an updated Schedule B (the "Budget Update Amendment"). If such amended projections exceed original projections by 25% or more, Sponsor will offer all Purchasers who executed Purchase Agreements prior to the date of the filing of such amendment the right to rescind for a period of 15 days after the presentation date of the Budget Update Amendment. Further, if the First Closing does not occur within 12 months of the Projected First Closing Date, Sponsor will file an amendment that provides for a later commencement of the First Year of Condominium Operation than initially disclosed (an "Extension Amendment"). Purchasers who executed a Purchase Agreement for the purchase of their respective Units prior to the date of filing of the Extension Amendment will be offered a right of rescission for a period of 15 days after the presentation date of a rescission notice, which may be included in the Extension Amendment. Notwithstanding the foregoing, if a Purchaser negotiated an outside closing date that is later than the expiration date of the applicable rescission period, the right of rescission in such instance shall not be available to that Purchaser. Purchasers entitled to rescission and electing rescission will have their Deposits (to the extent actually made and collected), returned to such Purchasers, provided, however, if Sponsor is not in Default, Sponsor shall be entitled to bring an action to attempt to recover, to the extent actually incurred or expended (i) Custom Work Costs and (ii) Restoration Costs. Purchasers are not responsible for cost of removing the custom work if (i) the Sponsor fails to close; (ii) the purchaser is entitled to rescission; or (iii) the Sponsor cancels or withdraws or abandons the offering plan.

B. Purchasers are advised that if the actual First Closing occurs prior to the Projected First Closing Date, Sponsor may schedule the closings of title to other Units significantly later than the Projected First Closing Date. Unless the applicable Purchase Agreement contains an outside closing date, Sponsor will not be obligated to schedule a closing for such Unit within any specified time frame or ensure that the Closing to such Unit will occur by any date certain.

C. PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE FOREGOING RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. See the Section entitled "Definitions" in this Part I of the Plan for further details as to the Projected First Closing Date and the First Year of Condominium Operation as well as the other defined terms employed herein.

11. Completion of Minor Repairs, Renovations, and Replacements.

A. Sponsor is in the process of making Minor Building Improvements (as that term is defined in Section entitled "Definitions"). According to public records available to Sponsor, it is believed that the Building was initially built in approximately 1872. As with any program of Minor Building Improvements of an existing building, Sponsor may be required to alter the Plans and Specifications to address existing conditions uncovered during the course of performance of such work. Purchasers are advised that the Building, when initially constructed, most likely complied with then applicable codes; however, portions of the Building, if constructed today may not comply with New York City Department of Building Code (the "Building Code") or handicap accessible requirements. Such noncompliance is deemed "grandfathered" pursuant to the Building Code and accordingly does not constitute a basis for an objection to or Closing to a Unit. Purchasers are advised that the law in New York that regulates the sale of condominium units, the Martin Act, regulates the disclosure of the terms of the sale, and does not govern the conditions of the Unit conveyed by Sponsor, as held by the New York Appellate Division in *Matter of Council for Owner Occupied Housing. Inc. et al., v. Abrams, 125 A.D.2d* 10; and *Council for Owner Occupied Housing, Inc., et al., v. Abrams, 135 A.D. 2d 13;* (Attorney General exceeded its authority in requiring sponsor of cooperative offering to remediate asbestos and dangerous and hazardous conditions as a condition precedent to sale of shares.) Therefore, any such noncompliance with Building Code shall not constitute a basis for objection to Closing to a Unit. In addition, Sponsor reserves the right to disclose an expansion of the scope of the proposed Minor Building Improvements, which shall not be deemed a violation of the Martin Act. Any such material modifications or additions shall be disclosed in an amendment to the Plan and, if such modifications or additions are material and adverse to Purchasers, such Purchasers will be given an opportunity to rescind their Purchase Agreements.

B. Completion of the Minor Building Improvements is a complicated process that requires the coordination of numerous tasks, the balancing of complex mechanical and architectural systems, and the management of professionals, including but not limited to contractors. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operation, construction workers and related personnel will be at the Property from time to time completing the Minor Building Improvements, making adjustments and corrections and performing various tasks related to the completion of the Minor Building Improvements, which may occur at all hours permitted by law. Such ongoing work may compromise the Building's security. During this period, various Building Systems, including but not limited to telecommunications, water supply, air conditioning, heating, cooling, security, ventilating, may need to be shut down temporarily. Sponsor reserves the right to utilize Building Systems and may install and retain scaffolding and other equipment on and in the Building to complete the Minor Building Improvements. Sponsor

reserves the right to delay the completion of the Minor Building Improvements until such time it deems appropriate.

C. Sponsor may not fully complete the Minor Building Improvements prior to the first Unit closing. The fact that Minor Building Improvements have not been completed will not be a basis for a Purchaser to refuse to close title to a Unit nor will it be a basis for Unit Owners to refuse to pay Common Charges when due. Purchasers should be aware that they may be required to close title to their Units while completion of the Minor Building Improvements is continuing, possibly, for extended periods of time, and that noise, dust and other objectionable conditions inherent in a construction site may inconvenience Unit Owners after they have taken occupancy of their Units. Notwithstanding anything to the contrary above, Sponsor shall comply with all applicable laws, rules and regulations governing the ongoing construction work and renovations in the Building, once occupied, including filing of a Tenant Protection Plan if required by New York City Administrative Code § 28-104.8.4 (the "Tenant Protection Law.) Please refer to the "Description of Property" set forth as an Exhibit in Part II of the Plan for further details. Sponsor shall obtain updated certifications and permits for the Building, as required by Law, to the extent required by law.

D. The Building has been issued a Permanent Certificate of Occupancy, No. 228549, dated September 18, 1987, by the DOB, a copy of which appears in Part II, Exhibit 20. Issuance of a new Certificate of Occupancy is not required in order for Sponsor to complete the Minor Building Improvements in accordance with all applicable requirements of the Building Code. In the event a new Certificate of Occupancy is required, due to a change in the Building Code or other applicable Laws or Regulations, or for any other reason, Sponsor shall file an amendment to the Plan disclosing such change, and shall comply with all then-applicable requirements of the Building Code, Laws or Regulations.

E. Neither Sponsor, the Selling Agent, the Escrow Agent, the Managing Agent, the Board nor any of the foregoing's principals, employees or agents will in any event be liable for the interruption, discontinuance or quality of any of the Building 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, or otherwise. There is no guaranty that any of the foregoing services will continue to be available to Unit Owners or occupants or tenants of Units in the future or that any change in the foregoing will not adversely impact upon the value of the Units. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement: (i) as a result of any of the immaterial conditions; (ii) in the event of non-completion of any item of Minor Building Improvements except those performed in the Unit itself on any projected date; (iii) compensation for the presence of scaffolding on any portion of the Building or any interruption of services in the Building, or (iv) the fact that various portions of the Common Elements or other Units may not have been completed prior to a scheduled Closing. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

F. Sponsor reserves the right to use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, including, without limitation, use as a long or short term rental, timeshare or other use, provided such use is permitted by Law, does not violate the then existing Certificate of Occupancy for such Unit (subject to Sponsor's right to amend the Certificate of Occupancy to conform such use as provided in the By-Laws), and the user of such Unsold Unit: (a) complies with all applicable governmental regulations with respect to such use; and (b) use of one or more Unsold Units for models and sales, rental and/or promotion offices in connection with the sale or rental of other Units in the Condominium or in buildings in the vicinity in which principals of Sponsor may have an interest.

G. Sponsor and/or the Board may refuse to permit a Residential Unit Owner to perform Alterations in or to a Unit until such time as the Minor Building Improvements have been completed in Sponsor's discretion. No Residential Unit Owner may perform Alterations to their Residential Unit unless approved by the Board. Any Alterations performed by a Unit Owner must be performed in accordance with the provisions of the By-Laws and each Residential Unit Owner shall be required to enter into an Alteration Agreement with the Board substantially in the form contained in Part II of the Plan, or such other form of alteration agreement as may be then adopted by Sponsor and/or the Board. As more particularly set forth in the Alteration Agreement, the Residential Unit Owner performing such Alterations shall be obligated (unless otherwise waived in writing by the Board) to among other things: (i) provide a security deposit to the Board, in such amount as determined by the Board, in its sole discretion, (ii) pay a processing fee to the Managing Agent for its review of the proposed plans as set forth in the Management Agreement, (iii) pay any other review fees or supervision fees required under the Alteration Agreement or as otherwise adopted by the Board from time to time, (iv) provide plans and specifications to the Board describing the Alteration, (v) obtain the consent of the Board as to contractors and suppliers that will be performing the Alterations, (vi) agree to comply with requirements of the Board regarding days and hours during which such Alterations may be performed, (vii) agree to comply with such other requirements the Board may adopt from time to time including the imposition of fees payable to the Board, including, without limitation, fees for its review and approval of the proposed plans and (viii) for so long as Sponsor owns a Unit, utilize a filing representative or expediter designated by Sponsor or the Board, as the case may be, to file the proposed plans with Governmental Authorities (as such term is defined in the Alteration Agreement). In addition, the Board will have the right, as a condition to approving a Residential Unit Owner's request to renovate kitchens and bathrooms, to require such Residential Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Unit or to contribute to the Condominium, the sum necessary to enable the Condominium to perform such replacements. The foregoing requirement in clause (viii) above shall not be subject to waiver by the Board. Any Unit Owner performing such Alterations may incur civil or criminal penalties if such Alterations cause violations or delays and must cure any thereof.

12. Housing Merchant Implied Warranty Not Applicable to this Offering.

A. The Martin Act requires that Sponsor disclose the terms of the offering made under this Plan. With regard to the description of property, the Martin Act requires that Sponsor disclose the detailed terms of the transaction, which shall include a description of the property, the nature of the interest, and how title thereto is to be held. As required by the Department of Law regulations, Sponsor hereby discloses that it is obligated to perform the

Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B), which only applies to new dwellings of five stories or less, is not applicable to this offering. Sponsor is undertaking only limited work, as described in Part II, and referred to herein as Minor Building Improvements, and otherwise the offering herein is as-is. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability of any Unit, Common Element or Limited Common Element, if applicable, and Purchasers are advised that no such warranties exist under the laws governing the offering. Purchasers are further advised that the Martin Act is a disclosure statute that does not require Sponsor to provide any specific warranties of any nature regarding the Units that are offered under the Plan. Sponsor makes no representation or warranty with respect to sound transmission, odors emanating from within or without the Condominium, air, views or light quality. As stated above, Sponsor is obligated to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications, and any conflict between: (a) the disclaimers and (b) Sponsor's obligation to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as disclosed in the Plan, shall be resolved in favor of Sponsor's obligation to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications set forth in the Plan.

B. Sponsor hereby discloses that it makes no warranty or guaranty as to the presence of mold, mildew, spores, fungi or other toxins at the Condominium. Except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser of a Unit may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit pertinent non-invasive testing. Mold and mold spores are present throughout the environment and a residential condominium conversion cannot practicably be designed to exclude the introduction of mold spores. According to public statements made by the EPA, molds are part of the natural environment, and can be found everywhere, indoors and outdoors. Mold is not usually a problem, unless it begins growing indoors. Moisture is the primary mold growth factor that can be controlled in a condominium setting. Accordingly, Unit Owners are advised to minimize or control moisture in their respective Units so as to minimize or eliminate mold growth in their respective Units. For additional information on mold, purchasers are advised to visit the EPA's website at the following address: https://www.epa.gov/mold.

C. Subject to Sponsor's obligation to perform Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Condominium, Sponsor hereby discloses that it shall not be liable 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. Except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser of a Unit may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other

toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit pertinent non-invasive testing. In no event will Sponsor be liable for incidental, special or consequential damages in connection with the issues described in this Special Risk 12 (whether based on negligence, breach of contract, warranty, or otherwise), including, without limitation, costs incurred if a Unit Owner vacates the Unit or its contents during any period that such Unit Owner seeks to remediate any condition described in this Special Risk 12. The foregoing disclaimers and waivers of Purchaser shall also apply to any "consumer product" as defined in the Magnuson-Moss Warranty Act, which consumer products shall not be warranted by Sponsor but instead by the manufacturer, if applicable. (See the Section of the Plan entitled "Rights and Obligations of Sponsor.")

D. As further set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor", and subject to the explicit limitations set forth in the subsection thereof entitled "Sponsor's Obligations with Respect to the Building," with the exception of certain Minor Building Improvements, this is an as-is offering, and the Units and Building are otherwise offered in their as-is condition. Unless specifically referenced in the Description of Property in Part II of the Plan, all appliances are previously used, and do not include a warranty of any kind, other than a manufacturer's warranty, to the extent such warranty is (x) still in effect; and (y) can be assigned.

13. Changes in Unit Appliances and Fixtures.

A. Each Unit will include only those appliances, fixtures and furnishings specifically described in the "Description of Property" in Part II of the Plan. Unless otherwise noted, certain appliances, fixtures and furnishings have been previously used and are provided to Purchaser in their as-is condition. For Units, if any, that include new appliances, and as indicated in the "Description of Property," the appliances, fixtures and furnishings will vary and may in fact differ from those present in model units and/or Sponsor's sales offices and marketing materials. Purchasers are advised that Sponsor reserves the right to amend or modify the Plans and Specifications in any way not material to this offering or in a manner disclosed in this offering, including, without limitation, changing appliances and fixtures in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of Equal or Better Quality. None of the foregoing shall give rise to a right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement. Purchasers are referred to the "Description of Property" in Part II of the Plan for details regarding the appliances and fixtures that will be included in the Units.

B. At Closing, Sponsor will assign, without recourse, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering such appliances and fixtures that are included in the offering under this Plan. Sponsor is not adopting such warranties or acting as co-warrantor with respect to the appliances and fixtures, and such warranties may have expired before Purchaser's acquisition of a Unit. The Common Elements will include only those appliances and fixtures described in the "Description of the Property" in Part II of the Plan. Sponsor reserves the right, however, to place additional furniture, artwork and other interior

decorations in the Common Elements and in any model Unit; provided, however, that same shall remain the property of Sponsor and may be removed at any time at Sponsor's sole discretion.

14. Marketing Nomenclature. Purchasers are hereby advised that in no event shall the presence of any furniture, furnishings, fixtures (including, without limitation, light fixtures), equipment, decorations, wall coverings, wall paper, window treatments and carpeting or the like ("FFE") in any sales office, model unit, Common Element, or as described in any advertisements or renderings with respect thereto, imply or represent that any such FFE will be located within any portion of the Unit or Building. The presence of FFE in such marketing materials are for illustrative purposes only. In addition, marketing materials may designate or label or use nomenclature to describe certain areas or rooms within Units and the Building to that differ from the designations utilized on the Floor Plans, the Plans and Specifications, or the Tax Lot Drawings, including, without limitation, closets, hallways, dens/media rooms and powder rooms. Sponsor is only obligated to deliver the Unit in the condition described in the Plan. In no event, however, shall any designations, labels or nomenclature used in marketing materials conflict with the legally permitted uses of such areas or rooms. (See Sections of the Plan entitled "Rights and Obligations of Sponsor" and "Rights and Obligations of Unit Owners and the Board of Managers" set forth in Part I of the Plan under the subsection entitled "Use of Units" and see a copy of the By-Laws set forth as an Exhibit in Part II of the Plan.)

15. Neighboring Construction. Sponsor makes no representations or warranties regarding building construction in the geographic area of the Condominium or whether the existing structures in the area will remain. Purchasers are advised that adjacent parcels or buildings may be further developed and such development could adversely impact upon the views from a Unit. There are no protected views. In addition, Sponsor shall not be responsible for obstructed and/or adversely impacted views from Units located on the lower floors of the Building due to trees, landscaping and/or lamp posts erected at the street level or whether views may be impacted by mechanical equipment of the roofs of other buildings in the neighborhood. (See the Section entitled "Description of Property and Improvements" in Part I of the Plan and the "Description of Property" set forth in Part II of the Plan.)

16. Floor Plans. Floor Plans depicting the layouts of Residential Units appear in Part II of the Plan. Purchasers should note that the square footage of each Residential Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan are approximate within reasonable tolerances and may change due to field conditions and construction variances and tolerances. Because dimensions listed are based on measurements from exterior walls, they do not accurately represent the interior space in the Unit and will significantly exceed the finished floor area. Floor area measurements may include columns, shear walls, mechanical pipes, shafts, shaftways, chases, chaseways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available or useable floor area. Each Unit is measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted); to the centerline of the interior walls that separate a Unit from public corridors, stairs and other mechanical and electrical spaces or any Common or Limited Common Element; to the centerline of demising partitions separating one Unit from another. Each Unit is measured vertically from the top of the subfloor (located under the finished flooring of the Unit) to the underside of the floor framing of the Unit located on the floor above. The clearance between the top of the floor structure and underside of the floor structure of the Unit located on the floor above

may vary among the Units and certain Units may have less clearance than others and all or portions of certain rooms within other Units may have a lesser clearance as the result of construction variances or the presence of beams, ducts and other and mechanical spaces in such Units. Ceiling heights are estimates only and may vary within any given room or Unit. Kitchens, bathrooms, closets, foyers, hallways and entryways typically have dropped ceilings. (See the "Notes to Schedule A" in the Description of Property in Part II of the Plan for further details.). However, in no event will any Purchase Agreement for any Unit be entered into unless and until all Minor Building Improvements to be made in that Unit have been made, and Purchasers have had a reasonable opportunity to inspect that Unit prior to entering into the Purchase Agreement. If any material change is made to any Unit after such inspection and the Purchaser thereof is not in uncured default, Purchaser shall be entitled to rescission.

17. No Testing. The Purchaser of a Unit shall have the right to inspect such Unit prior to the Closing Date as more particularly set forth in the Purchase Agreement in Part II of the Plan and as described in the Sections of the Plan entitled "Terms of Sale" and "Rights and Obligations of Sponsor." However, except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser thereof may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit non-invasive testing. (See the Sections entitled "Terms of Sale" and "Rights and Obligations of Sponsor," in Part I of the Plan for further details.)

18. Custom Work. The Units are being offered in the as-is condition described in the Plan and Sponsor does not currently anticipate that it will perform Custom Work. However, Sponsor may agree, and reserves the option, in its sole discretion, to perform Custom Work to a Unit, in which case, unless otherwise agreed to by Sponsor, a Purchaser shall pay the Custom Work Costs to Sponsor upon the execution of the Purchase Agreement for the Unit. The Custom Work Costs paid by Purchaser will be deposited in the Escrow Account with Escrow Agent in accordance with the Plan. The Custom Work Costs may be released from the Escrow Account upon the Escrow Agent's receipt of written notification from Sponsor's Architect to the Escrow Agent that all or any portion of the Custom Work has been or will be commenced or that materials for the Custom Work have or will be ordered. In the event a Purchaser becomes entitled to rescission after Custom Work or any portion thereof has been completed, (i) the Purchaser shall receive a refund of any Custom Work Costs paid to Sponsor, and any interest earned thereon, (ii) Purchaser shall not be responsible for Restoration Costs. (See the Section entitled "Procedure to Purchase" in Part I of the Plan for further details.) Purchasers are not responsible for cost of removing the Custom Work if (i) the Sponsor fails to close; (ii) the purchaser is entitled to rescission; or (iii) the Sponsor cancels or withdraws or abandons the offering plan. However, Sponsor May maintain an action against any Purchaser in default, beyond any cure period, to attempt to recover the cost of removing the Custom Work.

19. Control by Sponsor.

A. The Condominium shall be governed by a Board consisting of three or five members, at the sole discretion of the Sponsor until the expiration of the Initial Control

Period, as defined below, and at the discretion of the Board thereafter. During the period beginning on the date of the First Closing Sponsor reserves the right to control the Board for a period of time (the "Initial Control Period") by appointing a majority of the members of the Board until the earlier of (a) 120 days after the date by which seventy-five (75%) percent of the units have been conveyed to Unit purchasers; or (b) for a period of three (3) years after completion of the project evidenced by the first conveyance to a unit purchaser (the "First Closing") unless Sponsor voluntarily relinquishes such right prior to the expiration of the Initial Control Period. Sponsor may not control the Board beyond the Initial Control Period but Sponsor may vote all its votes. If Sponsor's nominees receive a majority of votes cast at any election of the Board (whether from Sponsor or other Residential Unit Owners), any such period of Sponsor control, inclusive of the Initial Control Period, being referred to as the "Control Period." Sponsor is not obligated to sell more units after the Plan is declared effective, thus, Sponsor control may never end under the terms of this Plan. Sponsor reserves the right to relinquish and regain voting control of the Board at any time. During any Control Period, Sponsor will have control of Maintenance, facilities, and services to be provided to Unit Owners and will determine the Common Charges payable by all Unit Owners. (See the Section of the Plan entitled "Control by Sponsor" in Part I of the Plan for further details.)

B. Non-Resident Unit Owners. There is no limit on the number of Purchasers who may purchase Units for investment rather than personal occupancy. Accordingly, there may always be a substantial percentage of owners who are non-residents. The By-Laws do not include a provision that after the Initial Control Period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. **PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD UNDER THE TERMS OF THIS PLAN.** In addition, non-resident owners, including Sponsor, may have different economic interests in their respective Residential Units and, therefore, may not share the same economic interests as Residential Unit Owners in the Maintenance of the Building's facilities. As a result, owner-occupants and non-resident Residential Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment). (See the Section entitled "Board of Managers" in Part I of the Plan for further details).

20. Assignment Without Consent. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser will be required to pay Sponsor a fee in the amount of $1,000.00, in advance, for preparation of an assignment agreement. Any purported assignment by Purchaser in violation of the Purchase Agreement will constitute a default thereunder and will, in addition to Sponsor's other remedies on account of such default, be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. (See the Section entitled "Escrow and Trust Fund Requirements" in Part I of the Plan for further details.)

21. Unit Power of Attorney to Board. Each Residential Unit Owner will be obligated to enter into a Power of Attorney at the Closing to a Residential Unit. The form of Power of Attorney,

set forth in Part II of the Plan, grants broad powers to the Board to enter into agreements affecting the Common Elements, as the case may be. The Power of Attorney also grants to Sponsor certain rights, including the right to amend the Condominium Declaration with respect to Unsold Units. (Please see the form of "Power of Attorney" set forth in its entirety in Part II of the Plan for further details.)

22 Use of the Units.

A. Residential Units. Pursuant to the Declaration and By-Laws, the Residential Units may be used for residential purposes or other lawful purposes subject to conditions set forth in Article 9 of the Declaration. Sponsor and/or the owner of any Unsold Residential Unit may use the Residential Units for any purpose permitted by Law and may modify the Certificate of Occupancy to reflect a change in use. (See the subsection entitled "Residential Unit" under the Section entitled "Description of Property" and the subsection entitled "Sales and Leases of Residential Units" under the Section entitled "Rights and Obligations of Unit Owners and Board of Managers" in Part I of the Plan for further details.)

B. Commercial Unit. The Commercial Unit is currently being retained by Sponsor and is not offered for sale under the terms of the Plan. No representation is made with respect to the ownership of all or any portion of the Commercial Unit, or as to who the future owner or tenants of any portion of the Commercial Unit may be at any time or as to the uses to which the Commercial Unit may be put at any time except that the Commercial Unit may be used for any purpose permitted by Law, including, without limitation, additional residential units, retail stores, banks, restaurants, theaters, bars, spas, health clubs, parking garages, and commercial and professional office space which uses may result in increased noise and traffic, subject, in each instance, to the provisions of the By-Laws. Notwithstanding the foregoing, the current use of one of the tenants in the Commercial Unit does not conform to the specific use of the existing Certificate of Occupancy. Sponsor does not anticipate that such use will require a new Certificate of Occupancy; however, if a new Certificate of Occupancy is required for any reason, Sponsor shall file an amendment to the Plan disclosing such change, and shall comply with all then-applicable requirements of the Building Code, Laws or Regulations. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Commercial Unit will not be objectionable to Residential Unit Owners or other parties. The uses of the Commercial Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control. Sponsor and any Commercial Unit Owner shall not be required to offer a right of first refusal or seek or obtain approval (as the case may be) from the Board for any transfer, lease of, or alterations, repairs or improvement to its Unit (provided that such alterations, repairs or improvements comply with applicable laws).

C. The Commercial Unit may be subdivided by the Commercial Unit Owner into two or more separate Condominium Units without prior notice and without amendment to the Plan. Additionally, Commercial Units resulting from such subdivision will collectively retain the same rights afforded the Commercial Unit Owner as set forth herein.

D. The Commercial Unit or any additional Condominium Units resulting from such subdivision of the Commercial Unit may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a No-Action letter issued by the Department of Law.

E. The Commercial Unit Owner shall have the right and easement (i) for ingress and egress through all Common Elements for the purpose of accessing any portion of such Commercial Unit or any portions of the Building servicing such Commercial Unit; (ii) to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Commercial Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; and (iii) to erect, maintain, replace and/or repair any sign and/or lighting of such size and content as the Commercial Unit Owner shall determine, in the storefronts and windows of such Commercial Unit for the purposes of advertising the sale or lease of all or any portion of such Commercial Unit and/or operation of any business of a tenant or occupant of such Commercial Unit (subject to LPC approval if necessary). The Commercial Unit Owner shall be entitled to utilize such rights and easements for its own account or the account of its Permitted Users.

F. The Commercial Unit Owner (subject to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit) shall have the right, but not the obligation, at such Commercial Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior facade of the Building appurtenant to such Commercial Unit (including storefronts and windows of such Commercial Unit) and to create additional means of egress and ingress to such Commercial Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and the terms of the Declaration and By-Laws.

G. The Commercial Unit Owner and its Permitted Users shall have an easement to use the sidewalks adjacent to such Commercial Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks adjacent thereto provided the entrances to the Building are not impeded by such use. In the event the Commercial Unit Owner utilizes such sidewalks, the cost of maintenance and repair of such sidewalk during the period of such use or resulting from such usage shall be borne by such Commercial Unit Owner;

H. See the Section of the Plan entitled "Commercial Unit" for details.

23. Special Allocations of Certain Common Expenses. Each Unit Owner must pay Common Charges to cover the costs of operation and maintenance of the Condominium in accordance with N.Y. Real Prop. Law §§ 339(i)(1)(iv) and 339(m). The costs of operation and maintenance of the Condominium, including both those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole (such as expenses for insurance, repairs and maintenance of the General Common Elements and various service contracts), will, except as otherwise set forth herein or in the Condominium Documents, generally be borne by the Unit Owners in proportion to their respective Common Interests. Notwithstanding the foregoing, the share of Common Expenses borne by the Commercial Unit Owner will be based upon anticipated usage and limited to a share of only certain components of the Common Expenses, as shown on Schedules B, and B-1. As more fully set forth in the "Notes to Schedule B" the Commercial Unit Owner will therefore pay only allocated percentages of such components of the Common Expenses, which percentages may be less (or more) than their Common Interest. The allocated percentages represent a projection of the proportionate usage of the services and facilities in question by the Commercial Unit Owner and (other than those which relate to utility

consumption, which shall be fairly adjusted based upon such consumption) shall remain fixed from and after the First Year of Condominium Operation. Such allocated share of expenses will result in the Residential Unit Owners having to pay either higher (if fewer services are being provided to the Commercial Unit Owner) or lower (if greater services are being provided to the Commercial Unit) shared expenses of the Condominium. Except as may otherwise be required by Law, the Board cannot change the method of allocation of Common Expenses as set forth in Schedule B in effect as of the First Closing, without the consent of the Commercial Unit Owner. The requirements for amending Article 6 of the Condominium By-Laws do not differ from those otherwise provided in the Condominium By-Laws. Please refer to Schedule B, B-1, and Section 6.1 of the By-Laws for further information.

24. Apportionments with the Condominium. At the First Closing, certain apportionments will be made between Sponsor and the Condominium. If the result of the Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be deferred and paid to Sponsor by the Condominium in one installment on the first anniversary of the First Closing, without interest, pursuant to an unsecured, negotiable, promissory note to be executed by the Board and delivered to Sponsor at the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

25. Commercial Unit Alterations. The Commercial Unit Owner and its Permitted Users, shall have the right, without the approval of the Board, Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to make alterations, additions, improvements, or repairs in or to the interior portions of the Commercial Unit, whether structural or non-structural, ordinary or extraordinary, and to subdivide and/or combine such Commercial Unit, provided that such alterations, additions, improvements or repairs are in compliance with Law and the terms of the Declaration and By-Laws. (See the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.)

26. Interim License Agreements.

A. If Sponsor agrees to grant an interim license to the Purchaser of such Unit, the Interim License Agreement will provide for a use and occupancy fee and such other terms and conditions as may be agreed upon by licensor (*i.e.,* Sponsor) and the licensee (*i.e.,* Purchaser). Among other conditions, such Interim License Agreement will provide that an uncured default by the Purchaser under the Purchase Agreement (that is, a default not cured within 20 days after the sending of written notice thereof) will constitute a default under the Interim License Agreement entitling the licensor *(i.e.,* Sponsor), at its sole option, to immediately terminate such Interim License Agreement, whereupon the licensee (*i.e.,* Purchaser) must vacate the Unit within 10 days thereafter. The Purchase Agreement will contain a similar provision entitling Sponsor to terminate the Purchase Agreement and retain the Deposit (and any interest thereon) as liquidated damages, and not as a penalty, in the event the Purchaser fails to cure a default under such Purchaser's Interim License Agreement, 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. A Purchaser rescinding a Purchase Agreement or in default under the Purchase Agreement or Interim License Agreement will have a period of 20 days to vacate the Unit. To facilitate the

timely surrender of the Unit in accordance with the foregoing, Sponsor may require, at its option, the Purchaser to execute and deliver a Termination and Surrender Agreement simultaneously with the execution of the Interim License Agreement terminating said Interim License Agreement as of the date that the term of the Interim License Agreement either expires or terminates. The Termination and Surrender Agreement shall be substantially the same as the form attached as an Exhibit to the Form of Interim License Agreement included in Part II hereof.

B. Notwithstanding any of the foregoing, Sponsor will be under no obligation to enter into any Interim License Agreement and no portion of the rent paid under an Interim License Agreement will be credited towards the Purchase Price of a Residential Unit unless the Interim License Agreement expressly provides otherwise.

C. Interim License Agreements 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. Further, in the event Purchaser takes occupancy prior to Consummation of the Plan, the requirements of N.Y. General Business Law § 352-eeee are inapplicable.

D. Purchasers entering into an Interim License Agreement for an Unsold Residential Unit will be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim License Agreement. Such legal fees are estimated to be approximately $1,750.00 assuming that the Purchaser's counsel does not negotiate the terms of the lease. In connection with the Closing of a Residential Unit subject to an Interim License Agreement, all other charges or other fees due under an Interim License Agreement shall be adjusted as of midnight of the day preceding the Closing Date to the Residential Unit. The payment of legal fees by Purchaser to Sponsor's counsel does not create any attorney-client relationship between Purchaser and Sponsor's counsel. (See the Sections entitled "Closing Costs and Adjustments" and "Interim Licenses" in Part I of the Plan for further details).

27. Off-Site Porter for Maintenance of the Condominium. The Administrative Code of the City of New York, § 27-2052, *et. seq.* requires an on-site superintendent for buildings with 9 or more units. Because the Building has fewer than 9 units, there will be no on-site superintendent for the Condominium. If the Board decides to hire a superintendent in the future, such service will be an additional expense for the Condominium and may cause an increase in common charges. The budget for the First Year of Operation contemplates a part-time, off-site porter.

28. No Bond by Sponsor. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, Special Assessments and real estate taxes with respect to the Unsold Units or to complete conversion of the Condominium. Except as set forth above or as required by Law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. Sponsor will use best efforts to continue to perform its obligations. If the Sponsor cannot perform its obligations due to Sponsor's inability, Unit Owners will have to increase Common Charges, pay Special Assessments, or exercise legal remedies. (See the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.)

29. Waiver of Common Charges. Sponsor reserves the right, in its sole and absolute discretion, to waive the collection of Common Charges from Unit Owners during the Waiver Period, provided, however, that Sponsor shall be solely responsible for payment of Waiver Period Expenses (defined below) during the Waiver Period. The Waiver Period shall be disclosed to Purchasers in Sponsor's closing notice and shall commence as of the date of the First Closing. Sponsor may, in its sole and absolute discretion, upon 30 days' prior written notice to Unit Owners, terminate the Waiver Period. Purchasers should note that the Schedule B will not be in effect until the expiration of the Waiver Period. Expenses paid by Sponsor during the Waiver Period (the "Waiver Period Expenses") are not based on estimates set forth in Schedule B and will include, without limitation: (i) the actual costs and expenses of operating the Building with all services and amenities (as more particularly described in the "Description of Property" section of the Plan), (ii) insurance premiums with respect to any insurance coverage for the Condominium required to be maintained by the Board for the months in which the Waiver Period is in force and effect, and (iii) reserve fund payments required by Sponsor's lenders, if any. Notwithstanding anything to the contrary set forth above, the Waiver Period Expenses shall not include real estate taxes, regardless of whether the Unit was separately assessed, or other expenses for which Unit Owners are typically directly responsible and which are not included in the calculation of Common Charges. Unit Owners will be responsible for the payment of real estate taxes for their Unit and other individual expenses after Closing. During the Waiver Period, Sponsor shall maintain appropriate records of all expenditures and receipts in accordance with the provisions of the By-Laws. Upon commencement of the collection of Common Charges, there will not be an assessment for any item set forth in Schedule B. (See the subsection entitled "Common Charges: Determination and Assessment," under the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers," under the subsection entitled "Offering of Residential Units for Sale" under the Section entitled "Introduction," and the Section entitled "Procedure to Purchase," in Part I of the Plan for further details.)

30. Business Improvement District. Sponsor reserves the right to engage in negotiations with neighboring property owners to create a BID to perform similar functions as those typically provided by public BIDs in New York City and enter into (or cause the Condominium to enter into) a BID Agreement. In the event such BID Agreement is entered into, the entities executing such BID Agreement (including, without limitation, the Condominium) would be responsible for the costs of such services agreed to, and accordingly, Unit Owners would be responsible for their pro rata shares of the Condominium's costs associated therewith, as such costs are estimated and more particularly set forth in Schedule B. The costs of such BID Agreement would be payable as a General Common Expense.

31. Real Estate Taxes.

A. The tax figures set forth on Schedule A are estimates only and actual real estate taxes for the First Year of Condominium Operation may be higher or lower than such estimates. The real estate tax estimates for each Residential Unit were calculated on the assumption that the assessed value for the residential and professional components of the Building for the First Year of Condominium Operation will be allocated to the Unit Owners in proportion to each Unit's Common Interest. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate assessed values among the Units in proportion to each Unit's purchase price or imputed market value rather than its Common

Interest, and, if so, some Units may pay higher real estate taxes than other Units having the same or similar Common Interest. Currently, the Property is assessed and taxed as a single tax lot. No representation is made as to the first assessment roll or tax bill for which the Units will be separately assessed or taxed. Upon separate assessment of the Units by the New York City tax authorities the taxes for each individual Unit will be determined separately and may no longer remain proportional to the Unit's Common Interest. 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 a 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 for Units other than its respective Unit(s). SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. SPONSOR MAKES NO REPRESENTATIONS REGARDING THE METHODOLOGY WHICH THE TAXING AUTHORITIES WILL USE IN FUTURE TAX YEARS. PURCHASERS ARE FURTHER ADVISED THAT ESTIMATED TAXES FOR THE PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION ARE BASED UPON CURRENT ESTIMATES OF THE STATUS OF THE CONSTRUCTION OF THE BUILDING AS OF REAL ESTATE TAX VALUATION DATES RELEVANT TO SUCH FIRST YEAR OF CONDOMINIUM OPERATION. ESTIMATED TAXES FOR THE SECOND YEAR OF CONDOMINIUM OPERATION MAY BE SIGNIFICANTLY HIGHER THAN FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. (Please see "Notes to Schedule A", the Section of the Plan entitled "Real Estate Taxes" and a copy of the opinion of Podell, Schwartz, Schechter & Banfield, LLP set forth in Part I of the Plan for further details.)

B. The Condominium will likely not qualify as a homeowners' association under Section 528 of the Internal Revenue Code. Assuming the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election to be a homeowners association, the present state of the Law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion prepared by Nixon Peabody LLP and set forth in Part I of the Plan, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the non-membership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax (depending on whether the Condominium is properly classified as a corporation or a partnership for Federal income tax purposes). Schedule B in Part I of the Plan does not contemplate any substantial income which might be taxable and accordingly does not specifically budget any amounts for taxes for non-membership or membership income. There are several steps available to the Board to minimize taxable income, including but not limited to earmarking any sums actually realized by the Condominium in excess of operating expenses in the First Year of Condominium Operation to be segregated and maintained in the Capital Repair and Replacement Reserve; paying deductible expenses before year-end, and adjusting year-end bills for common charges. Alternatively, if the Condominium is treated as a separate taxable entity, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification. (See the Attorney's Income Tax Opinion and the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of Condominium" in Part I of the Plan for further details.)

C. Individual Residential Unit Owners may qualify for a partial abatement of real estate taxes pursuant to the Condominium Abatement Program. The abatement is not available to Sponsor, to any party owning more than three Units in the Condominium or to a Commercial Unit Owner. Only Residential Units owned by individuals would be eligible to receive the abatement, if otherwise qualified; Residential Units owned by trusts, limited liability companies or corporations will not receive benefits. Further, the abatement will be restricted to Unit Owners who use at least one Unit in the Building as their primary residence. The Condominium Abatement Program is in place through the 2018/2019 tax year, which ends June 30, 2019. Purchasers are advised that insofar as the Condominium Abatement Program expires prior to the First Year of Condominium Operation, there is no guarantee that the Condominium Abatement Program will be renewed beyond that date and, if renewed, that its requirements and benefits will be consistent with those of the current program. (See section of the Plan entitled "Real Estate Taxes" in Part I of the Plan.)

32. Utilities.

A. It is anticipated that electricity for the Building will be provided by Consolidated Edison Company of New York or such other utility company providing electricity to the Building. The electricity consumed by each Unit will be separately metered and paid for by the individual Unit Owners. All electricity supplied to the General Common Elements of the Building will be separately metered or sub-metered and accounted as part of the Common Charges payable by all Unit Owners. Please refer to Schedule B – "Projected Budget for First Year of Condominium Operation," Schedule B-1 – Projected Energy Costs" in Part I of the Plan and the "Description of Property" in Part II of the Plan for further details.)

B. Purchasers are advised that utility costs may increase dramatically during certain periods and there is no guaranty that the utility costs will be as estimated in the Plan. (See Schedule B and Schedule B-1 in Part I of the Plan, and the "Description of Property" in Part II of the Plan for further details.)

33. Required Maintenance of Units. The By-Laws provide that each Unit and all portions of the Common Elements will be kept in a condition consistent for a Class "A" multiple dwelling (and with respect to any Roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water to the extent that failure to do so would cause damage to the Building) by the Unit Owner or Board, whichever is responsible for the Maintenance thereof. In the event a Unit Owner fails to keep their Unit or a Limited Common Element appurtenant thereto in such condition, the Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such failure. (See the subsection entitled "Rights of Access.") Each Unit Owner will be obligated to heat and cool their Unit so as to maintain the appropriate temperature and humidity in the Unit in order to avoid causing damage to the Common Elements or the Units, including, without limitation, freezing pipes.

34. Carbon Monoxide Detector. New York City Local Law 7 of 2004 requires the installation of carbon monoxide detectors by owners of multiple dwellings, including owners of units in residential condominiums. Sponsor intends to provide carbon monoxide detectors in each Residential Unit in accordance with New York City Local Law 7 of 2004. Each Residential Unit Owner will be responsible to keep and maintain the carbon monoxide detectors in good repair and

to replace any carbon monoxide detectors which has been stolen, removed, found missing or rendered inoperable. Sponsor makes no representations whether Residential Unit Owners will comply with the foregoing obligations. (See the subsection entitled "Sponsor's Obligations with Respect to the Building" under the Section entitled "Rights and Obligations of Sponsor" and the Section entitled "Sponsor's Statement of Building Condition" in Part I of the Plan for further details.)

35. Mechanical Equipment. Mechanical equipment necessary for the Maintenance and operation of the Building and the Units will be located on certain floors and on the Roof as more particularly set forth in the "Description of Property" in Part II of the Plan. The Board, with respect to the Common Elements, and the Unit Owners, with respect to any Limited Common Elements appurtenant thereto or any mechanical equipment placed on any Roof by such Unit Owner, will be responsible for ensuring that the mechanical equipment located in the Building and on the Roof is operated in accordance with Law. Sponsor makes no representation as to whether any mechanical or other equipment located on any Roof or set back now or in the future would adversely impact the views from any Unit nor can it make any guarantees regarding the level of noise or vibrations or odors resulting from the operation of any such equipment.

36. Reserved Spaces. Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use certain Common Elements deemed "Reserved Spaces" (see the section entitled "Definitions" of Part I of the Plan) for any lawful purposes including, but not limited to, advertising, storage or the operation, Maintenance and Alteration of the Reserved Space Installations and for maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the operation, Maintenance or Alteration thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the use of the Units for their permitted purposes or block light or air to any Unit. The aforementioned easements may be used by Sponsor for its own account or the account of any designee, assignee, tenant, licensee or other transferee of Sponsor or any purpose permitted by Law, and shall remain in effect after the Initial Control Period and after Sponsor no longer owns any Units in the Building. Additionally, Sponsor has and shall retain the right to collect a fee for any such sublicenses or other usage fees in connection with the use of the Reserved Spaces and the Condominium shall not be entitled to any portion of such fees, compensation or other profits received by Sponsor. Any Reserved Space Installations placed upon or in the Reserved Spaces, including, without limitation, the Roof or Facade or elsewhere on the Common Elements by Sponsor or its designee, assignee, tenant, licensee or other transferee shall be the exclusive property of Sponsor, its designee, assignee, tenant, licensee or other transferee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Purchasers should note that the aforementioned easements, which will be recorded against the Condominium in the Declaration, will not revert to the Condominium in the future and shall remain in perpetuity for the sole use and benefit of Sponsor for its own account or the account of any designee, assignee, tenant, licensee or other transferee of Sponsor or any purpose permitted by Law. Purchasers should be advised that in the event Sponsor utilizes its rights described above regarding the Reserved Spaces, Sponsor will continue to benefit from use of the Reserved Spaces even after Sponsor no longer owns any Units, and the Unit Owners will not have the right to use, license, lease or collect profits from such Reserved Spaces, which would have been otherwise available to Unit Owners, if not for Sponsor's use of such Reserved Spaces.

37. Window Guards. It is the responsibility of each Residential Unit Owner to notify the Managing Agent in writing when a child or children under the age of 11 years lives or resides (even temporarily) in the Residential Unit. It is the responsibility of each Residential Unit Owner to install, at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law. Sponsor makes no representations whether Residential Unit Owners will comply with the foregoing obligations. (See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers," in Part I of the Plan for further details.)

38. Lead Paint.

A. Buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially in young children. For the conversion of existing buildings where lead paint is presumed to be present. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004. Purchasers are advised that Unit Owners shall be deemed "owners" of their respective Units and shall have the obligation to comply with all applicable laws, rules and regulations related to lead paint, including the requirements of Local Law 1 of 2004, as amended, if and to the extent the validity of such law is upheld by the courts. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained therein. Purchasers of a Unit for their own occupancy, particularly those with young children, are additionally advised to consult with a professional to determine the existence of, and any appropriate remediation for lead paint. Purchasers should visit the following website to obtain additional information: https://www1.nyc.gov/assets/doh/downloads/pdf/lead/lead-annual-notice.pdf

B. Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor will comply with applicable Law concerning the use of lead-based paint and/or lead-based paint hazards. Set forth as an Exhibit in Part II of the Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. Sponsor has received no specific reports regarding lead-based paint in the Building other than those set forth in Part II of the Plan. While Sponsor, to the best of its knowledge, is not aware of any existence of lead-based paint in the Building currently or at any time in the past, given the age of the Building and the widespread use of lead-based paint in preceding decades, it can be assumed that there is lead-based paint present in the Building. In addition, there are numerous layers of paint on the walls of the original building. Sponsor does not make any representation as to the existence or non-existence of lead-based paint within the walls. Purchasers are advised that, in the event they remove sheetrock at any time in the future, they may be responsible for removing and abating lead-based paint in accordance with applicable Law at their sole cost and expense. (See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers," in Part I of the Plan for further details.)

39. Insurance.

A. Purchasers should note that the insurance coverage maintained on behalf of the Condominium does not cover the individual Units or any Unit or any property contained in a Unit (including without limitation, windows facing into each Unit which comprise part of the Unit). Pursuant to the By-Laws, each Unit Owner will, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any Limited Common Element appurtenant thereto or any part thereof, with minimum combined single limits of liability of $1,000,000.00 for bodily injury or death arising out of any one occurrence including $1,000,000.00 for damage to property plus at least $2,000,000.00 umbrella liability coverage and (b) tenant's "all-risk" 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 and loss due to water damage as well as personal property). The limits of liability and other requirements with respect to the Unit Owner's insurance may be modified by the Board from time to time. (See Notes to Schedule B set forth in Part I of this Plan for further details.)

40. Landmark.

A. The Building is located within the boundaries of the "Bedford Stuyvesant/Expanded Stuyvesant Heights Historic District." The New York City Landmarks Law (the "Landmarks Law") protects and regulates designated landmarks and improvements in historic districts. Pursuant to the Landmarks Law, if the Board desires to make any alteration, addition, improvement or repair in or to any portion of the Building (other than ordinary repair and maintenance as defined in Section 302 of the Landmarks Law) which affects any exterior architectural feature of the Building or for interior work that requires a building permit, then, in addition to obtaining any necessary consent from the Board (in the case of a Residential Unit Owner), such party, if required, must first also obtain approval from the Landmarks Preservation Commission of the City of New York ("LPC"). Exterior work that conforms with LPC 's promulgated rules and interior work that does not affect the exterior of the Buildings usually qualifies for a permit known as a Certificate of No Effect on Protected Architectural Features or "CNE" or a Permit for Minor Work or "PMW". CNE's and PMW's are routinely issued by LPC staff and LPC staff review of the interior work is limited to ascertaining that the proposed work will not affect a building's exterior architectural features and that the exterior work conforms to LPC's rules promulgated for such work. If any exterior work does not qualify for a PMW or a CNE, the work will require a Certificate of Appropriateness which must be granted by a vote of LPC commissioners after a public hearing. (See the Section entitled "Location and Area Information" in Part I of the Plan.)

B. Without limiting Sponsor's rights to expand the scope of the proposed Minor Building Improvements as set forth in this Plan, Sponsor may, in its sole discretion, elect in the future to replace the existing front entrance door to the Building as part of the scope of the Minor Building Improvements. Prior to any replacement of the existing front entrance door, Sponsor shall obtain approval from the LPC and shall comply with all applicable laws, rules and regulations governing the door replacement. Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of a Unit or otherwise be relieved from any obligation under any

Purchase Agreement in connection with the front door replacement, including without limitation: (i) in the event of non-completion of the front door replacement; (ii) compensation for the presence of scaffolding on any portion of the Building or any interruption of services in the Building, or (iii) the fact that the front door replacement may not have been completed prior to a scheduled Closing. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan.)

41. No Excess Development Rights. Sponsor does not anticipate that any Excess Development Rights are available and associated with the Building. However, if the 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 the amount of transferable Excess Development Rights that could result from such changes. Neither the Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have 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 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 details.)

42. No Private Right of Action. Consistent with First and Second Department decisions, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their 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 125 North 10th Condominium v. 125North10*, 150 A.D.3d 1065 (2d Dept. 2017); See also *Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al., 2013 N.Y. Slip Op. 03574 (1st Dept. May 16, 2013)*. Please see the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan.

43. No Third-Party Claims. No party other than the respective Purchasers 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. (See the Section entitled "General," in Part I of the Plan for further details.)

44. Wood Floors.

A. All references in the Plan to wood products shall be deemed references to engineered wood products unless otherwise specified, and are all based upon manufacturers' recommendation and those of the National Wood Flooring Association. However, Purchasers are advised that the existence of wood in the Building, which was used as finishes, whether natural or engineered, have certain inherent risks associated with such use. Risks associated with certain wood products (including, without limitation, wood flooring, furniture, cabinetry and molding) include but are not limited to the following: appearance of cracks between the floor boards, squeaks, variation in color, differences in material and/or color between the interior and

exterior of cabinetry, variation in wood grain, texture, occurrence of knots and cupping. It is the Unit Owner's responsibility to maintain the humidity level in its Unit. Lack of or excessive humidity can cause wood floors to crack, squeak, expand or shrink causing gaps, as well as cause cupping, which in turn may cause damage to any such wood product. Such expansion, contraction and cupping are more noticeable in dry seasons or periods, prolonged periods of high heat and/or humidity or extended periods of heat use. Cracks, occurrence of knots and grain variation are more noticeable in light colored wood flooring. Furthermore, wood flooring is affected by sunlight and often fades and changes with use and age. Some woods darken and some lighten when exposed to light. Wood flooring can also dent. Protective felt pads and protective sheeting such as plywood or Masonite should always be used for furniture or appliances. As recommended by the National Wood Flooring Association, Unit Owners are advised to be very cautious about washing wood products with a wet mop or otherwise with water, since contact with standing water can cause cupping, swelling, and subsequent gapping. Furthermore, since this is an as-is offering, with the exception of the Minor Building Improvements, all existing wood is offered in their as-is condition. For more information about the effect of water on wood flooring, Purchasers should make reference to the National Wood Flooring Association, available at http://www.nwfa.org/. All wood products should be maintained in accordance with manufacturer's recommendations. (See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" set forth in Part I of the Plan.)

45. Equipment Noise. The Building may contain certain major mechanical equipment, including, but not limited to, fans, pumps, and chillers (collectively, "Equipment") located on roof bulkhead or within the Building. While Sponsor will endeavor to reduce any excessive noise and vibration emanating from the Equipment, it may be impossible to eliminate such noise and vibration entirely and, as a result, Residential Units and common areas in close proximity may be affected. In no event, however, shall any noise emanating from the Equipment be in violation of Law, including applicable NYC noise ordinances. (See the Section of the Plan entitled Rights and Obligations of Sponsor.")

46. FinCEN Geographic Targeting Order.

A. Purchasers are advised that on January 13, 2016, the U.S. Financial Crimes Enforcement Network ("FinCEN") issued a Geographic Target Order (as later supplemented on July 22, 2016, February 21, 2017, August 22, 2017, November 15, 2018, and May 14, 2019; as the same may be further revised, the "Order"), requiring title insurance companies to collect and report certain information about persons involved in certain real estate transactions, including, but not limited to, residential "all cash" transactions, *i.e.,* non-financed residential real estate purchases.

B. Pursuant to the publicly available revised Order dated November 15, 2018, FinCEN has directed certain Title Companies to require disclosure of the identities of the beneficial owner(s) or holder(s) of 25% or more of the direct or indirect equity interest in a legal entity that is buying residential real estate such as a condominium unit or cooperative shares in the Boroughs of Brooklyn, Bronx, Manhattan, Queens, and Staten Island where: (a) Purchaser is a legal entity, which is defined in the Order as U.S. or foreign corporations, limited liability companies, partnerships, or other similar business entities; (b) the total purchase price, as

determined by FinCEN, is in excess of $300,000.00 for residential real property located in the Boroughs of Brooklyn, Bronx, Manhattan, Queens, and Staten Island; (c) such purchase is made without a bank loan or other similar form of external financing; and (d) such purchase is made, at least in part, using currency, a cashier's check, a certified check, a traveler's check, or money order in any form, or a funds transfer, *i.e.,* a wire transfer, or virtual currency, e.g., Bitcoin. The Order expires on May 15, 2019 but is subject to further extension by FinCEN.

C. Purchasers are encouraged to consult with their attorneys and with their title insurance company to fully understand the reporting requirements of the Order. To the extent any of the FinCEN requirements are applicable to Purchaser's transaction, Purchasers should make arrangements to provide the title company with any necessary information in advance of closing so as to permit the title company to insure title and comply with the title company's closing and reporting requirements pursuant to 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 confidential Order; and Purchaser will be fully liable for any additional costs or delays to Closing relating thereto.

47. Offering Plan is Entire Offer to the Public. The Plan discloses Sponsor's entire offer made to the public. Purchasers are advised not to rely 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 other authorized agents thereof, including, but not limited to, representations as 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, the estimated Common Charges allocable to the Unit, the estimated real estate taxes of the Unit, the ability to rent the Unit and/or the rental income therefor, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, any views from or of the Building, or any other data or information, unless such representations are included in the Plan. In the event Sponsor and Purchaser agree to terms that are outside the representations made in the Plan, Purchaser is advised to include such terms in an individually negotiated rider to the Purchase Agreement between Purchaser and Sponsor. Notwithstanding the fact that the Plan and the Purchase Agreement prohibit Purchaser from relying upon any unwritten terms agreed to outside of the Plan and Purchase Agreement, nothing herein shall be construed as a disclaimer of or release from any liability on the part of Sponsor and its Principals under the Martin Act and governing regulations.

49. Managing Agent. The Management Fee is listed at $0.00 for the Projected First Year of Condominium Operation because Sponsor anticipates that the Condominium will be self-managed. In order to ensure for proper Building operations until such time and in order to enumerate the management activities to be performed, Sponsor shall enter into a written agreement with the Board to manage the Condominium without charging a management fee. Pursuant to the Management Agreement, Sponsor shall act as the Managing Agent until such time as 2 Residential Units have been sold to Purchasers. At any time after the closing of the second Residential Unit, both Sponsor and the Board shall each have the right (with or without cause) to terminate the Management Agreement by giving not less than thirty (30) days' written notice to the other party, in which event the Management Agreement and Sponsor's obligations with respect thereto shall terminate on the date fixed in said termination notice. If neither Sponsor nor the Board so elects to

terminate the Management Agreement, then Sponsor shall continue as Managing Agent pursuant to the terms and conditions of the Management Agreement and shall be entitled from and after the closing of the second Residential Unit to receive an annual fee of $6,000 in accordance with the Management Agreement and such other fees, reimbursements and amounts as are provided for in the Management Agreement. The Managing Agent's management fee for each twelve (12) month period following the initial closing of the second Residential Unit in the Condominium shall increase to 120% of such fee for the immediately preceding 12-month period. In no event shall any increase in management fees, reimbursements or other amounts (whether payable to Sponsor as provided under the Management Agreement, or to any other managing agent retained by the Condominium in the event the Management Agreement is terminated) entitle Purchasers to a right of rescission or otherwise relieve Purchasers of any of their liabilities or obligations. (See the Section of the Plan entitled "Management Agreement" in Part I of the Plan for further details.)

50. There is no bond or guarantee for the roof.

51. No further investigation will be made as to roof insulation, exterior wall insulation or piping insulation. Therefore, any lack of insulation on exterior walls or roof may result in increased heating and cooling costs, moisture problems, mold, etc. Any lack of insulation on hot or cold water piping may increase the cost of providing heat and hot water to the subject premises. With regards to cold water piping creates a greater risk of freezing and breakage during extremely cold weather.

52. Lot Line Windows:

A) The residential condominium units 3, 4 and 5 are provided with windows in the west exterior wall. These windows are lot line windows, but do not contribute towards the light and air requirements for the spaces in which they are located. Further, these windows are double hung windows with double insulated glass within aluminum frames and are in good condition. All windows were installed prior to current ownership and manufacturer, warranty and thermal break are unknown.

B) These window openings have been in the wall for decades and most likely installed at the time of building erection as evidenced on plans dated March 22, 1940, which predated current requirements.

C) If for any reason these windows need to be infilled in the future, the openings are required to be infilled with masonry providing a minimum 3-hour fire rating at an approximate cost of $585.00 per window for the large windows and $160.00 per window for the small windows.

D) Sponsor has obtained a zoning study, which states that, under present law and codes, no structure can be built to the west which would legally require the infilling of any window in Units 3, 4 and 5 on the west exterior wall. No representation can now be made that requirements concerning lot line windows may not change in future, so as to be more onerous than at present. If future development to the west requires, during a period commencing at First Closing and ending at the sixth (6th) anniversary of First Closing, Sponsor will comply with such

requirements at Sponsor's sole cost and expense, provided the Unit Owner and any occupant reasonably cooperates with Sponsor. The Sponsor's undertaking aforesaid runs only to the first purchaser of a Unit and is not assignable or transferable. See "Residential Units" and "Rights and Obligations of Sponsor."

53. The foregoing Special Risks are reasonably believed by Sponsor to involve significant risks to purchasers or be reasonably likely to affect disproportionately or unusually the Common Charges or obligations of Residential Unit Owners in future years of Condominium operation. However, the foregoing does not reflect all of the material terms of the offering, which are set forth in detail in the Plan, certain of which may all be deemed by some Purchasers and not others to involve significant risks. Therefore, all Purchasers should carefully review the entire Plan for complete disclosure of the terms before deciding whether or not to purchase a Unit. Purchasers are also reminded that the disclosures set forth in the Plan are provided by Sponsor, as required by the Martin Act and governing regulations.

INTRODUCTION

A. 320 Macon GP LLC hereby presents this Plan for the conversion to condominium ownership of the Land together with the Building containing 4 Residential Units and 1 Commercial Unit. The Land and the Building are collectively referred to herein as the "Property." The Condominium will be known as "320 Macon Condominium".

B. The purpose of the Plan is to set forth in detail all material facts relating to the offering of the Residential Units. The Plan may be amended from time to time when an amendment is filed with the Department of Law. An amendment will be served on all offerees as defined in 13 NYCRR §20.1(d). The Commercial Unit is not being offered for sale under this Plan. Sponsor reserves the right to combine, subdivide and/or recombine the Unsold Units without prior amendment to the Plan provided that, to the extent not previously disclosed, Sponsor will amend the Plan when necessary to disclose and update: (i) the percentages of Common Interest, (ii) the approximate number of units that will be built, and (iii) the timetable for completing the Units. However, (i) 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 (ii) 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.

C. Sponsor shall retain ownership of Excess Development Rights, if any, which may be utilized by Sponsor and merged into a zoning lot pursuant to the terms of a ZLDA or such other documentation as may then be required to convey the Excess Development Rights. Notwithstanding anything to the contrary contained herein, neither the Development Rights Owner nor its designee shall be permitted to utilize the Excess Development Rights, if any, in such a manner that would increase the height or expand the exterior dimensions of a Unit or the Building, once constructed. (See the Section entitled "Reservation of Air and Developmental Rights," in Part I of the Plan).

D. The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains 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 Sponsor's Condominium Budget Expert concerning the adequacy of the budget for the First Year of Condominium Operation and certain agreements to which the Condominium will be bound. In addition, Sponsor has filed exhibits to the Plan with the Department of Law, which are presented as Part A (Certifications), Part B (General), Part C (Engineering), and Part D (Other Information). The Plan, including all Schedules set forth herein and Parts A, B, C, and D of the exhibits, constitutes the entire offer of Sponsor and contains all of the material terms of the transaction. Copies of the Plan and the exhibits will be available for inspection by prospective Purchasers without charge at Sponsor's office and for inspection without charge and copying at reasonable fees at the offices of the Department of Law located at New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005. A copy of the Plan may be purchased from Sponsor upon payment of a $200.00 deposit, which amount is nonrefundable. Prices of Residential Units are not subject to approval by the Department of Law or any other government agency. All capitalized

terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Definitions," unless otherwise indicated.

E. All of these documents are important and should be carefully read by prospective purchasers. **PROSPECTIVE PURCHASERS ARE ALSO ADVISED TO CONSULT WITH THEIR OWN ATTORNEYS OR OTHER ADVISERS BEFORE AGREEING TO PURCHASE.**

The Condominium

F. On or about October 3, 2017, Sponsor acquired fee title to the Land and related structures thereon from 341 Hancock LLC. Sponsor acquired the Land and related structures vacant. There were then, and are now no residential leases, tenancies or occupancies. There were no claims of harassment of tenants, and no pending administrative or judicial proceedings in respect of any thereof. Sponsor is in the process of making certain Minor Building Improvements, as more particularly described in the Sections of the Plan entitled "Description of Property and Improvements" in Part I and "Description of Property" in Part II. The Condominium will consist of 4 Residential Units and 1 Commercial Unit. The Residential Units and the Commercial Unit are collectively referred to as the "Units."

F. As more particularly described herein, the Building will contain the Common Elements of the Condominium which consist of the General Common Elements and the Limited Common Elements. The General Common Elements include, but not are not limited to the Land all parts of the Building and improvements thereon other than the Units and the Limited Common Elements and include those rooms, areas, corridors, spaces and other parts of the Building and all Facilities therein for the common use of the 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 that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners, (b) one or more but not all of the Residential Units or the Residential Unit Owners or (c) the Commercial Unit or the Commercial Unit Owner.

G. The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is the Condominium Act. The Property will be submitted to the provisions of the Condominium Act by Sponsor's recording of the Declaration. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

H. A Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York, as may be amended from time to time (except as described below), and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use. A Residential Unit 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 governments) may only be occupied in compliance with Law by such individual, an officer, director, stockholder or employee of such

corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee of such other entity, respectively, or by members of the immediate family or guests of any of the foregoing. A Residential Unit may be used for any other purpose, provided such use is permitted by, and complies with Law, does not violate the existing Certificate of Occupancy, and the Board, in its sole discretion, grants permission for such use. Use and occupancy of the Residential Unit shall be subject to the Residential Rules and Regulations of the Condominium which may be amended from time to time.

I. The Condominium will include one Commercial Unit, which may be used for any purpose permitted by Law, subject however to the provisions of the By-Laws. Notwithstanding the foregoing, the current use of one of the tenants in the Commercial Unit does not conform to the specific use of the existing Certificate of Occupancy. Sponsor does not anticipate that such use will require a new Certificate of Occupancy; however, if a new Certificate of Occupancy is required for any reason, Sponsor shall file an amendment to the Plan disclosing such change, and shall comply with all then-applicable requirements of the Building Code, Laws or Regulations. After the Sponsor Control period the Board shall have the right to establish such other reasonable rules and regulations relating to the use of the Commercial Unit as it deems necessary to protect the Building and the health and safety of the occupants.

Features of Condominium Ownership

J. The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to such Unit Owner's Unit and is entitled to the exclusive possession thereof and the exclusive use of the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit subject to certain limitations more particularly described below. A Unit Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the General Common Elements. A Residential Unit Owner also owns, in common with the owners of all other Residential Units, an undivided interest in (and right to use) the Residential Common Elements.

K. Subject to certain conditions contained in the By-Laws, each Residential Unit Owner may mortgage such Residential Unit Owner's Residential Unit(s) with such lender and in such amount as the Residential Unit Owner chooses. However, Sponsor makes no representations about a Purchaser's ability to finance any Residential Unit. Each Residential Unit is separate and is not subject to the lien of any mortgage placed by other Residential Unit Owners on their respective Residential Units. There are no limitations or restrictions upon the rights of the Commercial Unit Owner to mortgage the Commercial Unit.

L. A Residential Unit Owner may decorate the interior of such Residential Unit Owner's Residential Unit in any way desired except as otherwise provided herein, subject to compliance with the By-Laws, the Rules and Regulations and Law (*e.g.*, all window treatments within a Unit, when viewed from the outside of the window must be a uniform color designated by the Board) and will be solely responsible for the cost of Maintenance to such Residential Unit Owner's Residential Unit after Closing. The Board may not limit or restrict the rights of the Commercial Unit Owner to decorate the Commercial Unit.

M. Each Unit will be taxed as a separate tax lot for real estate tax purposes, and after the Units have been separately assessed for taxes, no Unit Owner will be responsible for the payment of, nor will such Unit Owner's Unit be subjected to any lien arising from the non-payment of real estate taxes on other Units. Please refer to the opinion of Nixon Peabody LLP, a law firm retained by Sponsor, set forth in full in Part I of the Plan, for a discussion regarding the deductibility for Federal, New York State and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Residential Unit.

N. Neither Sponsor nor the Board have a right of first refusal or a right to approve or disapprove prospective purchasers. There is no limit on the number of purchasers who may purchase Units for investment rather than personal occupancy. Accordingly, there may always be a substantial percentage of owners who are non-residents. The Commercial Unit Owner may sell or lease all or any portion of the Commercial Unit without any restriction or limitation imposed pursuant to the Declaration or the By-Laws. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection entitled "Sales and Leases of Units" and the By-Laws in Part II of the Plan.

O. As more particularly set forth in the By-Laws, the Board will have the authority to manage the Condominium, and the Unit Owners will have the right to vote for the members of the Board. Except as otherwise expressly provided in the Declaration and By-Laws, matters affecting all of the Units and Common Elements will be decided by the Board, which shall consist of representatives of the Unit Owners. Sponsor will control the Board during the Initial Control Period and may control the same after the expiration of such period under certain circumstances. Please refer to the Sections of the Plan entitled "Control by Sponsor" and "Board of Managers" in Part I of the Plan for further details.

P. (i). Pursuant to the terms of this Plan, Sponsor has reserved the unconditional right, after Consummation of the Plan, to rent or lease any Unsold Unit, prior to closing the sale thereof to the Purchaser thereof or any other party, to cease marketing Units for sale at any time, in Sponsor's sole discretion, or to use or offer the Unsold Units for any lawful purpose, in accordance with the Zoning Resolution and all applicable Law. Sponsor also reserves the right to enter into a license agreement with a prospective Purchaser, and in the event Purchaser takes occupancy prior to Consummation of the Plan, the requirements of N.Y. General Business Law § 352-eeee are inapplicable. Except where otherwise prohibited by Law, certain Unsold Units may be occupied under short-term leases (having a term in excess of 30 days). Accordingly, residents of the Condominium may consist of both Unit Owners and tenants leasing from Sponsor or other Residential Unit Owners. It is therefore possible that a significant portion of Residential Unit Owners will not be residents of the Building and that a significant number of occupants in the Building may not be Residential Unit Owners. As a consequence of the foregoing, a Residential Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. In addition, residents of the Condominium who are not Residential Unit Owners may have different economic interest in their Residential Units and, therefore, may not share the same economic interests as Residential Unit Owners in the Maintenance of the Building's facilities. Owner-occupants and non-resident Residential Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (*i.e.,* purchase as a home as opposed to as an investment). Because 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 15%

necessary to declare the Plan effective, which in this instance is one (1) Unit, and owner-occupants may never gain effective control and management of the Condominium.

(ii). 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 apartments in a building or group of building 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 holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. 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 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

Q. As more particularly set forth in the By-Laws, the Board will have the authority to manage the Condominium, and the Unit Owners will have the right to vote for the members of the Board (subject to Sponsor's rights to designate Board members). As more particularly set forth in the By-Laws and in accordance with N.Y. Real Prop. Law §§ Sections 339(i)(1)(iv) and 339(m), each Unit Owner must pay Common Charges to cover the costs of operation and maintenance of the Condominium. The costs of operation and maintenance of the Condominium, including both those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole (such as expenses for insurance, repairs and maintenance of the General Common Elements and various service contracts), will, except as otherwise set forth herein or in the Condominium Documents, generally be borne by the Unit Owners in proportion to their respective Common Interests. Notwithstanding the foregoing, the share of Common Expenses borne by the Commercial Unit Owner will be based upon anticipated usage and limited to a share of only certain components of the Common Expenses, as shown on Schedules B, B-1, and B-2. As more fully set forth in the "Notes to Schedule B" the Commercial Unit Owner will therefore pay only allocated percentages of such components of the Common Expenses, which percentages may be less (or more) than their Common Interest. The allocated percentages represent a projection of the proportionate usage of the services and facilities in question by the Commercial Unit Owner and (other than those which relate to utility consumption, which shall be fairly adjusted based upon such consumption) shall remain fixed from and after the First Year of Condominium Operation. Such allocated share of expenses will result in the Residential Unit Owners having to pay either higher (if fewer services are being provided to the Commercial Unit Owner) or lower (if greater services are being provided to the Commercial Unit) shared expenses of the Condominium. Please refer to Schedule B, B-1, and Section 6.1 of the By-Laws for further information. Purchasers should note that the amounts budgeted for projected energy usage are based upon estimates made by Sponsor's consulting engineer. However, in view of the fluctuations in energy costs, it is not possible to predict whether the budgeted amount will be sufficient to pay for the actual costs incurred in the First Year of Condominium Operation and actual utility costs and Common Charges may be higher than projected in Schedule B.

R. After the Closing to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the Unit, including its fixtures, flooring, wall coverings, appliances, equipment and personal property and improvements and betterments situated within such Unit Owner's and constituting a part of such Unit, as well as liability insurance with respect

to occurrences in or about such Unit Owner's Unit. The By-Laws require that each Unit Owner maintain such insurance coverage although Sponsor cannot make any assurances that the Unit Owners will comply with this requirement. The Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. All Unit Owners must comply with the terms of the Declaration, By-Laws, Rules and Regulations, Alteration Agreement, and any other requirement of the Board as the case may be. See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" for a more complete discussion of the foregoing.

S. Except as otherwise provided in the By-Laws, there are no limitations on who may purchase Residential Units. Sponsor will not knowingly accept an offer of purchase from an individual younger than 18 years of age or an incompetent under Law. Any Purchaser of a Unit which is a Governmental Entity shall be required to deposit into escrow an amount equal to one year of Common Charges then in effect to secure their obligations under the Declaration for the payment of Common Charges and/or assessments and otherwise. Sponsor is not obligated to offer or sell any Residential Units and may, if it chooses, withhold one or more Residential Units for future sale. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of any of the Board, any Residential Unit Owner, or mortgagee, to refuse to approve and execute a Purchase Agreement for any Residential Unit; provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, sex, disability, religion, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Residential Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required Deposit thereunder (see the Section entitled "Procedure to Purchase" for more details).

T. If the Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor Sponsor is bound by sponsor's representations in the Plan regarding its commitment to sell units (and Sponsor has made no such commitment). The Sponsor has obtained financing. The loan documents do not require a specific minimum number of Purchase Agreements to be entered into prior to declaring the Plan effective. Specifically, the loan documents provide that a Unit shall be released from the Lender's mortgage upon payment to Lender of the greater of (a) one hundred percent (100%) of the net sales proceeds from the sale of the Unit; (b) ninety percent (90%) of the gross sales proceeds from the sale of the Unit; or (c) a price of six hundred fifty dollars ($650.00) per square foot. There are no limits or requirements imposed by the lender for sponsor to rent rather than sell under specified market conditions.

U. THE PURCHASE OF A CONDOMINIUM HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK STRONGLY URGE YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT TO PURCHASE A CONDOMINIUM.

Offering of Units for Sale

A. Only the Residential Units are being offered for sale pursuant to the terms of the Plan. All Units offered for sale under the Plan are vacant. The prices for each of the Units offered under the Plan are listed in Schedule A, "Offering Prices and Related Information for the First Year of Condominium Operation." **THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY.**

Working Capital Fund

B. At the initial Closing to a Residential Unit, each Purchaser shall be required to make a Working Capital Fund Contribution at the Closing to such Unit(s) to or in respect of the Working Capital Fund. The Working Capital Fund will be held in a separate account and used for working capital, or for any purposes permitted by Law and may be augmented by allocations from the monthly Common Charges collected from each Unit Owner or special assessments levied against the Units. Purchasers should note that Sponsor has the authority to utilize the Working Capital Fund in its sole and absolute discretion during the time that Sponsor controls the Board. 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. The Working Capital Fund may be used to reduce Common Charges for all owners (including during any Control Period). Purchasers are further advised that if Sponsor enters into leases for Unsold Units, the tenants thereunder will not be obligated to make the Working Capital Fund Contributions and accordingly, the Working Capital Fund may be insufficient for the payment of unanticipated expenses, if any. Additionally, a "bulk purchaser" of Units will not be obligated to make the Working Capital Fund Contribution.

DEFINITIONS

Definitions of certain of the terms 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:

"Appliances" shall have the meaning ascribed thereto in the section of the Plan entitled "Description of Property and Improvements", subsection "Residential Units."

"BID" refers to business improvement district, which is a partnership between property and business owners who elect to deliver supplemental services such as sanitation and maintenance, public safety and visitor services, marketing and promotional programs, capital improvements and beautification in a designated area.

"BID Agreement" refers to an agreement entered into between neighboring property owners and Sponsor to create a BID.

"Board" refers to the board of managers of the Condominium

"Budget Update Amendment" shall have the meaning ascribed thereto in Special Risk 10.

"Building" refers to the structure and improvements known as 320 Macon Condominium, 320 Macon Street, Brooklyn, New York 11216 in which the Units of the Condominium are located.

"Building Systems" refers to mechanical, electrical and plumbing systems as well as, life safety systems and similar systems servicing the Building.

"Business Day" means any day, other than a Saturday or Sunday, on which commercial banks in the State of New York are not required or authorized to be closed for business.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration and contained in Part II of the Plan, as same may be amended from time to time.

"Capital Repair and Replacement Reserve" means Schedule B's (First Year's Budget) line item for a Capital Repair and Replacement Reserve for the sole purpose of costs and expenses related to capital repairs, replacements and improvements

"Capital Repair and Replacement Reserve Contribution(s)" are payments into the Capital Repair and Replacement Reserve.

"Certificate of Occupancy" refers to a Certificate of Occupancy issued by the DOB that approves the legal use and/or occupancy of the Building or any of the Units or portion of the Building and/or Units thereof.

"City Register's Office" refers to the New York County office of the Register of the City of New York.

"Closing" refers to the time, place and procedure by which fee title to a Unit is conveyed from Sponsor to Purchaser by, among other things, the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the purchase price for such Unit pursuant to a fully executed Purchase Agreement.

"Closing Date" refers to the date on which a Closing on a Residential Unit occurs.

"Commercial Member" means the member of the Board designated by the owner of the Commercial Unit..

"Commercial Unit" refers to the Unit designated as a Commercial Unit in the Declaration. The Commercial Unit is not being offered for sale under this Plan.

"Common Charges" refers to amounts payable to the Board by the Unit Owners for purposes of meeting Common Expenses.

"Common Elements" refers to those portions of the Building other than the Units and Limited Common Elements.

"Common Expenses" refers to (i) all costs and expenses attributable to the Maintenance and operation of, and any Alteration to, the Common Elements, (ii) all such other items provided for in the Declaration or the By-Laws to be Common Expenses and (iii) such amounts as the members of the Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements.

"Common Interests" refers to the proportionate, undivided interest expressed as a numerical percentage appertaining to each Unit determined in accordance with the Declaration and set forth on Exhibit B to the Declaration."

"Condominium" refers to 320 Macon Condominium.

"Condominium Abatement Program" refers to N.Y. Real Prop. Tax Law § 467-a which provides a partial abatement of real estate taxes for residential condominium units.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time and presently found in the N.Y. Real Prop. Law, Article 9B.

"Condominium Documents" refers to the Declaration, By-Laws, Rules and Regulations, Tax Lot Drawings and all other related documentation.

"Consummation of the Plan" means the filing of the Declaration and conclusion of the First Closing following the Department of Law's acceptance of an amendment declaring the Plan effective.

"Control Period" means any period of Sponsor control of the Board (see Special Risk 20.)

"Controlling Party" refers to the individual controlling a Purchaser which is an entity.

"Custom Work" refers to work that Sponsor may agree to perform, in its sole discretion, including modification of Floor Plans and finishes of certain Residential Units or provide extras to the Residential Units if requested by individual Purchasers.

"Custom Work Costs" refers to the cost of the Custom Work to the extent materials have been ordered and/or the Custom Work has commenced or is completed in connection with the Unit in question.

"Custom Work Deposit" means with respect to Custom Work the amount due and payable by Purchaser to Sponsor upon the execution of the Purchase Agreement for the Unit and deposited in an escrow account with Escrow Agent in accordance with the Plan (see section of the Plan entitled "Procedure to Purchase."

"Declaration" refers to the instrument creating the Condominium to be recorded in the City Register's Office, together with all schedules and exhibits thereto, as the same may be amended from time to time, the form of which is set forth in Part II of the Plan.

"Department of Law" refers to the New York State Department of Law (a/k/a the Office of the Attorney General).

"Deposit" refers to the down payment in an amount equal to 10% of the Purchase Price required to be made by Purchaser under the Purchase Agreement. The Deposit shall also refer to any other funds that must be held in escrow pursuant to N.Y. Gen. Bus. Law §§ 352-e(2-b) and 352-h.

"DOB" refers to the New York City Department of Buildings.

"Emergency" refers to any situation where the party taking the action, in its reasonable judgment, concludes that a particular action (including, without limitation, the expenditure of funds) is immediately necessary (i) to avoid material damage to all or any material portion of the Building or Property, (ii) to protect any person from harm, or (iii) to avoid the unanticipated and/or unforeseeable suspension of any necessary service in or to the Building or the Property, the failure of which service would have a material and adverse effect on the Building, the Property, the Unit or Unit Owners.

"EPA" refers to the U.S. Environmental Protection Agency.

"Equal or Better Quality" shall mean an item of comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classification, as applicable.

"Escrow Account" refers to the master escrow account that Escrow Agent has established at Apple Bank for Savings entitled Eliezer Cohen, Esq. IOLA Account.

"Escrow Agent" refers to Eliezer Cohen, Esq., 70 East 55th Street, New York, New York 10022, or any other successor Escrow Agent designated by Sponsor at the time in question.

"Estoppel Letter" refers to a statement from the Board requested by any seller or purchaser of a Unit setting forth the amount of any unpaid Common Charges accrued against the Unit and that neither seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement.

"Excess Development Rights" refers to development rights available after the construction of the Building or as a result of any bonus floor area development rights that may be available for inclusion in a building constructed on a zoning lot as it may be enlarged in the future through the provision of an amenity or public benefit as provided in the Zoning Resolution.

"Extension Amendment" mans an amendment that provides for a later commencement of the First Year of Condominium Operation than initially disclosed (see Special Risk 10.)

"Façade" refers to the outer portion of the Building above grade, including but not limited to, the exterior of all doors, masonry, aluminum or other skin materials, walls, or parapets, whether or not visible from street level.

"Family Member(s)" shall mean the spouse, domestic partner, the children, stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

"FDIC" refers to the Federal Deposit Insurance Company.

"FFE" means furniture, furnishings, fixtures (including, without limitation, light fixtures), equipment, decorations, wall coverings, wallpaper, window treatments and carpeting or the like ("FFE") as used in Special Risk 15.

"FinCEN" the U.S. Financial Crimes Enforcement Network.

"First Annual Meeting" shall have the meaning ascribed thereto in Section 4.1 of the By-Laws set forth in Part II of the Plan.

"First Closing" refers to the first transfer of fee title to a Residential Unit to a Purchaser pursuant to the Plan.

"First Occupancy" refers to the first date after the First Closing that a Purchaser under the Plan closes title to and moves into a Residential Unit.

"First Year of Condominium Operation" refers to the period set forth on Schedule A, which period may be extended from time to time by Sponsor, pursuant to a duly filed Extension Amendment.

"Floor Plans" refers to the floor plans of the Units as same are set forth in Part II of the Plan.

"General Common Elements" refers to those portions of the Land and Building, designated for the common use of all Units, as more particularly defined in the Declaration.

"Government Entity" and "Government Entities" refers to any Purchaser of a Unit which is a government or governmental mission, or a department, agency or consulate of a government, or any other party who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act as same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable), from any legal or equitable proceedings in the United States of America.

"Initial Control" or "Initial Control Period" are periods of Sponsor control of the Board (see Special Risk 20).

"Interim License Agreement" refers to any license or use and occupancy agreement entered into by Purchaser or any other persons for a Residential Unit in accordance with the terms of the Plan.

An "IOLA Account" is an unsegregated interest-bearing deposit account with a banking institution for the deposit by an attorney of qualified funds. "Qualified funds" are moneys received by an attorney in a fiduciary capacity from a client or beneficial owner and which, in the judgment of the attorney, are too small in amount or are reasonably expected to be held for too short a time to generate sufficient interest income to justify the expense of administering a segregated account for the benefit of the client or beneficial owner. Interest earned on funds in an IOLA Account is paid directly by the bank at which the account is held to the IOLA fund, established by subdivision (1) of section 97 of the New York State Finance Law and administered by the IOLA Board of Trustees to provide funding for providers of civil legal services in order to ensure effective access to the judicial system for all citizens of the State and to provide stable, economical and high quality delivery of civil legal services to the poor throughout the State. The fund is authorized to receive funds from any source for disbursement to nonprofit legal services providers for charitable purposes, including the delivery of legal services in civil matters to poor persons.

"License Fee" means the amount of use and occupancy that may be payable by a Purchaser to Sponsor for. Pre-Closing Occupancy of a Unit (see the Interim License Agreement).

"Land" refers to the parcel of land described in Exhibit A to the Declaration.

"Law" or "Laws" refers to laws and ordinances of any or all of the federal, state, city, county and borough governments; rules, regulations, orders, codes 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 the Property, the Land, the Building, the Units or any portion of any of the foregoing; any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing; the direction of any public officer pursuant to law; and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

"Lender" means EMERALD CREEK CAPITAL 3, LLC.

"Limited Common Elements" refers to those portions of the Land and/or Building designated for the use of one or more, but not all Units and Unit Owners, and are more particularly described herein.

"LPC" means the Landmarks Preservation Commission of the City of New York.

"Maintenance" or "Maintain" or "Maintaining" refers to routine maintenance, repair, inspection, testing, cleaning, decorating or painting.

"Managing Agent" or "Agent" refers to Sponsor, as Sponsor shall initially act as the managing agent for the building pursuant to the Management Agreement and the Plan (See the Section of the Plan entitled "Management Agreement" in Part I of the Plan for further details).

"Management Agreement" refer to that certain management agreement with respect to the Condominium in effect at the time in question.

"Mansion Tax" refers to the New York State Additional Tax, pursuant to Article 31 of the New York Tax Code, which is to be computed as set forth in the Plan.

"Martin Act" refers to N.Y. Gen. Business Law § 352-e, *et. seq.*

"Minor Building Improvements" means certain minor repairs, renovations and replacements to certain portions of the Building and Units, namely, replaced floors (done), combined two rooms in rear of full floor apartments into one master bedroom (done), create new closet area for these master bedrooms and outfit them, add W/D to full floor spots (done), enlarge and add storage to kitchens in full floors (done), replace AC with heat pumps and remove radiators (underway) as more particularly described in the Sections of the Plan entitled "Description of Property and Improvements" in Part I and "Description of Property" in Part II.

"Mortgage Broker" means a mortgage broker registered pursuant to Article 12-D of the New York Banking Law

"Mortgage Representatives" shall mean not more than three (3) representatives designated by the holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or the By-Laws.

"Non-Conforming Condition" is any immaterial condition, which Purchaser and Sponsor agree cause the Unit to not be in the Required Condition. Sponsor shall have the right to cure any Non-Conforming Condition arising after Purchaser's inspection and prior to Closing.

"NYC RPT Tax" refers to the New York City Real Property Transfer Tax to be computed as set forth in the Plan.

"NYS Tax" refers to the New York State Real Estate Transfer Tax to be computed as set forth in the Plan.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury

"Offeree" refers to (a) each Purchaser who has executed and delivered a Purchase Agreement for a Residential Unit and who is not in default thereunder, (b) each Unit Owner who purchased from

Sponsor, and (c) any other person or entity who purchased a Unit from Sponsor pursuant to the terms of this Plan.

"Offering Unit Owner" has the meaning as used in Subsection **Sales and Leases of Units** in Section **RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS**

"Purchase Agreement" or the "Agreement" refers to the agreement to purchase a Residential Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

"Permanent Certificate of Occupancy" refers to a permanent or final Certificate of Occupancy issued by the DOB approving the legal use and/or occupancy of the Building which may be issued when the completed work in the Building complies with the Plans and Specifications and all applicable Laws, all necessary approvals have been obtained from other City agencies, all fees owed to the DOB are paid and all relevant violations, if any, are resolved.

"Permitted Encumbrances" refers to those Residential Unit title encumbrances subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement and the Specimen Title Policy set forth in Part II of the Plan.

"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" refers to the holder of any Permitted Mortgage.

"Plan" refers to this offering plan for the establishment of condominium ownership for the Property, as filed with the Department of Law, as the same may be amended from time to time.

"Plans and Specifications" refers to the plans for the Building which (to the extent required by Law) are filed with, and approved by, the DOB and other municipal agencies or authorities having jurisdiction, and any specifications prepared in connection therewith, as same may be amended from time to time.

"Power of Attorney" refers to the form of Power of Attorney contained in Part II of the Plan.

"Price Change Amendment" shall refer to an amendment to the Plan, which is deemed accepted for filing by the Department of Law on the date submission, which only serves to either increase, decrease, or add a price to Residential offered for sale under the Plan.

"Projected First Closing Date" means October 1, 2019 and the anticipated date of commencement of the First Year of Condominium Operation as such date is set forth in Schedule B.

"Property" refers to the Land, the Building and the appurtenances thereto.

"Purchase Price" refers to purchase prices provided in Schedule A for each Unit, as same may be amended from time to time by Sponsor or individually by Sponsor and Purchaser.

"Purchaser" refers to person(s) or entity(ies) named as Purchaser(s) in a Purchase Agreement, which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

"Purchaser's Belongings" means furniture, boxes, clothing and other personal belongings of Purchaser.

"Required Condition" shall have the meaning ascribed thereto in the Purchase Agreement, to wit: AS-IS, WHERE-IS, AND WITH ALL FAULTS" condition of a Unit as of the date of a Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date Purchaser signs such Agreement and the Closing Date.

"Required Documentation" refers to such applications, permits, certifications, affidavits, forms, agreements, acknowledgments or other documents as may be required to enable Sponsor to exercise its rights or obligations under this Plan or the Declaration and the By-Laws, including, without limitation, Sponsor's rights to deal with the Excess Development Rights, to apply for and obtain Fannie Mae/FHA and/or HUD approvals and to undertake, perform and complete such work to the Units and Common Elements as set forth in the Plan.

"Reserved Spaces" refers to the portions of the Common Elements that are not expressly reserved for specific purposes and include, without limitation, the Roof, Façade, passages, hallways, conduits, utility lines (provided that use of the Reserved Spaces does not block light and air to any Residential Unit), and such other areas in the Condominium which have been designated as Common Elements which are either not being utilized or that have a use which can be relocated elsewhere in the Building.

"Reserved Space Installations" refers to Signage, satellite dishes, cellular equipment, computer and other information systems, furniture; wall and floor coverings and any other furnishings equipment and Facilities to be installed on or in the Reserved Spaces by Sponsor or its designee, assignee, tenant, licensee or other transferee.

"Residential Common Elements" refer to those Common Elements available for the use and/or benefit of all Residential Units and/or Residential Unit Owners as more particularly described in the Declaration and on the Tax Lot Drawings.

"Residential Limited Common Elements" shall refer to those Common Elements available for the use and/or benefit of one or more but not all Residential Units and/or Residential Unit Owners as more particularly described in the Declaration and on the Tax Lot Drawings.

"Residential Section" refers to the Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

"Residential Unit" refers to any Unit designated as a Residential Unit in the Declaration, and all such Residential Units are collectively referred to as the "Residential Units."

"Residential Unit Owner" refers to any owner of a Residential Unit, and all such owners are collectively referred to as "Residential Unit Owners."

"Restoration Costs" refers to the cost to restore a Unit to the condition it was initially offered by Sponsor prior to the performance of Custom Work.

"Roof" refers to the roofs and setbacks including the bulkheads that will be delineated as Common Elements on the Floor Plans, including, without limitation, the underlayment, membranes, flashings, gutters, fasteners, pipes, vents, coatings and other roofing material necessary to construct the Roof.

"Rules and Regulations" refers to the Condominium rules and regulations made in accordance with the By-Laws and attached thereto, as same may be amended by the Board.

"Schedule A" refers to Schedule A, Offering Prices and Related Information for the First Year of Condominium Operation, set forth in Part I of the Plan.

"Schedule B" refers to Schedule B, Budget for First Year of Condominium Operation, set forth in Part I of the Plan.

"Schedule B-1" refers to Schedule B-1, Estimated Energy Costs, set forth in Part I of the Plan.

"Selling Agent" refers to The Corcoran Group, or any successor selling agent at the time in question.

"Signage" refers to any signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like permitted by Law which may be placed anywhere on the Property in accordance with the terms of the Declaration and By-Laws.

"Special Assessments" shall have the meaning ascribed thereto in Exhibit C of the Declaration.

"Sponsor" refers to 320 Macon GP LLC, a New York limited liability company, and its successors, assigns, and/or designees.

"Sponsor's Architect" refers to Meltzer/Costa & Associates or any successor architect or engineer designated by Sponsor at the time in question.

"Sponsor's Condominium Budget Expert" refers to Eliezer Cohen, or any other successor budget expert designated by Sponsor at the time in question.

"Structural Alterations" shall refer to alterations to the foundations, columns, girders, beams, supports, concrete slabs, footings, bracings, concrete slabs, façade, Building Systems and all other structural members of the Building or which otherwise affect the structural integrity of the Building.

"Tax Lot Drawings" refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the New York City Department of Finance, Division of Land Records, Tax Map Unit and filed with the City Register's Office.

"The 17 Act" refers to the Tax Cuts and Jobs Act of 2017, P.L. 115-97.

"Unavoidable Delays" refers to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor); civil disturbance; order of any government, court or regulatory body claiming jurisdiction; terrorism; war; act of the public enemy; riot; sabotage; blockade; embargo; shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body; explosion; lightning; earthquake; fire; storm; hurricane; flood; any act of nature; or any cause similar to any of the causes hereinabove stated; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to either a Residential Unit or a Commercial Unit as more particularly designated in the Declaration and the Floor Plans and all such Units are collectively referred to as "Units."

"Unit Deed" refers to a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser.

"Unit Owner" refers to any Residential Unit Owner or Commercial Unit Owner, and all of such Residential Unit Owners and Commercial Unit Owner are collectively referred to as the "Unit Owners."

"Unsold Unit" or "Unsold Units" refers to any Unit (a) owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by (i) Sponsor, (ii) any party designated by Sponsor as a "co-sponsor" under the Plan, (iii) a successor sponsor under the Plan or (iv) the holder of a Permitted Mortgage given by a Sponsor or its designee, or (b) not sold under the Plan.

"Unsold Unit Owner" refers to the owner of an Unsold Unit.

"Waiver Period" refers to the period of time during which Sponsor, at its sole option, may elect to pay the Waiver Period Expenses.

"Waiver Period Expenses" shall have the meaning ascribed thereto in Special Risk 30.

"Working Capital Fund" shall have the meaning ascribed thereto in Special Risk 4.

"Working Capital Fund Contribution" shall have the meaning ascribed thereto in Special Risk 4.

"Zoning Resolution" means the Zoning Resolution of the City of New York, effective December 15, 1961, as amended or restated from time to time.

"ZLDA" refers to a zoning lot development agreement.

All other capitalized terms used in Part I of the Plan that 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.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the Land, Building, Units and Common Elements, as well as certain facilities and services anticipated to be provided at the Condominium. For a more detailed physical description of the Property, see "Description of Property and Specifications" as set forth as Exhibit 4 in Part II of the Plan. All of the Units comply with the existing Certificate of Occupancy.

The Building

A. The Property is located at 320 Macon Street, Borough of Brooklyn, County of Kings, City and State of New York on the south side of Macon Street between Throop Avenue and Marcus Garvey Boulevard.

B. The Condominium will consist of 4 Residential Units and 1 Commercial Unit located within a 4-story above grade structure and below grade cellar. The Sponsor is making Minor Bujlding Improvements (see "Definitions") to the existing apartments. These will be completed prior to first Closing. Descriptions of the Residential Units are set forth in the "Description of Property" in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A, "Offering Prices and Related Information for the First Year of Condominium Operation" for further details. However, (i) unless an affected Purchaser consents, no material change will be made in unit size, layout, or percentage of common interest if (i) a Purchase Agreement has been executed and delivered to the Sponsor for that unit and the Purchaser is not in default; and (ii) 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.

C. The Condominium will contain 1 Commercial Unit. This Commercial Unit is not being offered for sale at this time. Purchasers should refer to the Section of the Plan entitled "Commercial Unit" for a detailed description of the Commercial Unit.

D. Each Unit offered hereby and the fixtures and personal property contained therein, are being sold and delivered "AS IS," as described in the Plan at the time of transfer of title to such Unit, unless Sponsor and the Purchaser of such Unit otherwise agree in writing. Please refer to the "Description of Property" set forth as an Exhibit in Part II of the Plan for further details.

Residential Units.

A. Pursuant to the Declaration and By-Laws, the Residential Units may be used for residential purposes or other lawful purposes subject to conditions set forth in Article 9 of the Declaration. Sponsor and Unit Owners may use the Residential Units for any purpose permitted by Law and may modify the Certificate of Occupancy to reflect a change in use. (See the subsection entitled "Residential Unit" under the Section entitled "Description of Property" and the subsection entitled "Sales and Leases of Residential Units" under the Section entitled "Rights and Obligations of Unit Owners and Board of Managers" in Part I of the Plan for further details.). However, there will be no change in the present Certificate of Occupancy.

B. Sponsor has reserved the unconditional right, after Consummation of the Plan, to rent or lease any Unsold Unit, prior to closing the sale thereof to any party, to cease

marketing Residential Units for sale at any time, in Sponsor's sole discretion or to use or offer the Units for any lawful purpose. Certain Unsold Units may be occupied under short-term leases having a term in excess of 30 days. Residents of the Condominium may consist of both Residential Unit Owners and tenants leasing from Sponsor or other Residential Unit Owners.

C. Pursuant to Declaration and By-laws, Residential Units may be used for residential purposes only (except as described below). Subject to the terms and conditions contained in this Plan, the Board, may in its sole discretion, permit a Residential Unit to be used for other purposes provided such use is permitted by Law, does not violate the then existing Certificate of Occupancy and complies with all applicable governmental regulations. Notwithstanding the foregoing, Sponsor may, without the permission of the Board Sponsor use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, including, without limitation, use as a long or short term rental, timeshare or other use, provided such use is permitted by Law, does not violate the then existing Certificate of Occupancy for such Unit (subject to Sponsor's right to amend the Certificate of Occupancy to conform such use as provided in the By-Laws), and the user of such Unsold Unit: (a) complies with all applicable governmental regulations with respect to such use; and (b) use of one or more Unsold Units for models and sales, rental and/or promotion offices in connection with the sale or rental of other Units in the Condominium or in buildings in the vicinity in which principals of Sponsor may have an interest.

D. Residential Units may only be leased by Residential Unit Owners in accordance with the By-Laws and the Rules and Regulations.

E. Lot Line Windows:

1) The residential condominium units 3, 4 and 5 are provided with windows in the west exterior wall. These windows are lot line windows, but do not contribute towards the light and air requirements for the spaces in which they are located. Further, these windows are double hung windows with double insulated glass within aluminum frames and are in good condition. All windows were installed prior to current ownership and manufacturer, warranty and thermal break are unknown.

2) These window openings have been in the wall for decades and most likely installed at the time of building erection as evidenced on plans dated March 22, 1940, which predated current requirements.

3) If for any reason these windows need to be infilled in the future, the openings are required to be infilled with masonry providing a minimum 3 hour fire rating at an approximate cost of $585.00 per window for the large windows and $160.00 per window for the small windows.

4) Sponsor has obtained a zoning study, which states that, under present law and codes, no structure can be built to the west which would legally require the infilling of any window in Units 3, 4 and 5 on the west exterior wall. No representation can now be made that requirements concerning lot line windows may not change in future, so as to be more onerous

than at present. If future development to the west requires, during a period commencing at First Closing and ending at the sixth (6th) anniversary of First Closing, Sponsor will comply with such requirements at Sponsor's sole cost and expense, provided the Unit Owner and any occupant reasonably cooperates with Sponsor. The Sponsor's undertaking aforesaid runs only to the first purchaser of a Unit and is not assignable or transferable. See "Rights and Obligations of Sponsor."

General.

A. Sponsor has engaged Meltzer/Costa & Associates as architects and engineers of record for the Building. The Plans and Specifications have been prepared by such architects and engineers. (See the Section of the Plan entitled "Identity of Parties" for further detail.)

B. Neither Sponsor, the Selling Agent, the Escrow Agent, the Managing Agent, the Board nor any of the foregoing's principals, employees or agents will in any event be liable for the interruption, discontinuance or quality of any of the Building 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, or otherwise. There is no guaranty that any of the foregoing services will continue to be available to Unit Owners or occupants or tenants of Units in the future or that any change in the foregoing will not adversely impact upon the value of the Units. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement: (i) as a result of any of the conditions described above; (ii) in the event of non-completion of any item of Minor Building Improvements on any projected date; (iii) compensation for the presence of scaffolding on any portion of the Building or any interruption of services in the Building, or (iv) the fact that various portions of the Common Elements or other Units may not have been completed prior to a scheduled Closing. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

C. Required Maintenance of Units. The By-Laws provide that each Unit and all portions of the Common Elements will be kept in a condition consistent for a Class "A" multiple dwelling (and with respect to any Roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water to the extent that failure to do so would cause damage to the Building) by the Unit Owner or Board, whichever is responsible for the Maintenance thereof. In the event a Unit Owner fails to keep their Unit or a Limited Common Element appurtenant thereto in such condition, the Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such failure. (See the subsection entitled "Rights of Access.") Each Unit Owner will be obligated to heat and cool their Unit so as to maintain the appropriate temperature and humidity in the Unit in order to avoid causing damage to the Common Elements or the Units, including, without limitation, freezing pipes.

D.

Housing Merchant Implied Warranty Not Applicable to this Offering.

A. The Martin Act requires that Sponsor disclose the terms of the offering made under this Plan. With regard to the description of property, the Martin Act requires that Sponsor disclose the detailed terms of the transaction, which shall include a description of the property, the nature of the interest, and how title thereto is to be held. As required by the Department of Law regulations, Sponsor hereby discloses that it is obligated to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B), which only applies to new dwellings of five stories or less, is not applicable to this offering. Sponsor is undertaking only limited work, as described in Part II, and referred to herein as Minor Building Improvements, and otherwise the offering herein is as-is. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability of any Unit, Common Element or Limited Common Element, if applicable, and Purchasers are advised that no such warranties exist under the laws governing the offering. Purchasers are further advised that the Martin Act is a disclosure statute that does not require Sponsor to provide any specific warranties of any nature regarding the Units that are offered under the Plan. Sponsor makes no representation or warranty with respect to sound transmission, odors emanating from within or without the Condominium, air, views or light quality. As stated above, Sponsor is obligated to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications, and any conflict between: (a) the disclaimers and (b) Sponsor's obligation to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as disclosed in the Plan, shall be resolved in favor of Sponsor's obligation to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications set forth in the Plan.

B. Sponsor hereby discloses that it makes no warranty or guaranty as to the presence of mold, mildew, spores, fungi or other toxins at the Condominium. Mold and mold spores are present throughout the environment and a residential condominium conversion cannot practicably be designed to exclude the introduction of mold spores. According to public statements made by the EPA, molds are part of the natural environment, and can be found everywhere, indoors and outdoors. Mold is not usually a problem, unless it begins growing indoors. Moisture is the primary mold growth factor that can be controlled in a condominium setting. Accordingly, Unit Owners are advised to minimize or control moisture in their respective Units so as to minimize or eliminate mold growth in their respective Units. For additional information on mold, purchasers are advised to visit the EPA's website at the following address: https://www.epa.gov/mold.

C. Subject to Sponsor's obligation to perform Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Condominium, Sponsor hereby discloses that it shall not be liable 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. In no event will Sponsor be liable for incidental, special or consequential damages in connection with the issues described in Special Risk 12 (whether based on negligence, breach

of contract, warranty, or otherwise), including, without limitation, costs incurred if a Unit Owner vacates the Unit or its contents during any period that such Unit Owner seeks to remediate any condition described in Special Risk 12. The foregoing disclaimers and waivers of Purchaser shall also apply to any "consumer product" as defined in the Magnuson-Moss Warranty Act, which consumer products shall not be warranted by Sponsor but instead by the manufacturer, if applicable. (See the Section of the Plan entitled "Rights and Obligations of Sponsor.")

As further set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor", with the exception of certain Minor Building Improvements, this is an as-is offering, and the Units and Building are otherwise offered in their as-is condition. Unless specifically referenced in the Description of Property in Part II of the Plan, all appliances are previously used, and do not include a warranty of any kind, other than a manufacturer's warranty, to the extent such warranty is (x) still in effect; and (y) can be assigned. Minor Building Improvements" means certain minor repairs, renovations and replacements to certain portions of the Building and Units, namely, replaced floors (done), combined two rooms in rear of full floor apartments into one master bedroom (done), create new closet area for these master bedrooms and outfit them, add W/D to full floor spots (done), enlarge and add storage to kitchens in full floors (done), replace AC with heat pumps and remove radiators (underway). All such items will be completed prior to First Closing. All major fixtures or equipment such as refrigerator, stove, plumbing fixtures, kitchen cabinets or partition walls are included in the unit.

Appliances

A. Each Unit will include only those appliances, fixtures and furnishings specifically described in the "Description of Property" in Part II of the Plan. Unless otherwise noted, certain appliances, fixtures and furnishings have been previously used and are provided to Purchaser in their as-is condition. For Units that include new appliances, and as indicated in the "Description of Property," the appliances, fixtures and furnishings will vary and may in fact differ from those present in model units and/or Sponsor's sales offices and marketing materials. Purchasers are advised that Sponsor reserves the right to amend or modify the Plans and Specifications and/or aspects of the Minor Building Improvements in any way not material to this offering or in a manner disclosed in this offering, including, without limitation, changing appliances and fixtures in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of Equal or Better Quality. None of the foregoing shall give rise to a right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement. Purchasers are referred to the "Description of Property" in Part II of the Plan for details regarding the appliances and fixtures that will be included in the Units. Unless Purchaser desires other or different appliances, all appliances are included in the Purchase Price. There are washer dryer appliances installed in Units 3 and 4, and Units 2F and 2R each have their own washer dryer appliances installed in the common hallway. See Sponsor's Statement of Present Building Condition.

B. At Closing, Sponsor will assign, without recourse, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering such appliances and fixtures that are

included in the offering under this Plan. Sponsor is not adopting such warranties or acting as co-warrantor with respect to the appliances and fixtures, and such warranties may have expired before Purchaser's acquisition of a Unit. The Common Elements will include only those appliances and fixtures described in the "Description of the Property" in Part II of the Plan. Sponsor reserves the right, however, to place additional furniture, artwork and other interior decorations in the Common Elements and in any model Unit; provided, however, that same shall remain the property of Sponsor and may be removed at any time at Sponsor's sole discretion.

Utilities.

A. It is anticipated that electricity for the Building will be provided by Consolidated Edison Company of New York or such other utility company providing electricity to the Building. The electricity consumed by each Unit will be separately metered and paid for by the individual Unit Owners. All electricity supplied to the General Common Elements of the Building will be separately metered and accounted as part of the Common Charges payable by all Unit Owners. Please refer to Schedule B – "Projected Budget for First Year of Condominium Operation," Schedule B-1 – Projected Energy Costs" in Part I of the Plan and the "Description of Property" in Part II of the Plan for further details.)

B. Purchasers are advised that utility costs may increase dramatically during certain periods and there is no guaranty that the utility costs will be as estimated in the Plan. (See Schedule B and Schedule B-1 in Part I of the Plan, and the "Description of Property" in Part II of the Plan for further details.)

C. Carbon Monoxide Detector. New York City Local Law 7 of 2004 requires the installation of carbon monoxide detectors by owners of multiple dwellings, including owners of units in residential condominiums. Sponsor intends to provide carbon monoxide detectors in each Residential Unit in accordance with New York City Local Law 7 of 2004. Each Residential Unit Owner will be responsible to keep and maintain the carbon monoxide detectors in good repair and to replace any carbon monoxide detectors which has been stolen, removed, found missing or rendered inoperable. Sponsor makes no representations whether Residential Unit Owners will comply with the foregoing obligations. (See the subsection entitled "Sponsor's Obligations with Respect to the Building" under the Section entitled "Rights and Obligations of Sponsor" and the Section entitled "Sponsor's Statement of Building Condition" in Part I of the Plan for further details.)

Commercial Unit

A. As more particularly described in the Section of the Plan entitled "Commercial Units," in the Declaration and the "Description of Property," the Commercial Unit is currently being retained by Sponsor and is not offered for sale under the terms of the Plan. No representation is made with respect to the ownership of all or any portion of the Commercial Unit, or as to who the future owner or tenants of any portion of the Commercial Unit may be at any time or as to the uses to which the Commercial Unit may be put at any time except that the Commercial Unit may be used for any purpose permitted by Law, including, without limitation, additional residential units, retail stores, banks, restaurants, theaters, bars, spas, health clubs, parking garages, and commercial and professional office space which uses may result in

increased noise and traffic, subject, in each instance, to the provisions of the By-Laws. The current Certificate of Occupancy states that the Commercial Unit may be occupied by businesses listed in the New York City Zoning Resolution under Use Group 6, which the Certificate of Occupancy then generally describes as Doctors office and stores. The current tenants, a restaurant and a liquor store, are both Use Group 6 uses. The restaurant filed plans with DOB in 2017 clearly showing its conversion of a former store to a restaurant use and DOB did not require an amendment to the Certificate of Occupancy demonstrating that the Certificate of Occupancy does not limit the permissible Use Group 6 uses to a subset of doctors and stores. There is one approximately 300 square foot vacant space in the Commercial Unit. Sponsor does not anticipate that it will rent the space to other than a Use Group 6 establishment[1] and thus will not require a new Certificate of Occupancy; however, if a new Certificate of Occupancy is required for any reason, Sponsor shall file an amendment to the Plan disclosing such change, and shall comply with all then-applicable requirements of the Building Code, Laws or Regulations. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Commercial Unit will not be objectionable to Residential Unit Owners or other parties. The uses of the Commercial Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control. Sponsor and any Commercial Unit Owner shall not be required to offer a right of first refusal or seek or obtain approval (as the case may be) from the Board for any transfer, lease of, or alterations, repairs or improvement to its Unit (provided that such alterations, repairs or improvements comply with applicable laws).

B. The Commercial Unit may be subdivided by the Commercial Unit Owner into two or more separate Condominium Units without prior notice and without amendment to the Plan. Additionally, Commercial Units resulting from such subdivision will collectively retain the same rights afforded the Commercial Unit Owner as set forth herein.

C. The Commercial Unit or any additional Condominium Units resulting from such subdivision of the Commercial Unit may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a No-Action letter issued by the Department of Law.

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[1] Use Group 6 consists primarily of retail stores and personal service establishments which:

1. provide for a wide variety of local consumer needs; and
2. have a small service area and are, therefore, distributed widely throughout the City, incuding but not limited to:

Bakeries, Barber shops, Beauty parlors, Drug stores, Eating or drinking establishments, Food stores, including supermarkets, grocery stores, meat markets, or delicatessen stores, Hardware stores, Laundry establishments, hand or automatic self-service, Liquor stores, Shoe or hat repair shops, Stationery stores, Tailor or dressmaking shops, custom, Antique stores, Art galleries, commercial, Artists' supply stores, Bicycle sales, book stores, Candy or ice cream stores, Cigar or tobacco stores, Clothing or clothing accessory stores, limited to 10,000 square feet of #floor area# per establishment, Dry goods or fabrics stores, limited to 10,000 square feet of #floor area# per establishment, Electrolysis studios, Florist shops, Gift shops, Jewelry or art metal craft shops, Locksmith shops· Medical or orthopedic appliance stores, Music stores, etc.

D. The Commercial Unit Owner shall have the right and easement (i) for ingress and egress through all Common Elements for the purpose of accessing any portion of such Commercial Unit or any portions of the Building servicing such Commercial Unit; (ii) to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Commercial Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; and (iii) to erect, maintain, replace and/or repair any sign and/or lighting of such size and content as the Commercial Unit Owner shall determine, in the storefronts and windows of such Commercial Unit for the purposes of advertising the sale or lease of all or any portion of such Commercial Unit and/or operation of any business of a tenant or occupant of such Commercial Unit (subject to LPC approval if necessary). The Commercial Unit Owner shall be entitled to utilize such rights and easements for its own account or the account of its Permitted Users.

E. The Commercial Unit Owner (subject to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit) shall have the right, but not the obligation, at such Commercial Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior facade of the Building appurtenant to such Commercial Unit (including storefronts and windows of such Commercial Unit) and to create additional means of egress and ingress to such Commercial Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and the terms of the Declaration and By-Laws.

F. The Commercial Unit Owner and its Permitted Users shall have an easement to use the sidewalks adjacent to such Commercial Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks adjacent thereto provided the entrances to the Building are not impeded by such use. In the event the Commercial Unit Owner utilizes such sidewalks, the cost of maintenance and repair of such sidewalk during the period of such use or resulting from such usage shall be borne by such Commercial Unit Owner;

G. The Board shall establish such other reasonable rules and regulations it deems necessary to protect the Building and the health and safety of the occupants.

H. The foregoing permitted use of the Commercial Unit shall not be changed by the Unit Owners and/or the Board except in accordance with the Zoning Resolution and other applicable Law.

I. Sponsor reserves the right, without prior notice or amendment to the Plan, to use Common Elements, and Unsold Units (including the Commercial Unit, as the case may be) on any floor of the Building as sales and leasing offices and model offices. In the event Sponsor thereafter elects to sell such Unsold Units, Sponsor may require the purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unsold Commercial Unit, such amounts as Sponsor determines together with any sales tax due in connection therewith.

J. All or any part of the Commercial Unit may be leased or subleased by the Commercial Unit Owner, all as more fully set forth in the Declaration. The Residential Unit

Owners will have no interest in the rents, profits or revenues from the rental or use of any space in the Commercial Unit.

K. In addition to basing charges on Common Interests, the Board may also make special allocations and assessments of Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the Law.

L. No representation is made or as to who the tenants or occupants of any portion of the Commercial Unit may be at any time or as to the uses to which any portion of the Commercial Unit may be put at any time. The use of the Commercial Unit may generate noise, traffic fumes, vibrations or other disturbances over which the Board and Residential Unit Owners will have no control.

Common Elements

The Common Elements consists of the General Common Elements. The Common Elements cannot be divided or partitioned, except as provided in the Condominium Act. A Unit Owner's interest in the Common Elements shall not be separated from the Unit to which it appertains. For a detailed description of the Common Elements, see Article 7 of the Declaration (Exhibit 6 in Part II of the Plan) and the Description of Property and Specifications (Exhibit 4 in Part II of the Plan).

LOCATION AND AREA INFORMATION

A. Location

The Condominium is situated at 320 Macon Street, in the Bedford-Stuyvesant neighborhood of the borough of Brooklyn in New York City, on the south side of Macon Street between Throop Avenue and Marcus Garvey Boulevard.

There is no guaranty that any of the services described below or amenities will continue to be available to Unit Owners or residents in the future or that any change in the foregoing will not adversely impact upon the value of the Residential Units. Sponsor makes no representations that the character of the neighborhood, the businesses and other institutions which operate there, or the qualitative nature of the surrounding area will not change.

B. Surrounding Area, Shopping, Culture, and Recreation

Located in the vicinity of the Condominium are museums, art galleries, hotels, parks, libraries, cultural activities, theaters, and restaurants, as well as retail establishments including supermarkets, drugstores, dry cleaners, and banks. There are no projects by the sponsor within the immediate vicinity (*i.e.*, one block radius); and there are no development projects by sponsor that have been approved by the NYC Department of Buildings or authority having jurisdiction that will be adjacent to or directly across the street from the property.

C. Transportation

The Condominium is served by a variety of transportation facilities. Transportation to and from the Condominium, and through New York City, is available by taxi, limousine, private automobiles, subway, or bus. Subway service may be accessed via the C line at the Kingston-Throop Avenues station. Municipal bus service is available via the B15, B25, B36, B43, B46, and B52 bus lines. A number of commercial parking garages are located nearby. Passenger railroad service is provided from the Atlantic Terminal L.I.R.R. located at the intersection of Atlantic Avenue, Flatbush Avenue, and Hanson Place. New York City is serviced by three major airports: LaGuardia Airport, John F. Kennedy International Airport, and Newark International Airport.

D. Medical, Educational, and Religious Facilities

A number of medical facilities, such as Interfaith Medical Center located at 1545 Atlantic Avenue, New York City Health and Hospitals located at 1218 Prospect Place, and Brookdale Family Care Center located at 1883 Eastern Parkway, are readily accessible.

Private schools, public schools, and parochial schools on the elementary, middle school, and high school levels are located nearby the Condominium, such as P.S. 262 El Hajj Malik El Shabazz Elementary School located at 500 Macon Street, M.S. 035 Stephen Decatur located at 272 MacDonough Street, and Boys and Girls High School located at 1700 Fulton Street. There are many colleges, universities, and other educational centers available in the New York City area. Sponsor makes no guarantee or representation as to which school a child residing at the Condominium may actually attend.

There are multiple places of worship for various denominations in the vicinity of the Condominium, such as Stuyvesant Heights Christian Church located at 69 MacDonough Street, Stuyvesant Heights Seventh Day Adventist Church located at 426 Lexington Avenue, and Newman Memorial Methodist Church located at 257 Macon Street.

E. **Municipal Services**

All public services, including schools, police protection, library, street maintenance, social services, and fire protection are provided by The City of New York. The nearest police precincts are as follows: (i) NYPD 79th Precinct located at 263 Tompkins Avenue between Greene Avenue and Lexington Avenue, and (ii) NYPD 81st Precinct located at 30 Ralph Avenue between Gates Avenue and Quincy Street. The nearest fire departments are as follows: (i) FDNY Engine 235 Battalion 57 firehouse located at 206 Monroe Street between Nostrand Avenue and Bedford Avenue, and (ii) FDNY Engine 214 Ladder 111 firehouse located at 111 Hancock Street between Lewis Avenue and Marcus Garvey Boulevard.

F. **Mailing Address**

The mailing address for the Building is 320 Macon Street, Brooklyn, New York 11216.

G. **Zoning and Use**

The Property is located in Zoning District R6B in the Borough of Brooklyn as shown on Zoning Map 17a. Sponsor makes no representation that the zoning for the Property will not change. Neither Sponsor nor its principals own in whole or in part, nor do they have an option or right to acquire, any adjacent areas which are not fully developed.

Use Group 6 consists primarily of retail stores and personal service establishments which: provide for a wide variety of local consumer needs; and have a small service area and are, therefore, distributed widely throughout the City, including but not limited to: Bakeries, Barber shops, Beauty parlors, Drug stores, Eating or drinking establishments, Food stores, including supermarkets, grocery stores, meat markets, or delicatessen stores, Hardware stores, Laundry establishments, hand or automatic self-service, Liquor stores, Shoe or hat repair shops, Stationery stores, Tailor or dressmaking shops, custom, Antique stores, Art galleries, commercial, Artists' supply stores, Bicycle sales, book stores, Candy or ice cream stores, Cigar or tobacco stores, Clothing or clothing accessory stores, limited to 10,000 square feet of #floor area# per establishment, Dry goods or fabrics stores, limited to 10,000 square feet of #floor area# per establishment, Electrolysis studios, Florist shops, Gift shops, Jewelry or art metal craft shops, Locksmith shops· Medical or orthopedic appliance stores, Music stores, etc.

Sponsor makes no representations or warranties regarding building construction in the geographic area of the Condominium or whether the acquired existing structures in the area will remain. Purchasers are advised that adjacent parcels or buildings may be further developed and such development could adversely impact upon the views from a Residential Unit.

There is no guaranty that any of the foregoing services or amenities will continue to be available to Residential Unit Owners or residents in the future or that any change in the foregoing will not adversely impact upon the value of the Residential Units. Sponsor makes no

representations that the character of the neighborhood, the businesses and other institutions which operate there or the qualitative nature of the surroundings will not change.

H. **Landmark Designation**

The Building is located within the Bedford Stuyvesant/Expanded Stuyvesant Heights Historic District. As such, all work performed on the exterior of the building is subject to approval from the NYC Landscape Preservation Commission.

I. Any change in this information that occurs while sales are continuing will be disclosed in an amendment within 30 days after the information becomes known to the Sponsor.

64(a)

SCHEDULE A - OFFERING PRICES AND RELATED INFORMATION 320 Macon Condominium

320 Macon Street, Brooklyn, NY

October 1, 2019 through September 30, 2020

(1) Unit #	(1) BR's	(1) BTH'S	(2) Offering Price	(1) Approx SF	(1) Approx Outdoor SF	(7) Share of Resdn't Mgrs. Unit Purchase Price	(3) Perct of Common Interest	(3) Perct of Residential Common Interest	(4) Projected Annual Common Charges	(4) Projected Monthly Common Charges	(5) Projected Annual Real Estate Taxes	(5) Projected Real Estate Taxes per Month	(6) Projected Total Annual Carry Charges	(6) Projected Carrying Charges per Month
2A	1	1	$ 449,000	524	n/a	n/a	13.5100%	16.8540%	$ 4,436.82	$ 369.73	$ 1,178.09	$ 98.17	$ 5,614.91	$ 467.91
2B	2	1	$ 650,000	770	n/a	n/a	19.8500%	23.3230%	$ 6,139.78	$ 511.65	$ 1,630.28	$ 135.86	$ 7,770.06	$ 647.50
3	3	2	$ 1,100,000	1,380	n/a	n/a	25.6400%	29.6600%	$ 7,808.00	$ 650.67	$ 2,073.23	$ 172.77	$ 9,881.23	$ 823.44
4	3	2	$ 1,125,000	1,405	n/a	n/a	26.1100%	30.1630%	$ 7,940.41	$ 661.70	$ 2,108.39	$ 175.70	$ 10,048.80	$ 837.40
Residential Totals			**$ 3,324,000**	**4,079**			**85.1000%**	**100.0000%**	**$ 26,325.00**	**$ 2,193.75**	**$ 6,990.00**	**$ 582.50**	**$ 33,315.00**	**$ 2,776.25**
Non-Residential Unit			not for sale	1,822			14.9000%		$ 2,350.00	$ 195.83	$ 1,190.00	$ 99.17	$ 3,540.00	$ 295.00
Building Totals			**$ 3,324,000**	**5,901**			**100.0000%**		**$ 28,675.00**	**$ 2,389.58**	**$ 8,180.00**	**$ 681.67**	**$ 36,855.00**	**$ 3,071.25**

Notes to Schedule A

1. Floor Plans depicting the layouts of Residential Units appear in Part II of the Plan. Purchasers should note that the square footage of each Residential Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan are approximate within reasonable tolerances and may change due to field conditions and construction variances and tolerances. Because dimensions listed are based on measurements from exterior walls, they do not accurately represent the interior space in the Unit and will significantly exceed the finished floor area. Floor area measurements may include columns, shear walls, mechanical pipes, shafts, shaftways, chases, chaseways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available or useable floor area. There are no Limited Common Elements. No Unit includes any cellar space.

   Each Unit is measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted); to the centerline of the interior walls that separate a Unit from public corridors, stairs and other mechanical and electrical spaces or any Common; to the centerline of demising partitions separating one Unit from another. Each Unit is measured vertically from the top of the subfloor (located under the finished flooring of the Unit) to the underside of the floor framing of the Unit located on the floor above.

   The clearance between the top of the floor structure and underside of the floor structure of the Unit located on the floor above may vary among the Units and certain Units may have less clearance than others and all or portions of certain rooms within other Units may have a lesser clearance as the result of construction variances or the presence of beams, ducts and other and mechanical spaces in such Units. Ceiling heights are estimates only and may vary within any given room or Unit. Kitchens, bathrooms, closets, foyers, hallways and entryways typically have dropped ceilings

   Purchasers are further advised that, while not contemplated, Sponsor has reserved the right to negotiate with individual purchasers to perform Custom Work which may require a modification in Floor Plans for certain Units and accordingly the layout of the Units and Common Elements may vary.

   The room count for each Unit was determined by Sponsor's Architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York.

2. Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of the Board, Unit Owner or Permitted Mortgagee, to change the price, including, without limitation, the manner of

payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser.

No such change will be made in the Purchase Prices other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that 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 general offering or an advertised price but is rather the result of an individually negotiated transaction. In addition to the payment of the Purchase Price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of the Plan including, without limitation, the obligation to contribute to the Working Capital Fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Units.

The Condominium will contain 1 Commercial Unit. This Commercial Unit is not being offered for sale at this time. Purchasers should refer to the Section of the Plan entitled "Commercial Unit" for a detailed description of the Commercial Unit.

3. The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of N.Y. Real Prop. Law § 339(i)(1)(iv), is 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 the event that, prior to the First Closing, Sponsor negotiates with individual Purchasers to change the layout or dimensions of their respective Units and such changes involves the inclusion, in the Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Units, the Common Interest of all of the Units may change slightly. Any such change in the Common Interest allocated to a Unit prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any Purchaser.

4. The estimates contained in this schedule were prepared on the assumption that the First Year of Condominium Operation will be the period provided for in the Schedule B included in Part I of this Plan and are only an estimate of the receipts and expenses of the Condominium for the projected year. Sponsor makes no representation regarding the commencement date or the estimated receipts and expenses for the First Year of Condominium Operation which may be greater than or less than the estimated figures set forth in the proposed Schedule B. The actual First Year of Condominium Operation may be earlier or later than such year. If the First Closing does not occur within 6 months of the Projected First Closing Date, Sponsor will file a Budget Update Amendment. If such amended projections

exceed original projections by 25% or more, Sponsor will offer all Purchasers who executed Purchase Agreements prior to the date of the filing of such amendment the right to rescind for a period of 15 days after the presentation date of the Budget Update Amendment.

The estimated monthly Common Charges for each Unit are based on the Schedule B. Each individual Unit is provided with an incremental HVAC air conditioning unit. The Maintenance and operating cost of the HVAC units are borne by the individual Unit Owners. Please refer to Schedule B-1 for further information regarding estimated energy costs. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes for such Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately sub-metered and payable to the utility supplier, the insurance which must be carried by each Unit Owner with respect to liability and casualty to the contents of the Unit, the cost of cable television service and the cost of interior repairs and decorations to the Unit. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses. In the event that the payments made by Unit Owners are less than or more than the amount of taxes paid for the period in question, Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment. Alterations and capital repairs to the Condominium are Common Expenses, which will be borne solely by the Unit Owners.

5. Based on an opinion of Podell, Schwartz, Schechter & Banfield, LLP, assuming the Property does not receive any exemption from real estate taxes, it is estimated that the aggregate real estate taxes for the First Year of Condominium Operation will total approximately:

(A) **$6,990.00 for the Residential Unit Owners**, which assumes (i) an assessed valuation attributable to the residential portion of the Property for the 10 months of the 2019/2020 tax year reflecting the assessment for a residential "class 2" property and for the 2 months of the tax year reflecting the post-conversion assessment, and (ii) a projected tax rate of 12.719% of assessed valuation for the fiscal tax year; and

(B) **$1,190.00 for the Commercial Unit Owner**, which assumes (i) an assessed valuation attributable to the Commercial Unit for the 10 months of the 2019/2020 tax year reflecting the assessment for a residential "class 2" property, and (ii) a projected tax rate of 12.719% of assessed valuation for the fiscal tax year.

The tax figures set forth on Schedule A are estimates only and actual real estate taxes for the First Year of Condominium Operation may be higher or lower than such estimates. The real estate tax estimates for each Residential Unit were calculated on the assumption that the assessed value for the residential and professional components of the Building for the First Year of Condominium Operation will be allocated to the Unit Owners owner in proportion to each Unit's Common Interest. Upon determination of individual tax lots and individual Unit

assessments, the New York City tax authorities may allocate assessed values among the Units in proportion to each Unit's purchase price or imputed market value rather than its Common Interest, and, if so, some Units may pay higher real estate taxes than other Units having the same or similar Common Interest. Currently, the Property is assessed and taxed as a single tax lot. No representation is made as to the first assessment roll or tax bill for which the Units will be separately assessed or taxed. Upon separate assessment of the Units by the New York City tax authorities the taxes for each individual Unit will be determined separately and may no longer remain proportional to the Unit's Common Interest. 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 a 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 for Units other than its respective Unit(s). SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. SPONSOR MAKES NO REPRESENTATIONS REGARDING THE METHODOLOGY WHICH THE TAXING AUTHORITIES WILL USE IN FUTURE TAX YEARS. PURCHASERS ARE FURTHER ADVISED THAT ESTIMATED TAXES FOR THE PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION ARE BASED UPON CURRENT ESTIMATES OF THE STATUS OF THE CONSTRUCTION OF THE BUILDING AS OF REAL ESTATE TAX VALUATION DATES RELEVANT TO SUCH FIRST YEAR OF CONDOMINIUM OPERATION. ESTIMATED TAXES FOR THE SECOND YEAR OF CONDOMINIUM OPERATION MAY BE SIGNIFICANTLY HIGHER THAN FOR THE FIRST YEAR OF CONDOMINIUM OPERATION.

Please refer to the Section of the Plan entitled "Real Estate Taxes" and the opinion of Podell, Schwartz, Schechter & Banfield, LLP set forth in Part I of the Plan for further discussion regarding real estate taxes and benefits for the Property.

Individual Residential Unit Owners may qualify for a partial abatement of real estate taxes pursuant to the Condominium Abatement Program. The abatement is not available to Sponsor, to any party owning more than three Units in the Condominium or to a Commercial Unit Owner. Only Residential Units owned by individuals would be eligible to receive the abatement, if otherwise qualified; Residential Units owned by trusts, limited liability companies or corporations will not receive benefits. Further, the abatement will be restricted to Unit Owners who use at least one Unit in the Building as their primary residence. The Condominium Abatement Program is in place through the 2019/2020 tax year, which ends June 30, 2020. Purchasers are advised that insofar as the Condominium Abatement Program expires prior to the First Year of Condominium Operation, there is no guarantee that the Condominium Abatement Program will be renewed beyond that date and, if renewed, that its requirements and benefits will be consistent with those of the current program.

See the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of Condominium" and the Attorney's Income Tax Opinion in Part I of the Plan for a discussion concerning the deductibility of real estate taxes paid with respect to a Unit. Purchasers should note that the deductibility of mortgage interest and real estate taxes in future years may vary due to changes in the interest rate on the unit owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

6. These figures represent both the aggregate total monthly and total annual estimated carrying charges which include estimated Common Charges and estimated real estate taxes. Purchasers are advised that if they obtain financing in connection with the Purchaser of their Units, the applicable debt service will be an additional expense not accounted for herein.

SCHEDULE B

320 MACON CONDOMINIUM

320 Macon Street
Brooklyn, New York

Projected Budget for the Projected First Year of Condominium Operation *(See Note 1)*:
October 1, 2019 to September 30, 2020

ESTIMATED INCOME

Common Charges – Residential Units *(Note 2)*	26,325.00
Common Charges – Commercial Unit *(Note 2)*	$2,350.00
Total Estimated Common Charges *(Note 3)*	$ 28,675.00

ESTIMATED EXPENSES *(Note 4)*

Non-Resident Superintendent *(Note 5)*	$ 3,600
Gas (Heat & Hot Water) *(Note 6)*	$ 2,800
Electricity *(Note 7)*	$ 2,000
Water Charges and Sewer Rent *(Note 8)*	$ 2,000
Repairs and Maintenance *(Note 9)*	$ 2,500
Insurance *(Note 10)*	$ 4,000
Management Fee *(Note 11)*	$ 0.00
Capital Repair and Replacement Reserve *(Note 12)*	$7,275
Audit *(Note 13)*	$4,500
Total *(Note 14)*	$28,675

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

ALLOCATION OF COMMON EXPENSES BETWEEN RESIDENTIAL AND NON-RESIDENTIAL UNIT

(see detailed notes which follow)

Common Expenses	Total Expenses	Method of Allocation	Residential Units Share	Non-Residential (Retail Unit) Unit Share
%			91.8047%	8.1953%
Independent Contractor (non-resident supeer)	$ 3,600.00	100% Residential	$ 3,600.00	N/A
Electricity	$ 2,000.00	100% Residential	$ 2,000.00	N/A
Gas (Hot Water)	$ 2,800.00	100% Residential	$ 2,800.00	N/A
Water Charges and Sewer Rent	$ 2,000.00	100% Residential	$ 2,000.00	N/A
Repairs and Maintenance	$ 2,500.00	100% Residential	$ 2,500.00	N/A
Insurance	$ 4,000.00	% of Common Interest	$ 3,404.00	$ 596.00
Management Fee	$ -	% of Common Interest	$ -	$ -
Audit	$ 4,500.00	% of Common Interest	$ 3,830.00	$ 671.00
Replacement Reserve	$ 7,275.00	% of Common Interest	$ 6,191.00	$ 1,083.00
Total	$ 28,675.00		$ 26,325.00	$ 2,350.00

All General Common Charges have been allocated based upon each Unit's Common Interest unless otherwise stated.

A. The Management Fee is listed at $0.00 because Sponsor anticipates that the Condominium will be self-managed. Pursuant to the Management Agreement, Sponsor shall act as the Managing Agent until such time as 2 Residential Units have been sold to Purchasers. At any time after the closing of the second Residential Unit, both Sponsor and the Condominium Board shall each have the right (with or without cause) to terminate the Management Agreement upon 30 days notice. After the closing of the second Residential Unit, Sponsor (or Sponsor's affiliate) shall charge an annual fee of $6,000 (with annual escalations) and such other fees and amounts as are provided in the Management Agreement to manage the Condominium.

B. The Commercial Unit Owner shall pay to the association any additional rent it collects for heat from the Wine Store.

C. All the utilities for the Non-Residential Unit will be either directly metered or sub-metered and billed based on actual usage.

D. RPL §339-m provides that "In the case of units in any building, residential or non-residential, or a combination thereof, profits and expenses may be specially allocated and apportioned based on special or exclusive use or availability or exclusive control of particular units or common areas by particular unit owners, if so authorized by the declaration and bylaws, in a manner different from common profits and expenses."

NOTES TO SCHEDULE B

(2) PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION

Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from October 1, 2019 through September 30, 2020. The Projected First Closing Date is the commencement of the First Year of Condominium Operation (i.e. October 1, 2019). The actual First Closing and the First Year of Condominium Operation may be earlier or later than projected).

If the First Closing does not occur within 6 months of the Projected First Closing Date, Sponsor will file a Budget Update Amendment to include an updated Schedule B. If such amended projections exceed original projections by 25% or more, Sponsor will offer all Purchasers who executed Purchase Agreements prior to the date of the filing of the Budget Update Amendment the right to rescind for a period of 15 days after the presentation date of the Budget Update Amendment. Further, if the First Closing does not occur within 12 months of the Projected First Closing Date, Sponsor will file an Extension Amendment that provides for a later commencement of the First Year of Condominium Operation than initially disclosed. Purchasers who executed a Purchase Agreement for the purchase of their respective Units prior to the date of filing of the Extension Amendment will be offered a right of rescission for a period of 15 days after the presentation date of the Extension Amendment. Notwithstanding the foregoing, if a Purchaser negotiated an outside closing date that is later than the expiration date of the applicable rescission period, the right of rescission in such instance shall not be available to that Purchaser. In addition, after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind. Any Purchaser entitled to rescission and electing rescission will have their Deposits and Custom Work Costs (to the extent actually made and collected), and any interest earned thereon, returned to Purchaser.

If a Purchaser is granted the right of rescission, the Sponsor shall be entitled to retain the cost of Custom Work to the extent that same has been expended or incurred. The Purchaser is not responsible for cost of removing the Custom Work if (i) the Sponsor fails to close; (ii) the Purchaser is granted the right of rescission; or (iii) the Sponsor withdraws or abandons the Plan. If the Purchaser is in default, beyond any grace period, the Sponsor may maintain an action to recover the Restoration Cost.

(3) COMMON CHARGES

These amounts represent the total Common Charges to be levied against, and collected from, the Residential Unit Owners and the Commercial Unit Owner during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the Common Charges have been allocated between the Residential Unit Owners and the Commercial Unit Owner based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Unit Owners on the basis of percentage of Common Interest allocated to each Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest, or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Commercial Unit

Owner will only be obligated to pay its respective allocable share of those expenses that are incurred by the Condominium Board in furnishing services, operating and maintaining those Common Elements which are utilized by and serve the Commercial Unit. Those Common Charges that have been allocated solely to the Residential Unit Owners as a group will be apportioned among such Residential Unit Owners on the basis of the respective Common Interest.

The Commercial Unit Owner's obligation to pay Common Charges is based upon its percentage of Common Interest in the Building times the projected expenses specific to the Commercial Unit as set forth in the budget. As set forth in Schedule B, the Commercial Unit Owner is obligated to pay as part of its monthly Common Charges a portion of only the following expenses: Non-Resident Superintendent, gas (heat and hot water) (but only in the amount collected as additional rent from the Wine Store tenant of the Commercial Unit that is connected to the residential heat and hot water systems); insurance; management fee (if any); and audit. The Commercial Unit Owner is not obligated to pay any part of electricity; gas for cooking; water and sewer charges since such budget line items exclusively benefit the Residential Unit Owners, and are services which are not fairly attributable to the Commercial Unit's use of the Common Elements.

(4) ESTIMATED EXPENSES

Common Charges include the costs and expenses in connection with the maintenance and operation of, and any alteration to, the Common Elements and the provision of services to all Unit Owners in general, independent contractors who will provide services to the entire Condominium, the Condominium Managing Agent, and insurance coverage for the Common Elements.

The prior ownership never operated the Building on a fully-occupied rental basis. Thus, prior operating costs do not reflect costs or operating conditions for the First Year of Condominium Operations.

(5) NON-RESIDENT SUPERINTENDENT: $3,600

The Sponsor anticipates the Board hiring a part-time porter whose responsibilities will be the cleaning of common areas and general maintenance of the residential common areas. This service will be provided by an independent contractor.

The part-time visiting Porter will not be an employee of the building but a 1099 worker responsible for his/her own taxes at the end of the year. The Administrative Code of the City of New York, § 27-2052, et. Seq., requires an on-site superintendent for buildings with 9 or more units. Because the Building has fewer than 9 units, there will be no on-site superintendent for the Condominium. If the Board decides to hire a superintendent in the future, such service will be an additional expense for the Condominium, and may cause an increase in common charges. Inasmuch as the part-time visiting porter will not be an employee of the Condominium, the part-time visiting porter will receive no benefits.

6. GAS (DOMESTIC HOT WATER): $2800

This estimate is based on experience of Sponsor's budget expert, Eliezer Cohen, in operating comparable buildings. Mr. Cohen has been actively managing comparable buildings in New York City for more than thirty (30) years.

The prior ownership never operated the Building on a fully-occupied rental basis. Thus, prior operating costs do not reflect costs or operating conditions for the First Year of Condominium Operations.

Each unit is separately metered for cooking gas and shall pay the cost directly to the provider.

In addition, Sponsor has replaced the former air-conditioner compressors with heat pumps, so that Residential Unit Owners can control both heat and air-conditioning within their Units at all times. The existing ductwork was retained. The Sponsor has disconnected the previous common steam heating system. That system ran on gas. Thus, prior owner's gas bills are also not informative for this reason.

7 ELECTRICITY: $2,000

This estimate is based on experience of Sponsor's budget expert, Eliezer Cohen, in operating comparable buildings. Mr. Cohen has been actively managing comparable buildings in New York City for more than thirty (30) years.

The prior ownership never operated the Building on a fully-occupied rental basis. Thus, prior operating costs do not reflect costs or operating conditions for the First Year of Condominium Operations.

In addition, Sponsor has replaced the former air-conditioner compressors with heat pumps, so that Residential Unit Owners can control both heat and air-conditioning within their Units at all times. The existing ductwork was retained. The Sponsor has disconnected the previous common steam heating system.

Electricity (including, except as noted below, current necessary to operate air-conditioning and heating Systems) shall be supplied to all Units through a separate Con Edison meter for each such Unit, and the cost of electricity consumed or used in each such Unit shall be payable directly to Con Edison. The costs of operation of such heating and air-conditioning Systems are set forth in Schedule B-1.

There is a single, dual zone heating and air-conditioning unit for Apartments 2F and 2R. This unit is on the Building meter, and is therefore a Common Charge. The cost to power this unit, estimated by Meltzer Costa & Associates (the architects and engineers that prepared Schedule B-1 and the Property Description Report), is $512.42. This cost has been specially allocated per RPL§339-m.

8. WATER CHARGES AND SEWER RENT: $2,000

This estimate is based on experience of Sponsor's budget expert, Eliezer Cohen, in operating comparable buildings. Mr. Cohen has been actively managing comparable buildings in New York City for more than thirty (30) years.

The prior ownership never operated the Building on a fully-occupied rental basis. Thus, prior operating costs do not reflect costs or operating conditions for the First Year of Condominium Operations.

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Building.

Water charges and sewer rents for the restaurant portion of the Commercial Unit will be separately sub-metered and additional rent collected therefor by the Commercial Unit Owner will be paid over to the Condominium.

9. REPAIRS AND MAINTENANCE: $2,500

This estimate includes painting, maintenance and repair costs of Common Elements and Residential Common Elements only. Residential Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Residential Units. No provision has been made to cover the cost of any capital expenditure. This estimate also includes the estimated annual cost of services and supplies (excluding service contracts) provided to and for the benefit of the Residential Units.

This estimate is based on experience of Sponsor's budget expert, Eliezer Cohen, in operating comparable buildings. Mr. Cohen has been actively managing comparable buildings in New York City for more than thirty (30) years.

The prior ownership never operated the Building on a fully-occupied rental basis. Thus, prior operating costs do not reflect costs or operating conditions for the First Year of Condominium Operations.

10. INSURANCE: $4,000

The insurance premiums are based on a quote from Core Risk Partners, located at 3333 New Hyde Park Road, New Hyde Park, NY 11042. The fire, casualty and general liability are on the terms set therein:

PROPERTY:

$1,800,000 Building coverage – 'All-risk', special causes of loss, replacement cost 35,640 Loss of maintenance coverage – 'All risk'

The fire insurance budgeted in the plan is sufficient to replace the building in the event of a total loss and replace damage to the building in the event of a partial loss, based on an evaluation of current construction costs. As a result, the co-insurance provision has been deleted by the Insurance Company

Liability:

$1,000,000 – Each occurrence limit

$2,000,000 – General aggregate limit

Boiler & Machinery: Insured to value

Workers' Compensation: Statutory benefits (if applicable)

N.Y.S. Disability: Statutory benefits (if applicable)

The fire, casualty and general liability insurance carried by the Condominium will provide: that each Unit Owner is an additional insured party; that there will be no cancellation without notice to the Condominium Board; a waiver of subrogation; a waiver of invalidity because of acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units or any Common Elements exclusive to such Units, nor does it include coverage of any Unit (as such term is more particularly described in the Plan and the Declaration).

Insurance coverage must meet the requirements of any mortgage lender procured by the Sponsor.

Fire, casualty and general liability insurance must be on terms that provide:

- Each unit owner is an additional insured party;
- There will be no cancellation without notice to the Board of Managers;
- A waiver of subrogation;
- A waiver of invalidity because of acts of insured and unit owners; and
- A waiver of pro-rata reduction if unit owners obtain additional coverage.

Unit Owners can obtain additional insurance at their own cost to cover such risks as fire and casualty losses to unit owners, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the unit or the limited common elements subject to the by

The proposed insurance provides property coverage on an All Risk/Replacement Cost basis. The Building limits and Business Income limits are based on an Agreed Amount which is a waiver of co-insurance.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the First Year of Condominium Operation. Purchasers should be aware of the possibility of rate increases. The insurance is adequate for the replacement of the building in the event of a total loss. The carrier will be selected at the time the coverage is bound. This will occur prior to the First Closing. Sponsor will procure, on behalf of the Condominium Board, on or before the First Closing, the general liability insurance that is required to be carried by the Condominium.

The insurance expense for the Commercial Unit has been allocated upon their respective Percentage of Common Interest.

11. MANAGEMENT FEE: $0.00*

*See Note A in the Allocation Table of Common Expenses and see also Special Risk 49 in the Plan.

The Management Fee is listed at $0.00 for the Projected First Year of Condominium Operation because Sponsor anticipates that the Condominium will be self-managed. In order to ensure for proper Building operations until such time and in order to enumerate the management activities to be performed, Sponsor shall enter into a written agreement with the Condominium Board to manage the Condominium without charging a management fee. Pursuant to the Management Agreement, Sponsor shall act as the Managing Agent until such time as 2 Residential Units have been sold to Purchasers. At any time after the closing of the second Residential Unit, both Sponsor and the Condominium Board shall each have the right (with or without cause) to terminate the Management Agreement by giving not less than thirty (30) days' written notice to the other party, in which event the Management Agreement and Sponsor's obligations with respect thereto shall terminate on the date fixed in said termination notice. If neither Sponsor nor the Condominium Board so elects to terminate the Management Agreement, then Sponsor shall continue as Managing Agent pursuant to the terms and conditions of the Management Agreement and shall be entitled from and after the closing of the second Residential Unit to receive an annual fee of $6,000 in accordance with the Management Agreement and such other fees, reimbursements and amounts as are provided for in the Management Agreement. (See the Section of the Plan entitled "Management Agreement" in Part I of the Plan for further details.)

12. CAPITAL REPAIR AND REPLACEMENT RESERVE: $7,275

A reserve fund study was conducted for the Condominium by Strategic Inspections LLC to project the estimated capital repair and replacement reserve requirements of the Condominium for thirty (30) years. (See the Section of the Plan entitled "Capital Repair and Replacement Reserve" set forth in Part II of the Plan and the Reserve Fund Study which is set forth in Part II of the Plan.)

The funds collected under this line item are based on such study, and are for deposit into an account established by the Board of Managers to hold the Capital Repair and Replacement Reserve which is to be funded from the Common Charges and used for periodic maintenance, repair and replacement of the Common Elements, in accordance with the By-Laws.

13. AUDIT: $4,500

The cost is based on a quote from Spector, Foo, Weissman LLP, CPAs, located at 1979 Marcus Avenue, New Hyde Park, NY 11042.

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This Schedule B does not contemplate any substantial income which might be taxable and accordingly does not specifically budget any amounts for taxes for non-membership or membership income. Any sums actually realized by the Condominium in excess of operating expenses in the First Year of Condominium Operation will be segregated and maintained in the Capital Repair and Replacement Reserve.

The Sponsor anticipates that the first closing of a unit will occur by October 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 September 30, 2020, twelve months after the projected 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 12 months beyond that amended, later date.

However, if the first closing occurs before October 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 SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

The foregoing projected budget may be modified from time to time prior to commencement of and during the First Year of Condominium Operation, to add or delete or increase or decrease one or more items of operating expenses. If additional funds are required to pay expenses, it may be necessary to increase Common Charges or specially assess Unit Owners.

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14. TOTAL EXPENSES: $28,675

IN THE OPINION OF ELIEZER COHEN, THE PROJECTED INCOME IS ADEQUATE TO MEET THE PROJECTED COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING OCTOBER 1, 2019. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN THE BUDGET, SINCE THE ANNUAL

COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SHOWN IN THE BUDGET BASED ON FACTORS SUCH AS INFLATION, CHANGES IN THE ECONOMY AND UNFORESEEN FACTORS.

Sponsor reserves the right to enter into additional or other service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium upon commencement of condominium operation.

SCHEDULE B-1:

ESTIMATED ENERGY COSTS

COSTA
ARCHITECTURE + ENGINEERING, LLP

320 Macon Street
ESTIMATED ANNUAL ENERGY COST

BY: PA
DATE: 5/15/2018
UPDATED 2/8/2019

Condominium	2					
ELECTRIC	Area 524	WATTS SF 2	HR / YEAR 2920	KW-HR COST DOLLARS 0.198	$	COST PER YEAR 605.91
GAS USAGE COOKING	UNIT STOVE	HRS/ MONTH 60	HEAT BTU/HR 15000	COST THERM 1.24	$	COST PER YEAR 133.92
				SUM	$	739.83
Condominium	3					
ELECTRIC	Area 770	WATTS SF 2	HR / YEAR 2920	KW-HR COST DOLLARS 0.198	$	COST PER YEAR 890.37
GAS USAGE COOKING	UNIT STOVE	HRS/ MONTH 90	HEAT BTU/HR 15000	COST THERM 1.24	$	200.88
				SUM	$	1,091.25
Condominium	4					
COOLING	Area 1360	TONS 2.5	HR / YEAR 800	KW-HR COST DOLLARS 0.198	$	COST PER YEAR 396.00
HEATING	THERMS 816.74	KW-HR 23930.49017		KW-HR COST DOLLARS 0.198	$	COST PER YEAR 4,738.24
ELECTRIC	Area 1360	WATTS SF 2	HR / YEAR 2920	KW-HR COST DOLLARS 0.198	$	COST PER YEAR 1,595.72
GAS USAGE COOKING	UNIT STOVE DRYER	HRS/ MONTH 120 20	HEAT BTU/HR 15000 25000	COST THERM 1.24 1.24	$ $	COST PER YEAR 267.84 74.40
				SUM	$	7,072.20
Condominium	5					
COOLING	Area 1405	TONS 5	HR / YEAR 800	KW-HR COST DOLLARS 0.198	$	COST PER YEAR 792.00
HEATING	THERMS 956.994	KW-HR 28039.93377		KW-HR COST DOLLARS 0.198	$	COST PER YEAR 5,551.91
ELECTRIC	Area 1405	WATTS SF 2	HR / YEAR 2920	KW-HR COST DOLLARS 0.198	$	COST PER YEAR 1,634.63
GAS USAGE COOKING	UNIT RANGE DRYER	HRS/ MONTH 120 20	HEAT BTU/HR 20000 15000	COST THERM 1.24 1.24	$ $	COST PER YEAR 357.12 74.40
				SUM	$	8,400.06

Based upon the foregoing calculations, estimated usage for first year of condominium operation for these Units is as follows:

Unit 2	$	739.83
Unit 3	$	1,091.25
Unit 4	$	7,072.20
Unit 5	$	8,400.06

STATE OF NEW YORK
PAUL MICHAEL ANTONIO
074433
LICENSED PROFESSIONAL ENGINEER

These calculations were based upon numbers from comparable/similar buildings, and manufacturers' and industry standards.

COMPLIANCE WITH REAL PROPERTY LAW § 339-i

NIXON PEABODY

NIXON PEABODY LLP
ATTORNEYS AT LAW

NIXONPEABODY.COM
@NIXONPEABODYLLP

Tower 46
55 West 46th Street
New York, NY 10036
212-940-3000

June 28, 2018

320 Macon GP LLC
7 Penn Plaza, Suite 1400
New York, New York 10001

RE: 320 Macon Condominium
320 Macon Street
Brooklyn, New York 11216 (the "Condominium")

Ladies and Gentlemen:

You have requested our opinion regarding the allocation of common interests to the units at the above referenced Condominium as required by 13 N.Y.C.R.R. Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the offering plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of common interests as shown on the Schedule A of the Plan and the declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by The Corcoran Group as set forth in its opinion contained in the Plan as required by 13 N.Y.C.R.R. Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of The Corcoran Group.

Based upon our review of the foregoing, we have determined that common interests were allocated pursuant to the method set forth in New York Real Property Law Section ("RPL") 339-i (1)(iv), i.e., 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.

Accordingly, based on the foregoing it is our opinion that RPL Section 339-i has been complied with in assigning common interests to the units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will the Sponsor, Nixon Peabody LLP, the selling agent, or the condominium board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

The opinion expressed herein is based solely on New York law.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan, along with references to our name in the Plan.

Very truly yours,

Nixon Peabody LLP

Nixon Peabody LLP

COMMERCIAL UNIT

As more particularly described in the Declaration and in the Description of Property and Improvements, each of which are contained in Part II of the Plan, the Condominium will contain a Commercial Unit.

The Commercial Unit will consist of approximately 2,000 square feet and will be located on portions of the first floor.

A. The Commercial Unit is currently being retained by Sponsor and is not offered for sale under the terms of the Plan. No representation is made with respect to the ownership of all or any portion of the Commercial Unit, or as to who the future owner or tenants of any portion of the Commercial Unit may be at any time or as to the uses to which the Commercial Unit may be put at any time except that the Commercial Unit may be used for any purpose permitted by Law, including, without limitation, additional residential units, retail stores, banks, restaurants, theaters, bars, spas, health clubs, parking garages, and commercial and professional office space which uses may result in increased noise and traffic, subject, in each instance, to the provisions of the By-Laws. The current Certificate of Occupancy states that the Commercial Unit may be occupied by businesses listed in the New York City Zoning Resolution under Use Group 6, which the Certificate of Occupancy then generally describes as Doctors office and stores. The current tenants, a restaurant and a liquor store, are both Use Group 6 uses. The restaurant filed plans with DOB in 2017 clearly showing its conversion of a former store to a restaurant use and DOB did not require an amendment to the Certificate of Occupancy demonstrating that the Certificate of Occupancy does not limit the permissible Use Group 6 uses to a subset of doctors and stores. There is one approximately 300 square foot vacant space in the Commercial Unit. Sponsor does not anticipate that it will rent the space to other than a Use Group 6 establishment[2] and thus will not require a new Certificate of Occupancy; however, if a new Certificate of Occupancy is required for any reason, Sponsor shall file an amendment to the Plan disclosing such change, and shall comply with all then-applicable requirements of the Building Code, Laws or Regulations. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Commercial Unit will not be objectionable to Residential Unit

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[2] Use Group 6 consists primarily of retail stores and personal service establishments which:

3. provide for a wide variety of local consumer needs; and

4. have a small service area and are, therefore, distributed widely throughout the City, incuding but not limited to:

Bakeries, Barber shops, Beauty parlors, Drug stores, Eating or drinking establishments, Food stores, including supermarkets, grocery stores, meat markets, or delicatessen stores, Hardware stores, Laundry establishments, hand or automatic self-service, Liquor stores, Shoe or hat repair shops, Stationery stores, Tailor or dressmaking shops, custom, Antique stores, Art galleries, commercial, Artists' supply stores, Bicycle sales, book stores, Candy or ice cream stores, Cigar or tobacco stores, Clothing or clothing accessory stores, limited to 10,000 square feet of #floor area# per establishment, Dry goods or fabrics stores, limited to 10,000 square feet of #floor area# per establishment, Electrolysis studios, Florist shops, Gift shops, Jewelry or art metal craft shops, Locksmith shops· Medical or orthopedic appliance stores, Music stores, etc.

Owners or other parties. The uses of the Commercial Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control. Sponsor and any Commercial Unit Owner shall not be required to offer a right of first refusal or seek or obtain approval (as the case may be) from the Board for any transfer, lease of, or alterations, repairs or improvement to its Unit (provided that such alterations, repairs or improvements comply with applicable laws).

B. The Commercial Unit may be subdivided by the Commercial Unit Owner into two or more separate Condominium Units without prior notice and without amendment to the Plan. Additionally, Commercial Units resulting from such subdivision will collectively retain the same rights afforded the Commercial Unit Owner as set forth herein.

C. The Commercial Unit or any additional Condominium Units resulting from such subdivision of the Commercial Unit may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a No-Action letter issued by the Department of Law.

D. The Commercial Unit Owner shall have the right and easement (i) for ingress and egress through all Common Elements for the purpose of accessing any portion of such Commercial Unit or any portions of the Building servicing such Commercial Unit; (ii) to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Commercial Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; and (iii) to erect, maintain, replace and/or repair any sign and/or lighting of such size and content as the Commercial Unit Owner shall determine, in the storefronts and windows of such Commercial Unit for the purposes of advertising the sale or lease of all or any portion of such Commercial Unit and/or operation of any business of a tenant or occupant of such Commercial Unit (subject to LPC approval if necessary). The Commercial Unit Owner shall be entitled to utilize such rights and easements for its own account or the account of its Permitted Users.

E. The Commercial Unit Owner (subject to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit) shall have the right, but not the obligation, at such Commercial Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior facade of the Building appurtenant to such Commercial Unit (including storefronts and windows of such Commercial Unit) and to create additional means of egress and ingress to such Commercial Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and the terms of the Declaration and By-Laws.

F. The Commercial Unit Owner and its Permitted Users shall have an easement to use the sidewalks adjacent to such Commercial Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks adjacent thereto provided the entrances to the Building are not impeded by such use. In the event the Commercial Unit Owner utilizes such sidewalks, the cost of maintenance and repair of such sidewalk during the period of such use or resulting from such usage shall be borne by such Commercial Unit Owner;

G. The Board shall establish such other reasonable rules and regulations it deems necessary to protect the Building and the health and safety of the occupants.

H. The foregoing permitted use of the Commercial Unit shall not be changed by the Unit Owners and/or the Board except in accordance with the Zoning Resolution and other applicable Law.

I. Sponsor reserves the right, without prior notice or amendment to the Plan, to use Common Elements, and Unsold Units (including the Commercial Unit, as the case may be) on any floor of the Building as sales and leasing offices and model offices. In the event Sponsor thereafter elects to sell such Unsold Units, Sponsor may require the purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unsold Commercial Unit, such amounts as Sponsor determines together with any sales tax due in connection therewith.

J. All or any part of the Commercial Unit may be leased or subleased by the Commercial Unit Owner, all as more fully set forth in the Declaration. The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of any space in the Commercial Unit.

K. In addition to basing charges on Common Interests, the Board may also make special allocations and assessments of Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the Law.

L. No representation is made or as to who the tenants or occupants of any portion of the Commercial Unit may be at any time or as to the uses to which any portion of the Commercial Unit may be put at any time (except that the Commercial Unit shall be used as offices for medical professionals (physicians, dentists, psychiatrists, psychologists, therapists, etc.), in accordance with the Zoning Resolution and all applicable Law). The use of the Commercial Unit may generate noise, traffic fumes, vibrations or other disturbances over which the Board and Residential Unit Owners will have no control.

M. The Residential Unit Owners, other than Sponsor, will have no interest in the rents, profits or revenues from the rental or use of any of the Commercial Unit.

N. Notwithstanding any subdivision of the Commercial Unit, the Commercial Unit Owner shall have the right to designate one (1) member to the Board. Members of the Board designated by the Commercial Unit Owner may only be removed by the Commercial Unit Owner, who alone will have the right to elect or designate a replacement. Any decisions by the Board which solely affect the Commercial Unit may be made only by the member of the Board designated by such Commercial Unit Owner.

O. Notwithstanding anything to the contrary, (i) the allocations of budgeted items between the Residential Units and the Commercial Unit (as set forth in Schedule B) may not be modified by the Board without the consent of the Commercial Unit Owner, and (ii) the Condominium Documents may not be amended or modified to adversely affect a Commercial

Unit Owner without the prior written consent of the Commercial Unit Owner. Any dispute that may arise with respect to this paragraph shall be resolved by arbitration pursuant to the terms of Article 10 of the By-Laws.

P. The Commercial Unit Owner and its Permitted Users, shall have the right, without the approval of the Board, Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to make alterations, additions, improvements, or repairs in or to the interior portions of the Commercial Unit, whether structural or non-structural, ordinary or extraordinary, and to subdivide and/or combine such Commercial Unit, provided that such alterations, additions, improvements or repairs are in compliance with Law and the terms of the Declaration and By-Laws;

Q. (ii) The Commercial Unit Owner shall have the right to make all arrangements for the prompt repair and restoration of such Commercial Unit to the extent the Commercial Unit is damaged or destroyed by fire or other casualty;

R. The Owner of the Commercial Unit shall, or cause the occupant thereof to, at its sole expense, cause all refuse and rubbish to be removed daily and disposed of by a private carting company. All refuse and rubbish shall be bagged and disposed of in accordance with all applicable laws and regulations for medical waste, and the Owner of the Commercial Unit shall indemnify and hold the Board and all Residential Unit Owners harmless from and against any loss, cost, fine, damage or expense, including attorney's fees, incurred by reason of improper disposal or transport of their refuse and rubbish. The Owner of the Commercial Unit shall not suffer or permit the placing or disposing of any refuse or rubbish in any trash bin or receptacle outside of the Commercial Unit.

S. Each Unit Owner must pay Common Charges to cover the costs of operation and maintenance of the Condominium in accordance with the Condominium Act, N.Y. Real Prop. Law §§ 339(i)(1)(iv) and 339(m). The costs of operation and maintenance of the Condominium, including both those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole (such as expenses for insurance, repairs and maintenance of the General Common Elements and various service contracts), will, except as otherwise set forth herein or in the Condominium Documents, generally be borne by the Unit Owners in proportion to their respective Common Interests. Notwithstanding the foregoing, the share of Common Expenses borne by the Commercial Unit Owner will be based upon anticipated usage and limited to a share of only certain components of the Common Expenses, as shown on Schedules B, and B-1. As more fully set forth in the "Notes to Schedule B" the Commercial Unit Owner will therefore pay only allocated percentages of such components of the Common Expenses, which percentages may be less (or more) than its Common Interest. The allocated percentages represent a projection of the proportionate usage of the services and facilities in question by the Commercial Unit Owner and (other than those which relate to utility consumption, which shall be fairly adjusted based upon such consumption) shall remain fixed from and after the First Year of Condominium Operation. Such allocated share of expenses will result in the Residential Unit Owners having to pay either higher (if fewer services are being provided to the Commercial Unit Owner) or lower (if greater services are being provided to the Commercial Unit) shared expenses of the Condominium.

T. According to the opinion of Sponsor's budget expert, the Common Charges projected to be payable by the owner of the Commercial Unit are adequate and sufficient to cover the Common Expenses fairly attributable to the Commercial Unit.

U. The Declaration and By-Laws authorize the special allocation and apportionment of profit and expenses or a specific expense item based on special or exclusive use or availability or exclusive control of particular Units or Common Elements. Any dispute regarding such allocation or apportionment shall be resolved by arbitration in accordance with the By-Laws, which provides for the arbitration to be conducted before one arbitrator in New York City by the American Arbitration Association.

V. The Board, at the request of Sponsor or a Commercial Unit Owner, will enter into a recognition agreement with any tenant with which Sponsor or a Commercial Unit Owner has entered into a lease for all or any part of the Commercial Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Board will agree that, so long as there is no default under said lease as would entitle Sponsor or a Commercial Unit Owner or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board's lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Board shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Board, or, in case the Board takes possession of a Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided, however, that if the Board or any other party succeeds to the interests of Sponsor or a Commercial Unit Owner, the tenant will agree to be bound to the Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to the Board or party as its landlord.

W. At the request of the Commercial Unit Owner, the Board will also be obligated to provide such Unit Owner with an estoppel certificate in form and substance requested by any lender or tenant thereof certifying as to a certain state of facts regarding the status of the Commercial Unit Owner with respect to its obligations to the Condominium.

X. Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building. Sponsor's easement, which will be recited in the Declaration and duly recorded, will not expire and will remain in effect after Sponsor no longer owns any Units in the Building. Common Elements may be used by Sponsor for any lawful purposes including, but not limited to, the purposes of (a) Maintaining and Altering the Reserved Space Installations on the Reserved Spaces and (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the Maintenance thereof; provided that access to any Unit or portion of the Common Elements in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. The

aforementioned easements may be used by Sponsor, its tenant, assignee or licensee for its own account or the account of any designee, tenant, licensee or assignee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its designee, tenant, assignee or licensee for the use of the Reserved Spaces or the Reserved Space Installations. Any Reserved Space Installations shall be the exclusive property of Sponsor, its designee, tenant, assignee or licensee, as the case may be, and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto.

CHANGES IN PRICES AND UNITS

A. Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of the Board, Unit Owner or Permitted Mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser. No such change will be made other than pursuant to a duly-filed amendment to the Plan filed in advance of any such change, except that 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 general offering or an advertised price but is rather the result of an individually negotiated transaction. 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.

B. Sponsor reserves the right to negotiate the terms and conditions of the Purchase Agreement with each Purchaser or group of Purchasers to whom an offer is made, including but not limited to terms and conditions pertaining to: 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; performance of work in the Unit or the revision of interior Unit layouts and the allocation and payment of costs therefor; the availability of Common Charge rebates, the availability of special incentives to groups or subgroups of Purchasers, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of interim leases and the amount of interim rent; the application of rent towards the Purchase Price; the allocation of legal fees and expenses incurred by either Sponsor or Purchaser in defending or enforcing such party's rights under the Purchase Agreement; and any other matter. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" under the Subsection entitled "Leasing and Use of Unsold Units" for further discussion regarding the terms and conditions of any interim leases.

C. 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 without further amendment to this Plan. 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 rights of rescission under a Purchase Agreement.

D. In the event Sponsor agrees, in its sole discretion, to enter into an Interim License Agreement, such Interim License Agreement 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. Further, in the event Purchaser takes occupancy prior to Consummation of the Plan, the requirements of N.Y. General Business Law § 352-eeee are inapplicable. In addition, a default under the Interim

License Agreement will constitute a default under the Purchase Agreement and a default under the Purchase Agreement will constitute a default under the Interim License Agreement.

E. Sponsor reserves the right to lease or otherwise permit occupancy of the Units by parties other than Purchasers prior to the Closing of such Units but after Consummation of the Plan. Such parties shall have no special rights to purchase the Unit being occupied. Accordingly, a Purchaser may be acquiring a Unit that 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.

F. Once the Declaration is recorded, no change may be made in the number of Units nor may the size of any Unit be changed by subdivision or combination or reconfiguration of boundary walls as aforesaid or otherwise, nor may the Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and this Plan are amended with the consent of each Unit Owner whose Unit is so changed. Sponsor will have the right to amend or to cause the Board or Board to amend the Declaration to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

G. Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any immaterial change or discrepancy to the Unit Plans. Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price of the Unit or otherwise be relieved from any obligations under the Purchase Agreement, by virtue of a non-material inaccuracy or error in the Unit Plans.

H. 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 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.

I. Unless (i) an affected Purchaser consents, no material change will be made in unit size, layout, or percentage of common interest if (i) a Purchase Agreement has been executed and delivered to the Sponsor for that unit and the Purchaser is not in default; and (ii) 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.

INTERIM LICENSES

A. If Sponsor agrees to grant an interim license to the Purchaser of such Unit, the Interim License Agreement will provide for a use and occupancy fee and such other terms and conditions as may be agreed upon by licensor (i.e., Sponsor) and the licensee (i.e., Purchaser). Among other conditions, such Interim License Agreement will provide that an uncured default by the Purchaser under the Purchase Agreement (that is, a default not cured within 20 days after the sending of written notice thereof) will constitute a default under the Interim License Agreement entitling the licensor (i.e., Sponsor), at its sole option, to immediately terminate such Interim License Agreement, whereupon the licensee (i.e., Purchaser) must vacate the Unit within 10 days thereafter. The Purchase Agreement will contain a similar provision entitling Sponsor to terminate the Purchase Agreement and retain the Deposit (and any interest thereon) as liquidated damages, and not as a penalty, in the event the Purchaser fails to cure a default under such Purchaser's Interim License Agreement, 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. A Purchaser rescinding a Purchase Agreement or in default under the Purchase Agreement or Interim License Agreement will have a period of 20 days to vacate the Unit. To facilitate the timely surrender of the Unit in accordance with the foregoing, Sponsor may require, at its option, the Purchaser to execute and deliver a Termination and Surrender Agreement simultaneously with the execution of the Interim License Agreement terminating said Interim License Agreement as of the date that the term of the Interim License Agreement either expires or terminates. The Termination and Surrender Agreement shall be substantially the same as the form attached as an Exhibit to the Form of Interim License Agreement included in Part II hereof. Notwithstanding anything to the contrary set forth elsewhere in this Section A, the Sponsor must make a written demand for payment after default in the Purchase Agreement at least 30 days before forfeiture of the Deposit may be declared.

B. Notwithstanding any of the foregoing, Sponsor will be under no obligation to enter into any Interim License Agreement and no portion of the rent paid under an Interim License Agreement will be credited towards the Purchase Price of a Residential Unit unless the Interim License Agreement expressly provides otherwise.

C. Interim License Agreements 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. Further, in the event Purchaser takes occupancy prior to Consummation of the Plan, the requirements of N.Y. General Business Law § 352-eeee are inapplicable.

D. Purchasers entering into an Interim License Agreement for an Unsold Residential Unit will be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim License Agreement. Such legal fees are estimated to be approximately $1,750.00 assuming that the Purchaser's counsel does not negotiate the terms of the lease. In connection with the Closing of a Residential Unit subject to an Interim License Agreement, all other charges or other fees due under an Interim License Agreement shall be adjusted as of midnight of the day preceding the Closing Date to the Residential Unit. The payment of legal fees

by Purchaser to Sponsor's counsel does not create any attorney-client relationship between Purchaser and Sponsor's counsel.

E. Sponsor reserves the unconditional right, after Consummation of the Plan, prior to the date of closing title to a Unit, to rent or license, rather than sell, such Unit to Purchasers and others. Consequently, a Purchaser of a Unit may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at the closing vacant and free and clear of all leases, tenancies and rights of occupancy. 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 license or other written occupancy agreement.

F. Any person who takes possession prior to Closing must carry renters' insurance covering liability, personal property and contents, and assumes the risk of any losses not covered by such insurance.

G. The 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.

PROCEDURE TO PURCHASE

A. A person desiring to purchase a Residential Unit will be required to execute a Purchase Agreement in substantially the form set forth in Part II of the Plan. All terms of sale with respect to the Commercial Unit are freely negotiable without resort to the form Purchase Agreement set forth in Part II of the Plan, including, but not limited to, the amount of the Deposit and the insurance coverage requirements.

B. 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 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 holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which percentage in some cases may be as high as 70%. 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 10% or more.

Purchasers are advised, among other things, that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include limiting the number of units that may be owned by a single owner. Thus it may be possible for a purchaser to experience difficulty obtaining a loan as a result of the foregoing. It also may 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.

Purchasers may also find it difficult to resell units if prospective buyers are unable to obtain loans due to such minimum sales requirements or any other reason. Purchasers should further note that pursuant to existing law, and except as otherwise set forth herein, sponsor may declare the plan effective upon entering into purchase agreements for a minimum of 15% (which percentage shall be determined prior to sponsor's submission of the amendment declaring the plan effective) 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 the minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a unit.

Notwithstanding the foregoing, if, after the plan shall have been declared effective but prior to the first closing, all purchase agreements are caused to be rescinded or terminated, sponsor shall re-declare the plan effective in order to effectuate consummation of the plan, regardless of whether a declaration shall have been recorded. (see the section entitled "effective date" in part i of the plan for further details.)

C. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser. Prospective Purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall in all events control except where such provisions in the Purchase Agreement were requested by Purchaser and agreed to by Sponsor.

1. Purchaser's Financing.

A. Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase unless Sponsor agrees in its sole discretion to provide a Financing Contingency Rider (as defined below). Regardless of whether a Purchaser obtains financing, but subject to the terms of the Financing Contingency Rider (if agreed to by Sponsor), such Purchaser shall remain obligated to close title to its Unit and pay the balance of the Purchase Price at closing or risk forfeiture of such Purchaser's Deposit. Prospective Purchasers are advised to consider financing arrangements before signing a Purchase Agreement and should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the Closing Date. In addition, a lending institution could withdraw its commitment if it believes a Purchaser's financial condition has worsened or that the Unit's appraised value has decreased or for any other reason. (See the Sections entitled "Procedure to Purchase" and "Closing Costs and Adjustments" in Part I of the Plan for further details.)

B. 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 holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which percentage in some cases may be as high as 50%.

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 10% or more. Purchasers are advised, among other things, that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include limiting the number of units that may be owned by a single owner. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan as a result of the foregoing.

It also may 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. Purchasers may also find it difficult to resell Units if prospective buyers are unable to obtain loans due to such minimum sales requirements or any other reason.

Purchasers should further note that pursuant to existing Law, and except as otherwise set forth herein, Sponsor may declare the Plan effective upon entering into Purchase Agreements for a minimum of 15% (ONE) 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 the minimum number of sales if Purchasers counted towards effectiveness do not ultimately purchase a Unit. Notwithstanding the foregoing, if, after the Plan shall have been declared effective but prior to the First Closing, all Purchase Agreements are caused to be rescinded or terminated, Sponsor shall re-declare the plan effective in order to effectuate Consummation of the Plan, regardless of whether a Declaration shall have been recorded. (See the Section entitled "Effective Date" in Part I of the Plan for further details.)

C. If Purchaser obtains a mortgage loan for the purchase of the Unit, the Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to N.Y. Real Prop. Tax Law § 339-ee(2), which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of the Unit with a mortgage loan, Purchaser must cause the lender making such mortgage loan to accept from Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to such mortgage loan as determined by Sponsor. Upon such assignment, that portion of the mortgage loan assigned by Sponsor will be exempt from mortgage recording tax under N.Y. Real Prop. Tax Law § 255. In such event, Purchaser will be obligated to pay any costs or fees incurred in connection with such assignment. Sponsor shall be solely entitled to the benefits of the exemption and accordingly, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax savings resulting from such exemption. (See the Section entitled "Closing Costs and Adjustments" in Part I of the Plan for further details.)

D. Notwithstanding the foregoing, at the sole discretion of Sponsor, and so long as Purchaser agrees to abide by all of the terms and conditions associated therewith, a Purchase Agreement may include a financing contingency rider, the form of which is attached hereto as Schedule C to the form Purchase Agreement included in Part II of the Plan (the "Financing Contingency Rider"), which would permit Purchaser to obtain financing as a condition precedent of closing title to a Unit upon the terms and conditions more particularly set forth therein. The Financing Contingency Rider, if given by Sponsor, provides, among other things, for the following:

(i) If Purchaser's commitment lapses or expires prior to the Closing Date and Purchaser has made a good faith effort to extend the Commitment, as such term is defined in the Financing Contingency Rider, Sponsor will afford Purchaser a 15-day right to rescission, but only if Purchaser provided Sponsor with prior written notice of the lapse or expiry of the loan commitment, and Purchaser also demonstrates that it has made a good faith effort to extend the loan commitment in accordance with the requirements of the Financing Contingency Rider.

(ii) In the event the Closing Date is adjourned by Sponsor to a date beyond which Purchaser is able, (at Purchaser's sole cost and expense), to extend Purchaser's loan commitment at the lender's then prevailing rate of interest, then, Sponsor will afford Purchaser a 15-day right of rescission should Purchaser properly elect to rescind the Purchase Agreement within such period, upon written notice in accordance the terms of the Purchase Agreement and the Financing Contingency Rider to the Sponsor of such fact, and the Purchase Agreement and Financing Contingency Rider shall be deemed canceled and of no further force or effect, and Escrow Agent shall return to Purchaser the Deposit, together with interest earned thereon, if any, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan.

E. Sponsor may condition the giving of a Financing Contingency Rider upon, among other things, Purchaser's agreement to seek financing from one or more lenders designated by Sponsor. (See the Section entitled "Procedure to Purchase" in Part I and the "Financing Contingency Rider" in Part II of the Plan for further details.)

2. Procedure to Purchase:

A. Purchase Agreements will not be binding on Sponsor until approved and executed by Sponsor, and a fully executed counterpart of the Purchase Agreement is delivered by Sponsor to the Purchaser or such Purchaser's attorney. Sponsor will have 15 days after delivery by Purchaser of an executed Purchase Agreement and the Deposit required thereby, within which to accept or reject such Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any Purchaser, including without limitation a credit report, Patriot Act search, and verification of income and employment, subject to any limitations and requirements imposed by Law.

B. If a Purchase Agreement is not accepted by Sponsor within the aforesaid 15-day period (by Sponsor executing the Purchase Agreement and returning same to Purchaser or Purchaser's counsel within the aforesaid 15-day period), the Purchase Agreement shall be deemed to have been rejected and all sums theretofore deposited thereunder, together with any interest earned thereon, shall be promptly returned to the prospective Purchaser. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of the Board, to refuse to approve and execute a Purchase Agreement for any Unit, provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, gender, sexual orientation, disability, age, marital status or national origin, or as otherwise prohibited by applicable Law. No prospective Purchaser will have any claim against Sponsor for Sponsor's failure to execute a Purchase Agreement in accordance with the foregoing.

C. 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.

3. Purchase Agreement

A. At the time a Purchase Agreement is executed, a Purchaser is required to make a Deposit in the amount of 10% of the Purchase Price, which Deposit shall be made by Purchaser's wire transfer to the account of the Escrow Agent.

B. All Deposit checks must be made payable to the direct order of "Eliezer Cohen, Esq., Escrow Agent." If any Deposit check is returned for insufficient funds or any other reason, Sponsor, at its option, may declare the Purchase Agreement void ab initio and of no further force and effect, may terminate the Purchase Agreement and institute an action against Purchaser for the collection of the Deposit as liquidated damages or may declare a default by Purchaser under the Purchase Agreement, which shall entitle Sponsor to exercise any of the remedies set forth in the Purchase Agreement.

C. The balance of the Purchase Price shall be paid by official bank check issued by a New York bank or trust company which is a member of The New York Clearinghouse Association or, at Sponsor's election, upon not less than two days' prior written notice, by wire as directed by Sponsor with instructions with respect thereto provided by Sponsor to Purchaser. Funds drawn on out-of-state or foreign banks or New York bank or trust companies which are not members of The

New York Clearinghouse Association will not be accepted in payment of the Purchase Price (including the Deposit) for a Unit unless otherwise agreed by Sponsor. Sponsor makes no representations or guarantees that the foregoing will not be further modified. Checks for the balance of the Purchase Price shall be made payable to the direct order of "**320 Macon GP LLC**" or such other party as Sponsor may designate upon not less than two days' prior notice.

D. Although not anticipated, Sponsor may agree, in its sole discretion, to perform Custom Work to a Unit. Unless otherwise agreed to by Sponsor, a Purchaser shall bear the cost of the Custom Work, which Custom Work Cost shall be due and payable by Purchaser to Sponsor upon the execution of the Purchase Agreement for the Unit and deposited in an escrow account with Escrow Agent in accordance with the Plan (the "Custom Work Deposit"). The Custom Work Deposits may be released from the Escrow Agent's escrow account upon the Escrow Agent's receipt of written notification from Sponsor's Architect to the Escrow Agent that all or any portion of the Custom Work has been or will be commenced or that materials for the Custom Work must be ordered. The purchaser is not responsible for cost of removing the Custom Work if (i) the Sponsor fails to close; (ii) the Purchaser is entitled to rescission; or (iii) the Sponsor withdraws or abandons the Plan. If any Purchaser is in default, beyond any grace period, the Sponsor may maintain an action to attempt to recover Restoration Cost. If the Plan is abandoned or withdrawn by the Sponsor, all funds received for Custom Work will be refunded, and any interest earned thereon.

E. Sponsor shall be under no obligation whatsoever to agree to perform any Custom Work for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser to perform any special work or install extra furnishings prior to Closing. Any Custom Work or any special work or installation of extra furnishings which a Purchaser desires to be performed with regard to a Unit shall be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole and absolute discretion of Sponsor.

F. Purchasers are hereby advised that in no event shall the presence of FFE in any sales office, model unit, Common Element or as described in any advertisements or renderings with respect thereto, imply or represent that any such FFE will be located within any portion of the Unit or Building. The presence of FFE in such marketing materials are for illustrative purposes only. In addition, marketing materials may designate or label or use nomenclature to describe certain areas or rooms within Units and the Building that differ from the designations utilized on the Floor Plans, the Plans and Specifications, or the Tax Lot Drawings, including, without limitation, closets, hallways, dens/media rooms and powder rooms. Sponsor is only obligated to deliver the Unit in the condition described in the Plan. In no event, however, shall any designations, labels or nomenclature used in marketing materials conflict with the legally permitted uses of such areas or rooms.

G. The balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Unit. Interest, if any, on Purchaser's Deposit will be credited or paid to Purchaser at Closing.

H. In the event a Purchaser defaults under the Purchase Agreement, **TIME BEING OF THE ESSENCE** with regard to the obligations of Purchaser thereunder, and Purchaser does not cure such default within 30 days after Sponsor gives written notice to the Purchaser of such

default, **TIME BEING OF THE ESSENCE** with regard to the obligation of Purchaser to cure within such 30-day period, Sponsor may terminate the Purchase Agreement by notice of termination to Purchaser and retain the Deposit and all other sums deposited by Purchaser under the Purchase Agreement, together with interest earned thereon as liquidated damages (which cumulative amounts will be in excess of 10% of the Purchase Price), it being acknowledged and agreed that it is extremely difficult and impracticable to ascertain the extent of detriment to Sponsor caused by the breach by Purchaser under the Purchase Agreement and the failure of the consummation of the transaction contemplated by the Purchase Agreement or the amount of compensation Sponsor should receive as a result of Purchaser's breach or default. Upon termination of the Purchase Agreement, Purchaser shall have no further rights thereunder, and Sponsor may sell the Unit to any third party as though the Purchase Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale). In addition, Sponsor shall be entitled to commence an action against Purchaser to attempt to recover Custom Work Costs if no Custom Work Deposit shall have been made by Purchaser, or if, to the extent the Custom Work has already commenced, the Custom Work Deposit is insufficient to cover the Custom Work Cost to the extent that such Restoration Costs have or will be incurred by Sponsor.

I. For purposes of this Plan and the Purchase Agreement, the term "**TIME BEING OF THE ESSENCE**" shall mean that a failure by Purchaser to do what is required at the time specified in the Purchase Agreement is a material breach of the Purchase Agreement and constitutes a default entitling Sponsor to the remedies set forth in this Plan and the Purchase Agreement.

J. Sponsor will serve Purchasers with written notice of the scheduled Closing Date after an amendment declaring the Plan effective has been accepted for filing, at least 30 days prior to the scheduled Closing Date. The notice shall set forth the date of First Closing. In the event Purchaser fails to close on the designated date, then Purchaser will have a 30-day period after written notice within which to cure such default, **TIME BEING OF THE ESSENCE**, following which Sponsor shall have the remedies set forth herein. A Purchaser may waive its right to receive written notice of such Purchaser's Closing Date.

K. At the Closing and simultaneously with the delivery of the deed conveying the Residential Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Board and Sponsor substantially in the form set forth in Part II of the Plan. Failure of the Purchaser to execute and acknowledge the power of attorney shall constitute a default under the Purchase Agreement.

L. If a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date and Sponsor elects not to terminate the Purchase Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) the Purchaser will be required to pay to Sponsor, in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, a daily amount equal to 0.04% 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.

Sponsor anticipates that the First Closing will occur by the Projected First Closing Date which is also the date of the commencement of the First Year of Condominium Operation.

However, if the First Closing does not occur within six months of the Projected First Closing Date, Sponsor will file a Budget Update Amendment. If such amended projections exceed original projections by 25% or more, Sponsor will offer all Purchasers who executed Purchase Agreements prior to the date of the filing of such amendment the right to rescind for a period of 15 days after the presentation date of the Budget Update Amendment. If the Projected First Closing Date is delayed by 12 months or more, Sponsor will file an Extension Amendment. Purchasers who executed a Purchase Agreement for the purchase of their respective Units prior to the date of filing of the Extension Amendment will be offered a right of rescission for a period of 15 days after the presentation date of the Extension Amendment.

Purchasers are advised that if the actual First Closing occurs prior to the Projected First Closing Date, Sponsor may schedule the closings of title to other Units significantly later than the Projected First Closing Date. Unless the applicable Purchase Agreement contains an outside closing date, Sponsor will not be obligated to schedule a closing for such Unit within any specified time frame or ensure that the Closing to such Unit will occur by any date certain. **PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE FOREGOING RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.**

The Sponsor anticipates that the first closing of a unit will occur by October 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 October 1, 2020. 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 12 months beyond that amended, later date.

However, if the First Closing does not occur within six months of the Projected First Closing Date, Sponsor will file a Budget Update Amendment. If such amended projections exceed original projections by 25% or more, Sponsor will offer all Purchasers who executed Purchase Agreements prior to the date of the filing of such amendment the right to rescind for a period of 15 days after the presentation date of the Budget Update Amendment. If the Projected First Closing Date is delayed by 12 months or more, Sponsor will file an Extension Amendment.

Notwithstanding the foregoing, if a Purchaser negotiated an outside closing date that is later than the expiration date of the applicable rescission period, the right of rescission in such instance shall not be available to that Purchaser. Any Purchasers entitled to rescission and electing rescission will have their Deposits (to the extent actually made and collected) and any interest earned thereon, and Custom Work Deposits, and sums paid for Custom Work, if any, returned to such Purchasers.

The Purchaser is <u>not</u> responsible for cost of removing the Custom Work if (i) the Sponsor fails to close; (ii) the Purchaser is entitled to rescission; or (iii) the Sponsor withdraws or abandons the offering plan. The Sponsor may maintain an action against any Purchaser in default, beyond any grace period, for the cost of removing the Custom Work.

Purchasers are advised that if the actual First Closing occurs prior to the Projected First Closing Date, Sponsor may schedule the closings of title to other Units significantly later than the Projected First Closing Date. Unless the applicable Purchase Agreement contains an outside closing date, Sponsor will not be obligated to schedule a closing for such Unit within any specified time frame or ensure that the closing of title to such Unit will occur by any date certain

PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE FOREGOING RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

M. The Sponsor anticipates that the first closing of a unit will occur by October 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 September 30, 2020, twelve months after the projected 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 12 months beyond that amended, later date. However, if the first closing occurs before October 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 SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

If the Plan is withdrawn or abandoned, the Deposit, and if applicable, Custom Work Costs and Restoration Costs, previously paid to and actually collected by Sponsor, and any interest earned thereon, shall be returned to Purchaser within 5 days of the after the amendment abandoning the offering plan has been accepted for filing.

N. From and after the Closing of a Unit, Purchaser will become obligated for the payment of Common Charges, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to such Unit Owner's Unit, whether or not the Unit Owner has taken possession of such Unit Owner's Unit, and 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.

O. Sponsor reserves the right, in its sole and absolute discretion, to waive the collection of Common Charges from Unit Owners during the Waiver Period, provided, however, that Sponsor shall be solely responsible for payment of Waiver Period Expenses during the Waiver Period. The Waiver Period shall be disclosed to Purchasers in Sponsor's closing notice and shall commence as of the date of the First Closing. Sponsor may, in its sole and absolute discretion, upon 30 days' prior written notice to Unit Owners, terminate the Waiver Period. Purchasers should note that the Schedule B will not be in effect until the expiration of the Waiver Period. Waiver Period Expenses are not based on estimates set forth in Schedule B and will include, without limitation: (i) the actual costs and expenses of operating the Building with all services and amenities (as more particularly described in the "Description of Property" section of the Plan), (ii) insurance premiums with respect to any insurance coverage for the Condominium required to be

maintained by the Board for the months in which the Waiver Period is in force and effect, and (iii) reserve fund payments required by Sponsor's lenders, if any. Notwithstanding anything to the contrary set forth above, the Waiver Period Expenses shall not include real estate taxes, regardless of whether the Unit was separately assessed, or other expenses for which Unit Owners are typically directly responsible and which are not included in the calculation of Common Charges. Unit Owners will be responsible for the payment of real estate taxes for their Unit and other individual expenses after Closing. During the Waiver Period, Sponsor shall maintain appropriate records of all expenditures and receipts in accordance with the provisions of the By-Laws. Upon commencement of the collection of Common Charges, there will not be an assessment for any item set forth in Schedule B.

P. Purchasers are advised that the risk of loss to any Unit by fire or other casualty is assumed by Sponsor until the Closing for such Unit has occurred, at which time such risk to the Unit (but not to any portion of the Common Elements) shall be assumed by Purchaser, but without any obligation or liability by Sponsor to repair or restore any Unit. If a Purchaser is given possession of the Unit prior to Closing pursuant to an Interim License Agreement, then Purchaser shall assume the risk of loss for its personal property and shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from Purchaser's use or occupancy that is not otherwise covered by insurance, unless the cause thereof originated outside the Unit and did not result from the acts or omissions of Purchaser or other occupants of the Unit or Purchaser's guests, invitees, agents or workers. In the event that a Unit is damaged or destroyed as a result of a fire or other casualty prior to the Closing, Sponsor shall not be obligated to make any repairs to the Unit or its installations. If 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 subject 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 Board and other Unit Owners, belong entirely to Sponsor. In the event that a Unit is damaged or destroyed by fire or other casualty prior to the Closing and Sponsor notifies Purchaser that it does not elect (which election shall be in Sponsor's sole discretion, provided that Sponsor shall notify Purchaser within 90 Business Days from the date of the casualty as to whether Sponsor will elect to restore) 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 (see the Section entitled "Rights and Obligations of Unit Owners and Board of Managers"), the Purchase Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser the Deposit, together with interest earned thereon, if any, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan. However, notwithstanding anything to the contrary herein, if there is a default by Purchaser under the Purchase Agreement (beyond any applicable grace period), Sponsor shall be entitled to commence an action against Purchaser to attempt to recover Custom Work Costs if no Custom Work Deposit shall have been made by Purchaser, or if, to the extent the Custom Work has already commenced, the Custom Work Deposit is insufficient to cover the Custom Work Cost.

Q. Purchase Agreements are not assignable without the prior written consent of Sponsor, which consent may be granted or denied by Sponsor in its sole discretion, provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, gender, sexual

orientation, disability, age, marital status or national origin, or as otherwise prohibited by applicable Law. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any direct or indirect sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of the Purchase Agreement. The Controlling Party of Purchaser shall remain personally liable for Purchaser's obligations under the Purchase Agreement. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser will be required to pay Sponsor a fee in the amount of $1,000.00, in advance, for preparation of an assignment agreement. Any purported assignment by Purchaser in violation of the Purchase Agreement will constitute a default thereunder and will, in addition to Sponsor's other remedies on account of such default, be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor.

Escrow and Trust Fund Requirements

A. Eliezer Cohen, Esq, with an address at 70 East 55th Street, New York, New York 10022, telephone number (917) 567-5833, shall serve as Escrow Agent for Sponsor and Purchaser. Escrow Agent has established IOLA Account at Apple Bank for Savings at its branch located at 812 Lexington Avenue, New York, NY 10065. Eliezer Cohen is the only signatory on the account and is admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent, or any principal thereof, have any beneficial interest in any of the foregoing.

A. The Escrow Account is an IOLA Account. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000.00 per depositor, per insured depository institution for each account ownership category. Accordingly, Purchasers are advised that (i) if a Purchaser makes a Deposit(s) in excess of $250,000.00 for the purchase of a Unit, such Deposit(s) will not be federally insured in excess of $250,000.00; and (ii) if a Purchaser has any additional accounts where the Escrow Account is held, the funds in said accounts will be added together with the Deposit(s) held in escrow and the total will only be insured up to the $250,000.00 FDIC maximum coverage. Any deposit in excess of $250,000.00 will not be insured.,

B. All funds received from Purchasers prior to Closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Escrow Account. All instruments to be Eliezer Cohen, Esq., as Escrow Agent." Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five Business Days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of the Purchase Agreement, included as Exhibit 1 in Part II of the Plan.

As only four Units are being offered for sale, and no Unit will be marketed until it is ready for occupancy, an IOLA escrow account as opposed to an account on which a party earns interest, is appropriate. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Within five 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 10 Business Days of the placing of 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 with the terms of the Purchase Agreement. The Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or the Selling Agent.

C. Acceptance of the Deposit by Sponsor or Selling Agent and the placement of the Deposit by Escrow Agent into the special escrow account, shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan.

D. No interest earned thereon shall be paid to or credited to the Purchaser at closing, but shall be paid as IOLA interest is paid pursuant to Law. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Within five 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 ~~Master~~ Escrow Account.

E. No interest earned thereon shall be paid to or credited to the Purchaser at closing but shall be paid as IOLA interest is paid pursuant to Law. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Within five 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.

F. ESCROW AGENT'S NOTICE THAT THE DEPOSIT HAS BEEN DEPOSITED WILL NOT MEAN THAT PURCHASER HAS BEEN APPROVED AS A PURCHASER OR THAT THE PURCHASE AGREEMENT HAS BEEN SIGNED BY SPONSOR. IT SIMPLY MEANS THE CHECK HAS BEEN DEPOSITED.

G. 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, as per N.Y. Gen. Bus. Law § 352-h.

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 Sponsor of its obligations pursuant to N.Y. Gen. Bus. Law §§ 352-3(2-b) and 352-h.

I. The Escrow Agent shall release the Deposit if so directed:

(i) pursuant to terms and conditions set forth in the Purchase Agreement upon Closing to the Unit; or

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

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

J. If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) 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 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 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 30-day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (i) through (iii) 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.

K. Sponsor shall not object to the release of the Deposit to:

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

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

L. 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. Escrow Agent shall maintain all records concerning the Escrow Account for seven years after release of the funds.

M. Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the terms of the escrow as was originally provided herein. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security.

N. 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.

O. Any provision of any Purchase 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 N.Y. Gen. Bus. Law §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, the Plan, or any amendment thereto. 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.

P. Sponsor has agreed to compensate Escrow Agent for services rendered by its attorneys and paralegals and expenses incurred by Escrow Agent in connection with the Purchase Agreement, including, without limitation, disputes arising with respect to the Deposit in connection with Escrow Agent's duties hereunder, if any. Sponsor shall not be charged with any administrative costs for maintenance of the Escrow Account. 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.

Q. Sponsor has agreed 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 Escrow Agent's responsibilities arising in connection with the Purchase Agreement or the performance or non-performance of Escrow Agent's duties under the Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in the Purchase Agreement or involving gross negligence of Escrow Agent.

R. Escrow Agent shall not be liable to Purchaser or Sponsor for any error in judgment, mistake of fact or law or for any act or omission on Escrow Agent's part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or suffered in bad faith or in willful disregard of the Purchase Agreement or involving gross negligence on the part of Escrow Agent.

S. 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.

EFFECTIVE DATE

A. Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to 13 N.Y.C.R.R. § 20.3 (*i.e.,* Purchase Agreements signed by bona fide purchasers (including investors who must be deemed bona fide purchasers by the Department of Law). One (1) Unit is at least 15% of the Units being offered for sale under the Plan, so that the Plan may be declared effective upon the sale of one (1) Unit.) for 15% of the Units—any one unit constitutes 15%). The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80% of the Units offered for sale (i.e., 4 Units assuming 4 Units offered for sale). Except as otherwise set forth herein, the Plan may be declared effective at an earlier date, at Sponsor's sole election, when bona fide Purchase Agreements (including those executed by investors) have been executed and accepted by Sponsor with respect to at least 15% of the Units being offered for sale under the Plan. One (1) Unit is at least 15% of the Units being offered for sale under the Plan, so that the Plan may be declared effective upon the sale of one (1) Unit.

B. The Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) signed by Purchasers who have not been afforded at least three Business Days to review this Plan and all filed amendments prior to executing a Purchase Agreement or at least seven days to rescind; or (iii) signed by any Purchaser who is Sponsor, the Selling Agent, the Managing Agent, or a principal of them, or is related by blood, marriage, or adoption, or as a business associate, an employee, a shareholder or a limited partner of Sponsor, the Selling Agent, the Managing Agent or a principal of them (except that such a Purchaser other than Sponsor or a principal thereof may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide). In addition, if, after the Plan shall have been declared effective but prior to the First Closing, all Purchase Agreements are caused to be rescinded or terminated, Sponsor shall re-declare the plan effective in order to effectuate Consummation of the Plan, regardless of whether a Declaration shall have been recorded.

C. This Plan will be declared effective either by: (a) personal service of notice on each purchaser; or (b) by commencement of service by mail stating that the plan was declared effective on a particular date, the percentage used to declare the plan effective, and a list of units being counted to meet the minimum percentage under the terms of the Plan to declare it effective. If declared effective by notice, an amendment to that effect, specifying the date on which the Plan was declared effective, shall be filed within 5 days thereafter with the Department of Law. A Closing may occur without the sponsor's submitting an amendment to the Department of Law to declare the plan effective; however, the sponsor must comply with the requirements of 13 NYCRR§ 20.5(e) when submitting a post-closing amendment pursuant to 13 NYCRR § 20.5(f).

D. Prior to being declared effective, the Plan may, at the option of Sponsor, be abandoned at any time for any reason. After the Plan has been declared effective, the Plan may be abandoned in the event of: (a) the existence of one or more title defects (including violations of record or work orders of a mortgagee or insurance carrier) affecting any one or more Units or the Property that cannot be removed, cured or complied with without litigation or for less than one-half of one percent of the total offering in the aggregate; (b) substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to

the date set for the First Closing for less than one half of one percent of the total offering; or (c) a taking of all or part of the Property in condemnation proceedings or by eminent domain. Any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney's fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to Sponsor or are a matter of public record.

E. If the Plan is withdrawn or abandoned, the Deposit, and, if applicable, any Custom Work Costs and Restoration Costs, previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within 15 days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth. Upon the return of the Deposits, together with any interest earned thereon, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under the Plan or the Purchase Agreements.

Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and, in the case of an abandonment, shall file a notice of abandonment on form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and disposition of all funds received. All Deposits and monies received for Custom Work and any interest earned thereon must be returned within five (5) days after the amendment abandoning the offering plan has been accepted for filing.

F. The Condominium will contain 1 Commercial Unit. This Commercial Unit is not being offered for sale at this time. Purchasers should refer to the Section of the Plan entitled "Commercial Unit" for a detailed description of the Commercial Unit.

TERMS OF SALE

A. The Closing shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on notice served not less than 30 calendar days prior to the scheduled date for closing. Sponsor anticipates that the Closing of title to each Unit will be held at Sponsor's counsel's office at Suite 1400, 7 Penn Plaza Street, New York, New York 10036 or at such other place as Sponsor may designate on not less than two Business Days' prior notice. The Closing of title to each Unit shall take place only after or concurrently with the following events:

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

(2) the recording or filing of the Declaration, By-Laws, Tax Lot Drawings and engineer's and tax authority certifications required by N.Y. Real Property Law § 339-p or other applicable Law and such other documents as may be required by Law;

(3) either (i) the release of the Unit and its appurtenant Common 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 Purchaser's mortgagee of any existing mortgage(s) encumbering such Unit and its appurtenant Common Interest in the Common Elements;

(4) the delivery to Purchaser of written notice of the time and place of the Closing to the Unit at least 30 days prior to the Closing Date specified therein, 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;

(5) the execution and delivery by Sponsor of a Unit Deed (a bargain and sale deed with covenant against grantor's acts in the form set forth in Part II as an Exhibit) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;

(6) 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 Board of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the Common Elements or Limited Common Elements, as the case may be. (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 or purchased. 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); and

(7) the execution and delivery by Purchaser of the Power of Attorney, the form of which is set forth in Part II of the Plan;

B. Sponsor is not obligated to repair any damage from a casualty or other cause that occurs before the Closing of a Purchaser's Unit. If Sponsor elects to repair any such damage, Purchaser's Purchase Agreement will remain in full force and effect, and Purchaser shall not have

the right to reject title or receive a credit against or an abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. If Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, the Purchase Agreement shall be deemed canceled and Sponsor shall return to Purchaser all sums deposited by Purchaser under the Purchase Agreement, together with interest earned thereon, if any, subject to Sponsor's right\to bring an action to attempt to recover any Custom Work Deposit, and neither party shall have any further liability to the other, except that (i) if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor will retain all such sums deposited by Purchaser under the Purchase Agreement and Plan, together with any interest earned thereon, as and for liquidated damages and (ii) Sponsor shall be entitled to commence an action against Purchaser to attempt to recover Custom Work Costs if no Custom Work Deposit shall have been made by Purchaser, or if, to the extent the Custom Work has already commenced, the Custom Work Deposit is insufficient to cover the Custom Work Cost, and to attempt to recover Restoration Costs.

C. 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 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. If existing mortgages will not be satisfied at or prior to the First Closing, as of the First Closing, each mortgagee will either: (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed. Title exceptions may include the state of facts shown on a stated survey and any additional state of facts a subsequent survey would show, provided that such additional state of facts does not render title uninsurable.

D. Purchaser shall receive prior notice that a Unit is available for inspection pursuant to this Paragraph, as more particularly set forth in the Purchase Agreement in Part II of the Plan and as described in the Section of the Plan entitled "Rights and Obligations of Sponsor." Prior to the Closing, Purchaser, accompanied by a representative of Sponsor, shall have the right to inspect the Unit on such date and at such time designated by Sponsor; provided, however, that (i) Sponsor shall have no obligation to correct any immaterial conditions noted or alleged by Purchaser upon such inspection, or to abate the Purchase Price, escrow monies, or otherwise compensate Purchaser for same, and (ii) any Non-Conforming Condition shall not entitle Purchaser to delay the Closing or otherwise refuse to perform Purchaser's obligations under the Purchase Agreement, so long as Sponsor agrees to correct such Non-Conforming Condition within a reasonable period of time following the Closing. If there is a condition of any kind which entitles Purchaser not to close, Sponsor has a right to adjourn to correct. In the event Sponsor agrees to correct such Non-Conforming Condition following the Closing, such obligation shall be conditioned upon the Purchaser providing full access to Sponsor and Sponsor's contractors and agents in order to take all necessary steps to correct such Non-Conforming Condition.

E. The Purchase of a Unit does not entitle the Purchaser thereof to conduct tests in such Unit for any reason, including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. A Purchaser who fails

to inspect such Unit shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan.

After Closing of title to each Unit, the Purchaser thereof must comply with the procedures established by the Managing Agent regarding such Purchaser's move into the Unit.

F. This may include reasonable "move in" deposits, not to exceed $1,000.00, which will be refunded to the Purchaser unless the Purchaser or the Purchaser's agents damage the Common Elements or another Unit during the move in. The Managing Agent or the Board may require Purchasers moving in or out to pay the actual costs for security services designated by the managing Agent or the Board for protection of the Building and occupants during the move in or move out, as the case may be. Days and times of move ins and move outs may be restricted to prevent disruption of activities by the Sponsor or other occupants of the Building.

PHYSICAL CONDITION.

A. The Martin Act requires that Sponsor disclose the terms of the offering made under this Plan. With regard to the description of property, the Martin Act requires that Sponsor disclose the detailed terms of the transaction, which shall include a description of the property, the nature of the interest, and how title thereto is to be held. As required by the Department of Law regulations, Sponsor hereby discloses that it is obligated to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B), which only applies to new dwellings of five stories or less, is not applicable to this offering. Sponsor is undertaking only limited work, as described in Part II, and referred to herein as Minor Building Improvements, and otherwise the offering herein is as-is. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability of any Unit, Common Element or Limited Common Element, if applicable, and Purchasers are advised that no such warranties exist under the laws governing the offering. Purchasers are further advised that the Martin Act is a disclosure statute that does not require Sponsor to provide any specific warranties of any nature regarding the Units that are offered under the Plan. Sponsor makes no representation or warranty with respect to sound transmission, odors emanating from within or without the Condominium, air, views or light quality. As stated above, Sponsor is obligated to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications, and any conflict between: (a) the disclaimers and (b) Sponsor's obligation to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as disclosed in the Plan, shall be resolved in favor of Sponsor's obligation to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications set forth in the Plan.

B. Sponsor hereby discloses that it makes no warranty or guaranty as to the presence of mold, mildew, spores, fungi or other toxins at the Condominium. Except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser of a Unit may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit pertinent non-invasive testing. Mold and mold spores are present throughout the environment and a residential condominium conversion cannot practicably be designed to exclude the introduction of mold spores. According to public statements made by the EPA, molds are part of the natural environment, and can be found everywhere, indoors and outdoors. Mold is not usually a problem, unless it begins growing indoors. Moisture is the primary mold growth factor that can be controlled in a condominium setting. Accordingly, Unit Owners are advised to minimize or control moisture in their respective Units so as to minimize or eliminate mold growth in their respective Units. For additional information on mold, purchasers are advised to visit the EPA's website at the following address: https://www.epa.gov/mold.

C. With respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Condominium, Sponsor hereby discloses that it shall not be liable 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. Except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser of a

Unit may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit pertinent non-invasive testing. In no event will Sponsor be liable for incidental, special or consequential damages in connection with the issues described in this Paragraph (whether based on negligence, breach of contract, warranty, or otherwise), including, without limitation, costs incurred if a Unit Owner vacates the Unit or its contents during any period that such Unit Owner seeks to remediate any condition described in this Paragraph. The foregoing disclaimers and waivers of Purchaser shall also apply to any "consumer product" as defined in the Magnuson-Moss Warranty Act, which consumer products shall not be warranted by Sponsor but instead by the manufacturer, if applicable. (*See* the Section of the Plan entitled "Rights and Obligations of Sponsor").

D. As further set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor", with the exception of certain Minor Building Improvements, this is an as-is offering, and the Units and Building are otherwise offered in their as-is condition. Unless specifically referenced in the Description of Property in Part II of the Plan, all appliances are previously used, and do not include a warranty of any kind, other than a manufacturer's warranty, to the extent such warranty is (x) still in effect; and (y) can be assigned.

E. Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of immaterial variations from the Plans and Specifications or the description of any portion of the Building or a Unit set forth in the Plan which are neither in violation of law, nor require the approval of any governmental authority having jurisdiction, provided such variations are of substantially Equal or Better Quality than as set forth in the Plans and Specifications or description in this Plan. Any such variation affecting the Property which is material will be disclosed in a duly-filed amendment to the Plan.

F. The Purchaser of a Unit shall have the right to inspect such Unit prior to Closing as more particularly set forth in the Purchase Agreement in Part II of the Plan. However, except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser thereof may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit non-invasive testing.

G. Purchasers are hereby advised that in no event shall the presence of any FFE in any sales office, model unit, Common Element, or as described in any advertisements or renderings with respect thereto, imply or represent that any such FFE will be located within any portion of the Unit or Building. The presence of FFE in such marketing materials are for illustrative purposes only. In addition, marketing materials may designate or label or use nomenclature to describe certain areas or rooms within Units and the Building to that differ from the designations utilized on the Floor Plans, the Plans and Specifications, or the Tax Lot Drawings, including, without limitation, closets, hallways, dens/media rooms and powder rooms. Sponsor is only obligated to deliver the Unit in the condition described in the Plan. In no event, however, shall any designations, labels or nomenclature used in marketing materials conflict with the legally permitted uses of such areas or rooms.

CLOSING COSTS AND ADJUSTMENTS

A. As more particularly set forth in the Purchase Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the Closing of the Purchaser's Unit. Recording charges, fees and taxes are based on rates in effect on the date of the Plan and are subject to change without notice and a Purchaser will not be relieved of Purchaser's obligation under a Purchase Agreement by reason of any change in such charges, fees or taxes.

B. Purchaser will pay the Working Capital Fund Contribution to the Working Capital Fund then applicable to the Unit being purchased.

C. Any Purchaser of a Unit which is a Government Entity shall be required to deposit into escrow an amount equal to one year of Common Charges then in effect to secure their obligations under the Declaration and By-Laws for the payment of Common Charges and/or assessments and otherwise.

D. If Purchaser elects to obtain fee title insurance, Purchaser will pay the premium therefor, which will vary depending upon the amount of insurance being purchased. **Purchasers are free to use a title company of their choice without incurring additional fees from Sponsor.** Royal Abstract of New York LLC, having an office at 500 Fifth Avenue, Suite 1540, New York, New York 10110, telephone number 212-376-0900, 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, and (ii) issued the Specimen Title Policy set forth in Part II of the Plan. As of the filing of this Plan, the rates for fee title insurance set by the Title Insurance Rate Service Association (TIRSA) will be $402.00 for the first $35,000.00 of fee insurance plus $6.67 for each additional $1,000.00 of fee insurance up to $50,000.00. For additional rates, please refer to the schedule below:

FEE AMOUNT	PREMIUM
$ 35,001.00	$402.00 + $6.67 per thousand up to $ 50,000.00
$ 50,001.00	$402.00 + $5.43 per thousand up to $ 100,000.00
$ 100,001.00	$402.00 + $4.36 per thousand up to $ 500,000.00
$ 500,001.00	$402.00 + $3.98 per thousand up to $ 1,000,000.00
$ 1,000,001.00	$402.00 + $3.66 per thousand up to $ 5,000,000.00
$ 5,000,001.00	$402.00 + $3.25 per thousand up to $ 10,000,000.00
$ 10,000,001.00	$402.00 + $3.07 per thousand up to $ 15,000,000.00
$ 15,000,001.00+	$402.00 + $2.76 per thousand

E. If a purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the mortgage title insurance will typically be at a simultaneous rate. The premium for mortgage title insurance will be computed using a "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at 30% of the regular scheduled rate for loan policies. For example:

LOAN AMOUNT	PREMIUM
$ 35,000.00	$103.20 + $1.67 per thousand up to $ 50,000.00
$ 50,001.00	$103.20 + $1.36 per thousand up to $ 100,000.00
$ 100,001.00	$103.20 + $1.09 per thousand up to $ 500,000.00
$ 500,001.00	$103.20 + $0.99 per thousand up to $ 1,000,000.00
$ 1,000,001.00	$103.20 + $0.92 per thousand up to $ 5,000,000.00
$ 5,000,001.00	$103.20 + $0.81 per thousand up to $ 10,000,000.00
$ 10,000,001.00	$103.20 + $0.77 per thousand up to $ 15,000,000.00
$ 15,000,001.00+	$103.20 + $0.69 per thousand

F. The foregoing fee and mortgage title insurance rates are subject to change without notice. Each title underwriter selected by Purchaser must agree (i) to timely submit the Unit Deed, all Transfer Tax forms and checks for payment of such Transfer Taxes required to be submitted to the appropriate governmental authorities for recording and payment in connection with the conveyance of the Unit to Purchaser; and (ii) indemnify Sponsor, its counsel, agents, Escrow Agent, and others for loss, damages, penalties, fines and the like (including attorneys' fees) in the event the title underwriter (or its abstract company) fails to file such Unit Deed and Transfer Tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency. If said title underwriter does not execute an indemnification substantially in the form set forth as Schedule D to the Purchase Agreement, Purchaser must, as more fully set forth in the Purchase Agreement, agree to: (a) indemnify Sponsor, its counsel, agents, Escrow Agent, and others for loss, damages, penalties, fines and the like (including attorneys' fees) if its title underwriter (or such title underwriter's abstract company) fails to file such Unit Deed, transfer tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency, and (b) provide such further assurances as Sponsor shall reasonably require (including, without limitation, providing funds in escrow to secure Purchaser's indemnity obligations). (Please refer to the copy of the Purchase Agreement set forth as an Exhibit in Part II of the Plan.)

G. Purchaser will pay a fee for recording the following documents: (a) the Unit Deed in the amount of $250.00 (provided that the Unit Deed is eight pages or less); (b) a Power of Attorney in the amount of $90.00 (provided that the form of Power of Attorney is five pages or less); (c) a Mortgage, if any, in the amount of $225.00 (provided that the form of Mortgage is 20 pages or less); and (d) additional instruments in the amount of $75.00 plus $5.00 per page, as collected by the title company (each title company establishes its own additional service and surcharges in this regard). In addition, if a title company prepares the ACRIS forms, an additional fee will be incurred. If Sponsor's attorney prepares the ACRIS forms, a fee of $250.00 will be charged in addition to the closing fee.

H. If Purchaser obtains a Mortgage for the purchase of the Unit, the Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to N.Y. Real Property Law § 339-ee(2), which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of the Unit with a Mortgage, Purchaser must cause the lender making such loan to

accept from Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Mortgage as determined by Sponsor. Upon such assignment, that portion of the Mortgage assigned by Sponsor, will be exempt from mortgage recording tax under N.Y. Real Prop. Tax Law § 255. In such event, Purchaser will be obligated to pay any costs or fees incurred in connection with such assignment. Sponsor shall be solely entitled to the benefits of the exemption and accordingly, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax savings resulting from such exemption. Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase.

I. Although the NYC RPT Tax and the NYS Tax are generally a seller's obligation, the obligation is transferred to the purchaser in the sale of condominium units from the sponsor to the purchaser pursuant to the Plan. As is customary in condominium offerings throughout New York State, therefore, upon closing, Purchaser will pay the NYC RPT Tax, which currently, for the purchase of a single Residential Unit is 1.425% of the purchase price, assuming a purchase price over $500,000.00, and the NYS Tax, presently 0.4%, increasing by a quarter point (0.25%) to 0.65% for Residential Units whose Purchase Price is more than $3 million. Purchasers should note that Sponsor does not warrant or guarantee that the NYC RPT Tax, the NYS Tax, or the Mansion Tax (discussed below) will not be subject to change by the applicable governmental authorities prior to Closing. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Purchasers will also be obligated to pay the filing fee for the NYC RPT Tax form which is currently $125.00. Therefore, the steps to compute the tax are:

(i) Multiply the Purchase Price by the NYC RPT Tax rate to compute the tentative NYC RPT Tax.

(ii) Multiply the Purchase Price by the NYS Tax rate to compute the tentative NYS Tax.

(iii) Add the tentative taxes in (i) and (ii) to the Purchase Price.

(iv) Multiply (iii) by the NYC RPT Tax rate to determine the NYC RPT Tax payable.

(v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

EXAMPLE:
Purchase Price: $1,100,000.00
NYC RPT Tax Rate: 1.425%
NYS Tax Rate: .4%

(i)	$1,100,000.00 x 1.425%	=	$15,675.00
(ii)	$1,100,000.00 x .4% (rounded up to nearest whole $2.00)	=	$4,400.00

(iii)	$1,100,000.00 + $20,075.00	=	$1,120,075.00
(iv)	$1,120,075.00 x 1.425%	=	**$15,961.07** (NYC RPT Tax payable)
(v)	$1,120,075.00 x .4% (rounded up to nearest whole $2.00)	=	**$4,482.00** (NYS Tax payable)

Under the current policies of the New York City Department of Finance, where a Purchaser purchases a commercial unit (*i.e.,* the Commercial Unit) or two or more Residential Units that have not been physically combined into a single residence before the transfer, the NYC RPT Tax rate where the consideration is in excess of $500,000.00 will be 2.625% (this may be the case even if the two Residential Units are transferred to the Purchaser pursuant to separate sales contracts with separate closing dates). There is no guarantee that The City of New York will not change its positions with respect to the foregoing. Purchasers of Units should consult their own tax advisors regarding recent New York City Tax Appeals Tribunal determinations rejecting the application of the higher commercial rates of the NYC RPT Tax to sales of multiple residential condominium units.

J. Purchasers of Residential Units shall also be obligated to pay the Mansion Tax, which is currently 1% between $1 million and $2 million, 1.25% for Residential Units selling for between $2 million and $3 million, and topping out at 4.15% on Residential Units whose Purchase Price is $25 million or more. NYS Tax increases by a quarter point (0.25%) to 0.65% for Residential Units whose Purchase Price is more than $3 million, bringing the total to 4.55% for Residential Units whose Purchase Price is more than $35 million. The Purchase Price (the computation of which shall include the RPT Taxes and NYS Taxes as described above), which by Law is the primary obligation of the Purchaser when the Purchase Price of a Residential Unit is $1,000,000.00 or more.

K. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's Counsel for contracts and closings, in connection with the Closing to Purchaser's Unit: (i) the sum of $1,750.00 for the preparation of closing documents and attendance at closing; (ii) if the Purchaser requests the Closing to occur other than at the office of Sponsor's Counsel located at 7 Penn Plaza, Suite 1400, New York, NY 10001, or such other place that Sponsor may designate in its closing notice and Sponsor consents to such change, at no fee, for each Closing held within Manhattan and $2,500.00 for each Closing held in any borough outside Manhattan; (iii) if the closing is adjourned through no fault of Sponsor, an additional fee of $750.00 for each such adjournment to help defray the cost of preparing for and coordinating the new closing; (iv) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, a fee of $1,000.00, payable in advance, for preparation of an assignment agreement; (v) if Purchaser finances the purchase, a fee of $500.00 to process the lender's loan documents; (vi) if Purchaser, Purchaser's counsel, or Purchaser's lender is more than one hour late to the Closing, Sponsor reserves the right to adjourn or delay the Closing and cause Purchaser to pay an adjournment fee of $750.00; and (vii) if Purchaser is purchasing the Unit in connection with a 1031 exchange, a fee of $500.00. Purchaser may pay more than one fee pursuant to this

paragraph with respect to a single Unit. If the scheduled Closing is adjourned due to Purchaser's failure to comply with its Closing obligations, the determination of which shall be within the sole discretion of Sponsor's Counsel, Sponsor's Counsel shall also be entitled to an attendance fee.

L. Purchasers entering into an Interim License Agreement for an Unsold Residential Unit will be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim License Agreement. Such legal fees are estimated to be approximately $1,750.00 assuming that the Purchaser's counsel does not negotiate the terms of the lease. In connection with the Closing of a Residential Unit subject to an Interim License Agreement, all other charges or other fees due under an Interim License Agreement shall be adjusted as of midnight of the day preceding the Closing Date to the Residential Unit.

M. The payment of legal fees by Purchaser to Sponsor's Counsel does not create any attorney-client relationship between Purchaser and Sponsor's Counsel.

N. If Purchaser has dealt with any broker other than Selling Agent or any other broker engaged in writing by Sponsor in connection with the purchase, then Purchaser will be required to pay any commission due to such broker.

O. If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. As of June 1, 2005, the mortgage recording tax for mortgages for Residential Units where the mortgage is under $500,000.00 is $2.05 for each $100.00 of principal. The mortgage recording tax for Residential Units for mortgages in the amount of $500,000.00 or greater is $2.175 for each $100.00 of principal. The tax is reduced for Residential Units in both instances by $30.00 if the mortgage principal exceeds $10,000.00. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources. As previously stated above, if a mortgage tax credit becomes available pursuant to § 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed. In addition, where a Purchaser obtains a mortgage loan, the Purchaser will be responsible for all costs associated therewith, including, without limitation, costs incurred in connection with the mortgage application, bank's attorney, survey, appraisal, credit report and points.

P. The following table illustrates the projected closing costs (based on current rates) for a Residential Unit offered at a Purchase Price of $1,100,000.00, assuming: (i) such Purchaser finances 75% (*i.e.*, $825,000.00) of the Purchase Price; (ii) the monthly Common Charges for the Unit are $543.57; and (iii) the Unit's Common Interest is 26.2111%:

Fee Title Insurance (if purchased simultaneously with mortgage title insurance)	$4,874.00
Recording Fees for Unit Deed (8 pages), Unit Owner's Power of Attorney	$650.00

(5 pages), and miscellaneous documents	
Mortgage Loan Closing Costs: - Recording Fees for Mortgage (assuming 20 pages) - Mortgage Recording Tax at 2.175% of $825,000.00 (less $30.00 exemption for first $10,000.00), a portion of which will be paid directly to Sponsor - Mortgage Title Insurance (if purchased simultaneously with fee title insurance) - Bank Charges (assuming "points" of 1% of mortgage amount, an appraisal fee of $1,000.00 and legal fees of $1,000.00, and assuming further that Purchaser's lender does not require Purchaser to deposit funds to establish any escrow)	 $225.00 $17,913.75 $956.00 $10,250.00
NYC RPT Tax and NYS Transfer Tax (includes $125.00 filing fee for New York State Real Property Transfer Report – RP-5217NYC Form)	$20,568.07
Mansion Tax (increased by NYC RPT Tax and NYS Transfer Tax bulk-up)	$11,200.75
Working Capital Fund Contribution	$543.57
Closing Fee (assuming closing occurs at office of Sponsor's Counsel)	$1,750.00
TOTAL:	**$68,931.14**

Q. The projected closing costs referred to above are approximate and are not guaranteed. Purchasers are advised that they are responsible for all mortgage loan closing costs which vary widely among different lenders (who may include points) and also will vary depending on the loan program chosen.

R. In addition to the above-specified costs and expenses, a mortgage loan may require that the Unit Owner deposit monthly with its lender 1/12 of the estimated annual real estate taxes and tax assessments which are assessed or to be assessed against the Unit, together with 1/12 of the annual fire and casualty insurance policy premiums for the Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with its lender a multiple of the aggregate of such one months' real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for its lender to pay the same when due and such sums may be due even if a real estate tax escrow is paid to the Board at Closing.

S. All legal costs, fees and expenses of Sponsor's attorneys, other than those specifically set forth above as being the responsibility of Purchaser, will be the responsibility of Sponsor.

T. At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser with respect to (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 for the month in which title closes and (c) accrued rent and any other charges pursuant to an Interim License Agreement, if any, covering Purchaser's Residential Unit. Sponsor may also collect, on behalf of the Board, Common Charges for the month following the month in which the Closing occurs. In the event the Units have not been separately assessed for real estate tax purposes prior to a Closing of a Unit, each Unit Owner will pay a pro rata share in the proportion that such Unit's Common Interest bears to the aggregate Common Interest of Units of all real estate taxes with respect to the Property to the Board as Common Charges. (Please refer to Schedule A for an estimate of real estate taxes payable during the First Year of Condominium Operation.) In addition, to the extent the Units will not be separately assessed, Sponsor may collect at Closing, on behalf of the Board, real estate taxes due and payable for the tax periods in which the Units will not be separately assessed. The Board will pay such taxes either to the Department of Finance of the City of New York when due or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay such Unit Owner's pro rata share as set forth above, the Board will have a lien on such Unit for non-payment of Common Charges. (*See* the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection entitled "Common Charges: Collection and Lien for Non-Payment, Attachment of Rent" for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay real estate taxes directly to the taxing authority.

U. If a Purchaser fails for any reason to close title to its Unit on the originally scheduled Closing Date and Sponsor elects not to terminate the Purchase Agreement as a result of the same, (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 occurs, and (b) Purchaser will be required to pay to Sponsor, in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, a daily amount equal to 0.04% 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.

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Building

A. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan. (See the Section in the Plan entitled "Effective Date" for full details). Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

B. Subject to the terms and conditions of the Plan, Sponsor shall have the following obligations and all Purchasers upon execution of their respective Purchase Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following:

C. **Sponsor is retaining the unconditional right to rent rather than sell units after consummation of the plan. Accordingly, this plan may not result in the creation of a condominium in which the majority of the units are owned by owner-occupants or investors unrelated to sponsor. Purchasers for their own occupancy may never gain control of the condominium Board under the terms of the plan.** At the time of acceptance for filing of this Plan with the Department of Law, Sponsor currently contemplates offering for sale all Residential Units under this Plan. However, under the terms of the Plan, Sponsor has reserved the unconditional right, after Consummation of the Plan, to rent or lease any Unsold Unit, prior to closing the sale thereof to any party, to cease marketing Residential Units for sale at any time, in Sponsor's sole discretion or to use or offer the Units for any lawful purpose. Certain Unsold Units may be occupied under short-term leases having a term in excess of 30 days. Residents of the Condominium may consist of both Residential Unit Owners and tenants leasing from Sponsor or other Residential Unit Owners. Accordingly, it is possible that a significant portion of Residential Unit Owners will not be residents of the Building and that a significant portion of occupants in the Building may not be Residential Unit Owners. As a consequence of the foregoing, a Residential Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. Because 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 15% necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium.

D. 1) There is no limit on the number of Purchasers who may purchase Units for investment rather than personal occupancy. Accordingly, there may always be a substantial percentage of owners who are non-residents. The By-Laws do not include a provision that after the Initial Control Period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. **Purchasers for their own occupancy may never gain control of the Board under the terms of this plan.** In addition, non-resident owners, including Sponsor, may have different economic interests in their respective Residential Units and, therefore, may not share the same economic interests as Residential Unit Owners in the Maintenance of the Building's facilities. As a result, owner-occupants and non-resident Residential Unit Owners, including Sponsor, may have inherent

conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment).

2) 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 apartments 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 holder of unsold units has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. 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 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

E. Sponsor shall have only such obligation to defend any suit or proceeding arising out of Sponsor's material acts or omissions or to indemnify the Board or Unit Owner(s) in any such action or proceeding as is required by Law.

F. Unless expressly provided to the contrary herein, all representations under the Plan, all obligations pursuant to Article 23-A of N.Y. Gen. Bus. Law and such additional obligations under the Plan which are to be performed subsequent to the closing of each Unit will survive delivery of the deed.

G. The Plan sets forth all of the obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements or to include any financial limitation on Sponsor's liability for failure to perform its obligations under the Plan.

Sponsor will pay all Common Charges, except as otherwise set forth with respect to the Waiver Period, Special Assessments and real estate taxes allocated to any Unsold Units in accordance with the provisions of the By-Laws. Sponsor will use best efforts to continue to perform its obligations. Sponsor will fund its financial obligations from proceeds from the sales of Units, rental income from Unsold Units, and financing. No bond or other security will be posted by Sponsor with respect to this obligation. If the Sponsor cannot perform its obligations due to Sponsor's inability, Unit Owners will have to increase Common Charges, pay Special Assessments, or exercise legal remedies, including without limitation actions for any or all of rescission, specific performance, or money damages within the time periods prescribed by law. Purchasers are entitled to rescission if the sponsor's ability to perform its obligations become negatively affected by its financial condition.

H. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing of such Unit, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be 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 subject Unit. In such event Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration to such Unit, 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 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 of such Unit, 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 or the Board 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 Escrow Agent shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Purchase Agreement (beyond any applicable notice and cure period), Sponsor shall retain the Deposit, and may maintain an action to attempt to recover Custom Work Costs and Restoration Costs, together with interest earned thereon, as and for liquidated damages. Sponsor shall elect whether to repair or restore the affected Unit within forty-five (45) days after such damage or destruction.

I. Sponsor will initially procure on behalf of the Board the insurance relating to the Condominium which is required to be maintained by the Board in accordance with the provisions of the By-Laws, including fire and casualty insurance pursuant to an agreed-upon amount of replacement value policy or in an amount to avoid co-insurance. (*See* the section entitled "Rights and Obligations of Unit Owners and the Board of Managers" set forth in Part I of the Plan) the cost of which insurance has been reflected in Schedule B.

J. Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer (other than to Purchasers under the Plan) of 20% 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 Sponsor for those Units under this Plan, applicable Law or regulations.

K. Sponsor has procured financing for the Building from EMERALD CREEK CAPITAL 3, LLC, a New York limited liability company ("**Lender**"). Pursuant to the terms of the loan documents, Sponsor must apply a percentage of the unit sale proceeds to the outstanding principal balance of Lender's loan prior to Lender's release of its lien against a Unit. The loan documents do not require a specific minimum number of Purchase Agreements to be entered into prior to declaring the Plan effective. Specifically, the loan documents provide that a Unit shall be released from the Lender's mortgage upon payment to Lender of the greater of (a) one hundred percent (100%) of the net sales proceeds from the sale of the Unit; (b) ninety percent (90%) of the gross sales proceeds from the sale of the Unit; or (c) a price of six hundred fifty dollars ($650.00) per square foot.

L. Sponsor is obligated to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications and otherwise the offering herein is as-is. Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of any immaterial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan. Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details), provided, however, that:

(a) any materials, Appliances, equipment and fixtures which Sponsor may substitute shall be similar products of Equal or Better Quality or design; and

(b) Sponsor shall not materially change the size or location of the Units or Common Elements if such changes affect the Common Interest or adversely affect the value 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 contract vendees consent in writing to such change.

M. Completion of the Minor Building Improvements is a complicated process that requires the coordination of numerous tasks, the balancing of complex mechanical and architectural systems, and the management of professionals, including but not limited to contractors. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operation, construction workers and related personnel will be at the Property from time to time completing the Minor Building Improvements, making adjustments and corrections and performing various tasks related to the completion of the Minor Building Improvements, which may occur at all hours permitted by law. Such ongoing work may compromise the Building's security. During this period, various Building Systems, including but not limited to telecommunications, water supply, air conditioning, heating, cooling, security, and ventilating, may need to be shut down temporarily. Sponsor reserves the right to utilize Building Systems and may install and retain scaffolding and other equipment on and in the Building to complete the Minor Building Improvements. Sponsor reserves the right to delay the completion of the Minor Building Improvements until such time it deems appropriate.

(a) In the event that portions of the Common Elements or other Units may not have been completed prior to a scheduled Closing, shall not provide a basis for Purchaser delaying the Closing or receiving any abatement or credit against the Purchase Price.

N. Each Unit will include only those appliances, fixtures and furnishings specifically described in the "Description of Property" in Part II of the Plan at the time of transfer of title to such Unit, unless Sponsor and Purchaser otherwise agree. Purchasers are advised that Sponsor reserves the right to amend or modify the Plans and Specifications and/or aspects of the Minor Building Improvements in any way not material to this offering or in a manner disclosed in this offering, including, without limitation, changing appliances and fixtures in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of Equal or Better Quality. None of the foregoing shall give rise to a right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement. Prior to the Closing, Purchaser, accompanied by a representative of Sponsor, shall have the right to inspect the Unit on such date and at such time designated by Sponsor; provided, however, that (i) Sponsor shall have no obligation to correct any immaterial conditions noted or alleged by Purchaser upon such inspection, or to abate the Purchase Price, escrow monies, or otherwise compensate Purchaser for same, and (ii) any Non-Conforming Condition shall not entitle Purchaser to delay the Closing or otherwise refuse to perform Purchaser's obligations under the Purchase Agreement, so long as Sponsor agrees to correct such Non-Conforming Condition within a reasonable period of time following the Closing. In the event Sponsor agrees to correct

such Non-Conforming Condition following the Closing, such obligation shall be conditioned upon the Purchaser providing full access to Sponsor and Sponsor's contractors and agents in order to take all necessary steps to correct such Non-Conforming Condition. The Purchase of a Unit does not entitle the Purchaser thereof to conduct tests in such Unit for any reason, including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. A Purchaser who fails to inspect such Unit shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan.

O. (i) The Martin Act requires that Sponsor disclose the terms of the offering made under this Plan. With regard to the description of property, the Martin Act requires that Sponsor disclose the detailed terms of the transaction, which shall include a description of the property, the nature of the interest, and how title thereto is to be held. As required by the Department of Law regulations, Sponsor hereby discloses that it is obligated to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B), which only applies to new dwellings of five stories or less, is not applicable to this offering. Sponsor is undertaking only limited work, as described in Part II, and referred to herein as Minor Building Improvements, and otherwise the offering herein is as-is. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability of any Unit, Common Element or Limited Common Element, if applicable, and Purchasers are advised that no such warranties exist under the laws governing the offering. Purchasers are further advised that the Martin Act is a disclosure statute that does not require Sponsor to provide any specific warranties of any nature regarding the Units that are offered under the Plan. Sponsor makes no representation or warranty with respect to sound transmission, odors emanating from within or without the Condominium, air, views or light quality. As stated above, Sponsor is obligated to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications, and any conflict between: (a) the disclaimers and (b) Sponsor's obligation to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as disclosed in the Plan, shall be resolved in favor of Sponsor's obligation to perform the Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications set forth in the Plan.

(ii) Sponsor hereby discloses that it makes no warranty or guaranty as to the presence of mold, mildew, spores, fungi or other toxins at the Condominium. Except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser of a Unit may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit pertinent non-invasive testing. Mold and mold spores are present throughout the environment and a residential condominium conversion cannot practicably be designed to exclude the introduction of mold spores. According to public statements made by the EPA, molds are part of the natural environment, and can be found everywhere, indoors and outdoors. Mold is not usually a problem, unless it begins growing indoors. Moisture is the primary mold growth factor that can be controlled in a condominium setting. Accordingly, Unit Owners are advised to minimize or control moisture in their respective Units so as to minimize or

eliminate mold growth in their respective Units. For additional information on mold, purchasers are advised to visit the EPA's website at the following address: https://www.epa.gov/mold.

(iii) Subject to Sponsor's obligation to perform Minor Building Improvements in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Condominium, Sponsor hereby discloses that it shall not be liable 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. Except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser of a Unit may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit pertinent non-invasive testing. In no event will Sponsor be liable for incidental, special or consequential damages in connection with the issues described in Special Risk 12 (whether based on negligence, breach of contract, warranty, or otherwise), including, without limitation, costs incurred if a Unit Owner vacates the Unit or its contents during any period that such Unit Owner seeks to remediate any condition described in Special Risk 12. The foregoing disclaimers and waivers of Purchaser shall also apply to any "consumer product" as defined in the Magnuson-Moss Warranty Act, which consumer products shall not be warranted by Sponsor but instead by the manufacturer, if applicable.

(iv) The Purchaser of a Unit shall have the right to inspect such Unit prior to Closing as more particularly set forth in the Purchase Agreement in Part II of the Plan. However, except as otherwise may be agreed to by Sponsor at its sole discretion, the Purchaser thereof may not conduct any invasive testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Notwithstanding the foregoing, Sponsor shall permit non-invasive testing.

P. Following the recording of the Declaration, Sponsor will deliver, assign or otherwise grant to the Board, on behalf of all Unit Owners, or the Board, on behalf of all Unit Owners, as the case may be, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, materialmen or others in connection with the conversion and equipping of the Building, except that warranties and undertakings received by Sponsor that relate to appliances, equipment or fixtures located in the Unit of a Purchaser shall be assigned to such Purchaser on the date of Closing to the Unit. Purchasers should be aware that warranties vary in length, depending partly on the manufacturer and partly on when the Appliances, equipment and fixtures covered by such warranties are first installed or purchased. 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.

Q. Unless specifically referenced in the Description of Property in Part II of the Plan, all appliances are previously used, and do not include a warranty of any kind, other than a manufacturer's warranty, to the extent such warranty is (x) still in effect; and (y) can be assigned.

R. Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of immaterial variations from the Plans and Specifications or the description of any portion of the Building or a Unit set forth in the Plan which are neither in violation of law, nor require the approval of any governmental authority having jurisdiction, provided such variations are of Equal or Better Quality than as set forth in the Plans and Specifications or description in this Plan. Any such variation affecting the Property which is material will be disclosed in a duly-filed amendment to the Plan.

S. Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the Minor Building Improvements and equipping of the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens.

T. In accordance with N.Y. Real Property Law § 339-p, a registered architect or licensed professional engineer must certify that the Floor Plans "are an accurate copy of portions of the Plans and Specifications as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building."

U. Pursuant to the provisions of N.Y. Gen. Bus. Law § 352-e, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection by Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location 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 in the City Register's office when the Declaration is recorded, and an additional set will be furnished to the Board.

V. New York City Local Law 7 of 2004 requires the installation of carbon monoxide detectors by owners of multiple dwellings, including owners of units in residential condominiums. Sponsor intends to provide carbon monoxide detectors in each Residential Unit in accordance with New York City Local Law 7 of 2004. Each Residential Unit Owner will be responsible to keep and maintain the carbon monoxide detectors in good repair and to replace any carbon monoxide detectors which has been stolen, removed, found missing or rendered inoperable. Sponsor makes no representations whether Residential Unit Owners will comply with the foregoing obligations.

W. Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain Alterations in or about the Unsold Units. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under

the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personalty or fixtures contained therein.

X. Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use certain Common Elements deemed "Reserved Spaces" for any lawful purposes including, but not limited to, advertising, storage or the operation, Maintenance and Alteration of the Reserved Space Installations and for maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the operation, Maintenance or Alteration thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the use of the Units for their permitted purposes or block light or air to any Unit. The aforementioned easements may be used by Sponsor for its own account or the account of any designee, assignee, tenant, licensee or other transferee of Sponsor or any purpose permitted by Law, and shall remain in effect after the Initial Control Period and after Sponsor no longer owns any Units in the Building. Additionally, Sponsor has and shall retain the right to collect a fee for any such sublicenses or other usage fees in connection with the use of the Reserved Spaces and the Condominium shall not be entitled to any portion of such fees, compensation or other profits received by Sponsor. Any Reserved Space Installations placed upon or in the Reserved Spaces, including, without limitation, the Roof or Facade or elsewhere on the Common Elements by Sponsor or its designee, assignee, tenant, licensee or other transferee shall be the exclusive property of Sponsor, its designee, assignee, tenant, licensee or other transferee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Purchasers should note that the aforementioned easements, which will be recorded against the Condominium in the Declaration, will not revert to the Condominium in the future and shall remain in perpetuity for the sole use and benefit of Sponsor for its own account or the account of any designee, assignee, tenant, licensee or other transferee of Sponsor or any purpose permitted by Law. Purchasers should be advised that in the event Sponsor utilizes its rights described above regarding the Reserved Spaces, Sponsor will continue to benefit from use of the Reserved Spaces even after Sponsor no longer owns any Units, and the Unit Owners will not have the right to use, license, lease or collect profits from such Reserved Spaces, which would have been otherwise available to Unit Owners, if not for Sponsor's use of such Reserved Spaces.

Y. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their 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 125 North 10th Condominium v. 125North10*, 150 A.D.3d 1065 (2d Dept. 2017); See also *Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. Et al., 2013 N.Y. Slip Op. 03574 (1st Dept. May 16, 2013)*. Please see the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan.

Z. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures to be provided or performed by Sponsor or located at the Property other than as set forth in the Plan. Notwithstanding anything to the contrary set forth herein, nothing contained in the Plan shall be construed as to render Sponsor liable for actual, incidental, special or

consequential damages (whether based upon negligence, strict liability, breach of contract, breach of warranty or otherwise) it being intended that Sponsor's sole obligation shall be to perform its obligations as expressly provided in the Plan.

AA. Sponsor's liability to Purchasers with respect to Sponsor's obligations under the Plan shall be limited to direct, non-consequential damages, including property damage, personal injury or wrongful death, arising as a result of the negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in the Plan.

BB. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive delivery of the respective Unit deeds.

CC. Lot Line Windows

1) Residential condominium units 3, 4 and 5 are provided with windows in the west exterior wall. these windows are lot line windows, but do not contribute towards the light and air requirements for the spaces in which they are located. Further, these windows are double hung windows with double insulated glass within aluminum frames and are in good condition. all windows were installed prior to current ownership and manufacturer, warranty and thermal break are unknown.

2) These window openings have been in the wall for decades and most likely installed at the time of building erection as evidenced on plans dated March 22, 1940, which predated current requirements.

3) If for any reason these windows need to be infilled in the future, the openings are required to be infilled with masonry providing a minimum 3-hour fire rating at an approximate cost of $585.00 per window for the large windows and $160.00 per window for the small windows.

4) Sponsor has obtained a zoning study, which states that, under present law and codes, no structure can be built to the west which would legally require the infilling of any window in units 3, 4 and 5 on the west exterior wall. No representation can now be made that requirements concerning lot line windows may not change in future, so as to be more onerous than at present. If future development to the west requires, during a period commencing at first closing and ending at the sixth (6th) anniversary of First Closing, Sponsor will comply with such requirements at Sponsor's sole cost and expense, provided the unit owner and any occupant reasonably cooperates with Sponsor. Sponsor's undertaking aforesaid runs only to the first purchaser of a unit and is not assignable or transferable.

Interim Licenses and Use of Unsold Units

A. If Sponsor agrees to grant an interim license to the Purchaser of such Unit, the Interim License Agreement will provide for a use and occupancy fee and such other terms and conditions as may be agreed upon by licensor (i.e., Sponsor) and the licensee (i.e., Purchaser). Among other conditions, such Interim License Agreement will provide that an uncured default by

the Purchaser under the Purchase Agreement (that is, a default not cured within 20 days after the sending of written notice thereof) will constitute a default under the Interim License Agreement entitling the licensor (i.e., Sponsor), at its sole option, to immediately terminate such Interim License Agreement, whereupon the licensee (i.e., Purchaser) must vacate the Unit within 10 days thereafter. The Purchase Agreement will contain a similar provision entitling Sponsor to terminate the Purchase Agreement and retain the Deposit (and any interest thereon) as liquidated damages, and not as a penalty, in the event the Purchaser fails to cure a default under such Purchaser's Interim License Agreement, 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. A Purchaser rescinding a Purchase Agreement or in default under the Purchase Agreement or Interim License Agreement will have a period of 20 days to vacate the Unit. To facilitate the timely surrender of the Unit in accordance with the foregoing, Sponsor may require, at its option, the Purchaser to execute and deliver a Termination and Surrender Agreement simultaneously with the execution of the Interim License Agreement terminating said Interim License Agreement as of the date that the term of the Interim License Agreement either expires or terminates. The Termination and Surrender Agreement shall be substantially the same as the form attached as an Exhibit to the Form of Interim License Agreement included in Part II hereof.

B. Notwithstanding any of the foregoing, Sponsor will be under no obligation to enter into any Interim License Agreement and no portion of the rent paid under an Interim License Agreement will be credited towards the Purchase Price of a Residential Unit unless the Interim License Agreement expressly provides otherwise.

C. Interim License Agreements 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. Further, in the event Purchaser takes occupancy prior to Consummation of the Plan, the requirements of N.Y. General Business Law § 352-eeee are inapplicable.

D. Purchasers entering into an Interim License Agreement for an Unsold Residential Unit will be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim License Agreement. Such legal fees are estimated to be approximately $1,750.00 assuming that the Purchaser's counsel does not negotiate the terms of the lease. In connection with the Closing of a Residential Unit subject to an Interim License Agreement, all other charges or other fees due under an Interim License Agreement shall be adjusted as of midnight of the day preceding the Closing Date to the Residential Unit. The payment of legal fees by Purchaser to Sponsor's counsel does not create any attorney-client relationship between Purchaser and Sponsor's counsel. (See the Sections entitled "Closing Costs and Adjustments" and "Interim Licenses" in Part I of the Plan for further details).

E. Sponsor reserves the unconditional right, after Consummation of the Plan, prior to the date of closing title to a Unit, to rent or license, rather than sell, such Unit to Purchasers and others. Consequently, a Purchaser of a Unit may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at the closing vacant and free and clear of all leases, tenancies and

rights of occupancy. 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 license or other written occupancy agreement.

F. Sponsor reserves 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 and any other building in which Sponsor or principals of Sponsor have an interest. 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 furnishings, equipment or decorations in any model apartment (or any Common Elements appurtenant thereto) or any advertisement therefor, imply or represent that any Unit will contain such furnishings, equipment or decorations upon delivery of the Unit and the Unit and the Common Elements will only contain those furnishings, equipment or decorations as are set forth in the "Description to the Property" in Part II of the Plan.

G. The Sponsor agrees to deliver a set of "as-built" plans to the Board.

CONTROL BY SPONSOR

A. There is no limit on the length of time that Sponsor may control the Board under any Law, however, During the period beginning on the date of the First Closing Sponsor reserves the right to control the Board for a period of time (the "Initial Control Period") by appointing a majority of the members of the Board until the earlier of (a) 120 days after the date by which seventy-five (75%) percent of the units have been conveyed to Unit purchasers; or (b) for a period of three (3) years after completion of the project evidenced by the first conveyance to a unit purchaser (the "First Closing") unless Sponsor voluntarily relinquishes such right prior to the expiration of the Initial Control Period.

B. Sponsor may not control the Board beyond the Initial Control Period. However, if persons nominated by Sponsor receive a majority of votes cast at any election of the Board (whether from Sponsor, which may cast all its votes or other Residential Unit Owners), any such period of Sponsor control, inclusive of the Initial Control Period, being referred to as the "Control Period." Sponsor is not obligated to sell more units after the Plan is declared effective, thus, Sponsor control may never end under the terms of this Plan. Sponsor reserves the right to relinquish and regain voting control of the Board at any time. During any Control Period, Sponsor will have control of Maintenance, facilities, and services to be provided to Unit Owners and will determine the Common Charges payable by all Unit Owners. However, the Sponsor may not control the Board in order to veto enforcement of Sponsor's obligations pursuant to the Plan, nor to veto actions necessary to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer. However, Sponsor may exercise veto power over expenses other than those described in the immediately preceding sentence and in 13 NYCRR §20.3(u), for a period ending not more than five years after the closing of the first unit or whenever the unsold units constitute less than 25 percent of the common interest, whichever is sooner.

C. Prior to the first annual meeting of the Unit Owners, the Board shall initially consist of three representatives of Sponsor.

Sponsor presently anticipates that the initial members of the Board shall be Greg Maidman, Wendy Bremen, and Craig Sands, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals is a principal of, or is affiliated with, Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Board in lieu of the above-mentioned individuals. The initial Board shall conduct all affairs of the Condominium. The first annual meeting shall be held approximately 30 days after the earlier to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan of Residential Units representing at least 50% in number of all Residential Units offered for sale. Any member of the Board may be removed for good cause shown. However, the sponsor-/commercial unit owner-designated Board member removed with or without cause shall only be replaced by sponsor-/commercial unit owner-designated board member.

D. At meetings of the Residential Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. When voting for members of the Board, each Residential Unit Owner shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be

elected. However, at elections of members to the Board held during the Sponsor Control Period, Sponsor shall have the right to designate 3 of the 4 Residential Members of the Board.

E. So long as Sponsor shall continue to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Board, and shall have the right to vote its Common Interests attributable to the Unsold Residential Units for the remaining Residential Members of the Board.

F. Within 30 days after the expiration of the Sponsor Control Period, and assuming the First Annual Meeting has not yet occurred, 2 of the 3 Members of the Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the Residential Unit Owners (including Sponsor) at a special meeting called for such purpose.

G. The number of members of the Board may not be increased or decreased without the consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

H. During the Sponsor Control Period, Sponsor will through its control of the Board have control of the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners. Sponsor may not control enforcement of Sponsor's obligations under the Plan, whether by lawsuit or otherwise.

BOARD OF MANAGERS

A. The affairs of the Condominium shall be governed by the Board. The term of office of the members of the Board shall be for 1 year or until their successors are elected. Members of the Board shall serve without compensation. Any member of the Board may resign membership at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein. (See the Section of the Plan entitled "Rights and Obligations of the Board/Summary of By-Laws" for details.)

B. The First Annual Meeting will be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale.

C. Commencing with the First Annual Meeting, the Board shall consist of 5 individuals, 4 of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Commercial Unit Owner ("Commercial Member"). Except for members designated by Sponsor and/or the Commercial Unit Owner, all Members of the Board shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. The number or composition of Board members may not be changed except in accordance with the procedures described in the By-Laws.

D. A Residential Member of the Board may be removed with or without cause by an affirmative vote of a majority of Residential Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners, provided, however, that any Residential Member designated by Sponsor removed with or without cause may only be replaced by Sponsor, and further provided, however, that the Commercial Member of the Board removed with or without cause may only be replaced by the Commercial Unit Owner. No member of the Board shall continue to serve on the Board if, during the term of office, such member shall cease to be a Unit Owner or an interested party as described in the By-Laws; provided, however, that these provisions respecting Unit Ownership and occupancy, and Board membership, shall not apply to members of the Board designated by Sponsor and/or the Commercial Unit Owner.

E. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose. The President may call a special meeting whenever so directed by a duly adopted resolution of the Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate no less than 40% of the Common Interest of all Unit Owners.

F. All officers, and members of Board and employees of the Condominium will be insured at all times from and after the First Closing under directors' and officers' liability insurance

in favor of the Condominium. The amount and cost of the insurance has been provided for in the First Year's Budget.

G. To the extent permitted by Law, members of the Board will have no liability to Unit Owners except for liability for bad faith or willful misconduct. The Board may contract or effect any other transaction with any member of the Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing, except in the cases of bad faith or willful misconduct. The Board has a fiduciary duty to act in the best interests of the Condominium. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests indemnify each member of the Board against any liability or claim except those arising out of the bad faith or willful misconduct of such member of the Board.

H. Purchasers should refer to the Section of the Plan entitled "Rights and Obligations of the Board/Summary of By-Laws" subsection "Amendments to Condominium Documents" for a discussion of the procedures to amend the Condominium Documents.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sales and Leases of Units

Each Residential Unit Owner may either sell or lease the Residential Unit for terms of not less nor more than 1 year or sell the Residential Unit provided that, in each instance, the Residential Unit Owner ("Offering Unit Owner") first gives the Board, on behalf of all Residential Unit Owners, notice of intention to sell or lease together with any and all application forms and documentation required by the Board, and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee, as more specifically provided in the By-Laws. If the Board does not elect to purchase or lease the Residential Unit within 30 days after receipt of notice, the Offering Unit Owner will have an additional 60 days to enter into a written agreement with the prospective Purchaser or lessee, as the case may be, embodying the terms set forth in such notice. In the event such written agreement is not executed by the Offering Unit Owner within such 60 day period or such sale or rental is not consummated within an additional 60 days following the expiration of such 60 day period, the Offering Unit Owner will be required to again first offer the same to the Board, provided that the Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. The Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of all Residential Unit Owners. The By-Laws permit the Board to (i) borrow money on behalf of the Condominium for the benefit of Residential Unit Owners, (ii) increase Common Charges assessed against all Residential Unit Owners and (iii) impose Special Assessments against all Residential Unit Owners, in the event the Board elects to exercise its right of first refusal. Purchaser should refer to Article 7 of the By-Laws for details concerning the Board's election to exercise its right of first refusal. Any such deed given by an Offering Unit Owner shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Condominium Documents, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Board, that the tenant shall not assign the lease or sublet the Residential Unit or any part thereof without the prior consent in writing of the Board, and that the Board, if permitted by Law, shall have the power to terminate such lease and/or 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. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

Any purported sale or rental of a Residential Unit in violation of this Section shall be voidable at the election of the Board. The Board may not discriminate against any person on the basis of color, race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

A Residential Unit Owner may lease, sell or convey the Residential Unit to a Family Member, may convey the Residential Unit by gift, may devise the Residential Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that

each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, the preceding restrictions. In addition, any Residential Unit Owner may lease, sell or convey the Residential Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws.

A Residential Unit Owner may only sell or lease the entire Residential Unit. In addition, each conveyance of a Residential Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's undivided interest in (a) the Common Elements, (b) the Residential Common Elements (with respect to Residential Units); (c) any Unit or Units acquired by the Board on behalf of all Unit Owners, or any proceeds of the sale or rental thereof and (d) any other assets of the Condominium. No part of the Residential Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Residential Unit Owners.

A Residential Unit may not be sold or leased unless all unpaid Common Charges and liens against the Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to the sale or rental. In addition, the Board and the Managing Agent may (i) establish reasonable restrictions with respect to the sale or rental of Residential Units and (ii) implement fees in connection with the sale or rental of Residential Units, which shall be payable by the Offering Residential Unit Owner. The Board has the right, in its sole discretion, to terminate a lease, if the tenant has violated the terms of the Condominium Documents, including the Residential Rules and Regulations beyond all applicable notice and grace periods. If the tenant fails to vacate after receipt of the termination notice from the Board, the Board shall have the right to commence summary eviction proceedings against the tenant.

The restrictions upon the sale and lease of Residential Units shall not apply to Sponsor with respect to any Unsold Residential Units, or to Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Board and without payment of any fees.

The Commercial Unit Owner is free to sell or lease all or any portion of the Commercial Unit without first notifying or obtaining the approval of the Board and without payment of any fee or charge to the Board or Managing Agent.

Prior to the initial Closing to a Residential Unit, Purchaser is prohibited from advertising, listing, offering, promoting or publicizing the availability of the Unit for resale or rental with any broker or otherwise, without Sponsor's prior written consent, which consent may be withheld or conditioned in Sponsor's sole discretion. Subsequent to the Closing, Purchasers are prohibited from advertising, listing, offering, promoting or publicizing the availability of the Unit for resale with any broker or otherwise, without Sponsor's prior written consent, which consent may be withheld or conditioned in Sponsor's sole discretion, for 18 months following the Closing Date (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Residential Units offered pursuant to the Plan). In the event that a Purchaser conveys its Residential Unit in violation of the foregoing, Sponsor shall be entitled to void the conveyance. Alternatively, Sponsor may elect, in its sole discretion, to collect from Purchaser,

and Purchaser shall be obligated to pay to Sponsor, a sum equal to 25% of any profits that Purchaser receives from the conveyance.

Use of Units and Common Elements

A Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York as may be amended from time to time, and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use. A Residential Unit 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 governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing. A Residential Unit may be used for any other purpose, provided such use is permitted by, and complies with Law does not violate the then existing Certificate of Occupancy or Permanent Certificate of Occupancy covering the Building, and the Board, in its sole discretion, grants permission for such use.

All or any portion of the Commercial Unit may be used for any purpose permitted by Law, subject however to the provisions of the By-Laws, except that the Commercial Unit may not be used for (i) the sale rental or exhibition of pornographic material.

Notwithstanding the foregoing, Sponsor may, without the permission of the Board or any Unit Owners: (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing Certificate of Occupancy or Permanent Certificate of Occupancy for the Building or any other governmental regulations; (b) retain ownership of one or more Unsold Residential Units for use as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or the Commercial Unit, or for any other purpose, subject only to compliance with Law; and (c) lease any Unsold Residential Unit.

The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable and which are incident to the use and occupancy of Units.

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Board shall have the right to adopt a no-pet policy for the Building.

Each Unit Owner shall keep the Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair the Unit in accordance with the provisions of the By-Laws and Law. The Residential Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Board provided that copies thereof are furnished to each Residential Unit prior to the time that they become effective (except that no amendment thereof affecting the Unsold Residential Units may be made unless agreed to in writing by Sponsor).

Mortgage of Residential Units by Residential Unit Owners

Each Residential Unit Owner may mortgage the Residential Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York State Land Title Association form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against the Residential Unit, other than Permitted Mortgages. Sponsor shall have the right to mortgage any Unsold Residential Unit and Commercial Unit without any restriction or limitation.

As more particularly set forth in the Section entitled "Amendments to Condominium Documents," in certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Residential Rules and Regulations. The By-Laws provide that no more than 3 Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor, or (ii) Institutional Lenders.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Unit Owners and are included in their Common Charges, are allocated among Unit Owners either based on actual usage of services and facilities or in proportion to their respective Common Interest (in the case of the Commercial Unit) and in proportion to their respective Residential Common Interest (in the case of Residential Units). Common Expenses include, among other things, (a) all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, (b) water charges and sewer rents in connection with the Building; and (c) amounts for certain other items as the Board may deem proper, such as amounts for reserves for capital expenditures or in connection with the purchase or lease by the Board of any Unit.

At least annually, the Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to meet Common Expenses.

During the Sponsor Control Period, the Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from the First Closing for a period to be determined by the Board, provided the basic operating costs of the Condominium (inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor. If the Board elects to

waive payment of Common Charges pursuant to the foregoing, Sponsor shall disclose such waiver of Common Charges in the closing statement delivered to Attorneys to Purchaser and shall additionally disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in the post-closing amendment to the Plan. In the event the 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 Board shall remain obligated to update the budget for the Condominium in accordance with the terms of the Plan.

The Board will furnish copies of each budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board, Common Charges will be payable monthly in advance on the first day of each month.

Common Charges: Collection and Lien for Non-Payment

Under the provisions of Section 339-i of the New York Real Property Law and the By-Laws, the Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to the respective Common Interests. Pursuant to the provisions of Section 339-aa of the New York Real Property Law, during the Sponsor Control Period, Sponsor shall cause the Board to file a lien for unpaid Common Charges against any Unit owned by Sponsor in which Sponsor is more than 30 days in arrears. All such liens, however, to the extent permitted by Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until 6 years from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board to recover unpaid Common Charges without foreclosing such lien. In addition, the Board may assess Unit Owners a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, and interest at the rate of 1.5% per month of such unpaid amounts (less any "late charges" theretofore collected), plus all expenses of collection, including but not limited to attorneys' fees, costs and disbursements.

No Unit Owner may become exempt from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of the Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges subsequent to a permissible sale, transfer or other conveyance of the Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying the Unit without consideration to the Board and complying with certain conditions in connection therewith, become exempt from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to the Unit and such Unit being free and clear of all liens and

encumbrances other than Permitted Mortgages. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Board and thereby exempt itself from Common Charges attributable to such Unsold Residential Unit thereafter accruing, unless: (i) the aggregate Residential Common Interests appertaining to the Unsold Residential Units constitutes 15% or less of the total Residential Common Interests then appertaining to all Residential Units; (ii) at least 5 years have elapsed from the date of the First Closing; and (iii) at the time of conveyance, Sponsor shall pay the Board a sum equal to the product of the then current monthly Common Charges for the Unsold Residential Units being conveyed multiplied by 24.

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser shall be entitled to a statement from the Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor such purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by the Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or Purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Set forth in Part II of the Plan is a copy of §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 to any tenant occupying a Unit to pay its rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, assessments or late fees within 60 days after the expiration of any grace period.

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), including all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), the plumbing, appliances in the Units, and the interior side of entrance doors thereto, shall be performed by the Unit Owner at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be performed by the Board and the cost and expense thereof will be charged to all Unit Owners as a General Common Expense (c) in or to the Residential Common Elements shall be performed by the Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and (d) in or to the Residential Limited Common Elements shall be performed (i) by the Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense, if involving structural or extraordinary maintenance, repair or replacement, (except if necessitated by the negligent act or omission of the Unit Owner) or (ii) by

the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating, and non-structural ordinary maintenance, repairs and replacements.

The exterior and interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Board or such Unit Owner), including the expense of an exterior hoist for any replacement window. Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Board, with respect to the type of replacement windows installed.

Purchasers should note that wood products have certain inherent risks. Risks associated with all wood products (including, without limitation, wood flooring, furniture, cabinetry, and molding) include, but are not limited to, the following: cracks between the floor boards, squeaks, cupping, knots, mineral streaks, warping, splitting, denting, and/or delamination. The foregoing items may affect light-colored wood more noticeably. Additionally, wood products are subject to variations (i) in color (including possibly white, red, black, or even green shades), (ii) in the pattern and/or texture of wood grain, and (iii) in the appearance of finishes (including wood staining, gloss, and/or matte finishes). These variations may occur between wood products located in the same area of the Residential Unit. Wood products can also be affected by exposure to light and may darken, lighten, fade, and otherwise change with use and age. Protective felt pads and protective sheeting (such as plywood or masonite) should always be used on wood flooring when placing furniture or appliances to avoid denting. As recommended by the National Wood Flooring Association, Unit Owners are advised to be very cautious about washing wood products with a wet mop or otherwise with water, since contact with standing water can cause cupping, swelling, and subsequent gapping. For more information about the effect of water on wood flooring, Purchasers should make reference to the National Wood Flooring Association, available at littp://www.nwla.org/. All wood products should be maintained in accordance with the manufacturer's recommendations. All references in the Plan to wood products shall be deemed references to engineered wood products unless otherwise specified. All are recommended.

With respect to windows located in the Commercial Unit, the Commercial Unit Owner shall be responsible, at its sole cost and expense, for washing, cleaning, repairing, and replacing of the interior and exterior glass surfaces of all windows located in the Commercial Unit (unless the breakage is caused by the Board or any other Unit Owner, in which event the replacement of glass windows will be at the sole cost and expense of the Board or such other Unit Owner, as the case may be).

If any repairs or replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, are either (x) necessitated by the negligence, misuse or abuse of a Unit Owner or such Unit Owner's agents, workers, guests, etc., or (y) required as a result of special or custom work performed in the Unit by the Unit Owner, such maintenance, repairs or

replacements will be made by the Board, and any portion of the cost thereof attributable to such Unit Owner's acts or omissions shall be paid by such Unit Owner.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep the Unit in such condition, the Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section of the Plan entitled "Rights of Access" for details.)

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or the Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Board, whichever is responsible for the maintenance thereof pursuant to the Condominium Documents.

Alterations, Additions and Improvements of Units and Common Elements

No Residential Unit Owner may make any structural alteration, addition, improvement or repair in or to the Residential Unit or its appurtenant Residential Limited Common Elements without the prior written approval of the Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Residential Unit. Except as otherwise permitted in the By-Laws, no Residential Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Board.

To the extent that any alterations are commenced in a Unit by a Residential Unit Owner prior to Sponsor's completion of any unfinished work Sponsor agreed to perform after the Closing of the Unit, Sponsor shall be relieved of completing all such work.

Sponsor and the Commercial Unit Owner shall each have the right, without the approval of the Board, Managing Agent, other Unit Owners, or representatives of holders of Mortgages on Units to: (a) make alterations additions, improvements, or repairs in or to their respective Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of their respective Units. (See the Section of the Plan entitled "Changes in Prices and Units" for details.)

Notwithstanding anything to the contrary contained herein, so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Board may not, without Sponsor's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessment for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency, or surplus fund; (c) increase or decrease the number, or change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit.

Nevertheless, Sponsor may not diminish or eliminate services or facilities or any line items set forth in the First Year's Budget. Sponsor may not control the Board in order to veto enforcement of Sponsor's obligations pursuant to the Plan, nor to veto actions necessary to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer, nor to ensure the health and safety of the occupants of the Building. Sponsor may exercise veto power over expenses other than those described in the immediately preceding sentence and in 13 NYCRR §20.3(u) for a period ending not more than five years after the closing of the first unit or whenever the unsold units constitute less than 25 percent of the common interest, whichever is sooner. Any contractor performing work shall not employ any personnel or means that may cause labor disturbances or stoppage in the work of Building employees or other contractors or subcontractors employed in the Building.

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration, improvement or repair to be made in a Unit, unless approved and executed, if necessary, by the Board. The Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Board and the Residential Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialperson, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Residential Unit, or the Commercial Unit provided any alteration to such Unsold Residential Unit or Commercial Unit shall be in accordance with, and only as permitted by, the Condominium Act and Law, and with respect to the Commercial Unit, is an alternation that does not alter the exterior facade of the Building.

Insurance

The Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Board/Summary of By-Laws." The Board is not required to obtain or maintain any insurance with respect to any Unit Owner Property or any liability with respect to occurrences in or about each Unit or its Residential Limited Common Elements.

All Unit Owners are required to obtain and maintain (a) casualty insurance with respect to the Unit, any Unit Owner Property, and any Limited Common Elements appurtenant thereto, and (b) liability insurance with respect to occurrences in or about the Unit and any Limited Common Elements appurtenant thereto. All certificates of insurance shall name the Board, the Condominium and Sponsor as additional insureds and shall be delivered to the Condominium at the Closing of Title to the Unit. All such policies shall contain waivers of subrogation, if commercially reasonable, and the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of such additional insurance carried-by any Unit Owner.

Rights of Access

As more fully set forth in the By-Laws, the Board and any Managing Agent, manager, and other persons authorized by the Board, will have a right of access to any Unit and any Limited Common Elements appurtenant thereto for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit and Limited Common Elements appurtenant thereto or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and Limited Common Elements appurtenant thereto and threatening another Unit or any Common Element (including Limited Common Elements), and for any other purposes provided in the Plan, Declaration or as may be required by Law, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the occupants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Limited Common Elements) for purposes of performing certain alterations and repairs in or about Unsold Residential Units or Commercial Unit or the Limited Common Elements appurtenant to an Unsold Unit and in fulfilling Sponsor's obligations under the Plan, provided that access to any Unit or Limited Common Element may not be exercised in such a manner as will unreasonably interfere with the use of such Unit or Limited Common Element for its permitted purposes.

Compliance with Condominium Documents

Each Unit Owner must strictly comply with the provisions of the Condominium Documents. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by law. The By-Laws, together with the Residential Rules and Regulations, will be recorded with the Declaration in the Register's Office.

Examination of Books and Records

Each Unit Owner and each mortgagee of a Unit shall be permitted upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium or the Managing Agent.

Self-Help

In the event that any Unit Owner fails to maintain or repair the Unit or any Limited Common Elements appurtenant to such Unit or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

General

All restrictions and prohibitions set forth herein with regard to the use of a Residential Unit and its appurtenant Residential Limited Common Elements shall not apply to Sponsor or any principal of Sponsor owning or leasing such Residential Unit so long as Sponsor owns any Residential Unit.

Purchasers should refer to the Section of the Plan entitled "Commercial Unit" for a summary of additional rights and obligations of the Commercial Unit Owner.

RIGHTS AND OBLIGATIONS OF THE BOARD/ SUMMARY OF BY-LAWS

Board

The Board shall initially consist of 3 persons designated from time to time by Sponsor (collectively, the "Members"). The Board will call the First Annual Meeting to elect a new Board approximately 30 days after the earlier to occur of (i) the second anniversary of the First Closing or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, the incumbent Board shall resign and, subject to the rights of Sponsor and the Commercial Unit Owner to designate members of the Board, the Residential Unit Owners (including Sponsor) shall elect and/or or designate a new Board consisting of 5 members. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for details.) Thereafter, at each annual meeting, members of the Board shall be elected and/or designated and shall serve until the next annual meeting thereof and until a successor has been elected and/or designated.

Sponsor may not control the Board in order to veto enforcement of Sponsor's obligations pursuant to the Plan, nor to veto actions necessary to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer, nor to ensure the health and safety of the occupants of the Building, nor may the Sponsor exempt itself from paying Common Charges. Sponsor may exercise veto power over expenses other than those described in the immediately preceding sentence and in 13 NYCRR §20.3(u)for a period ending not more than five years after the closing of the first unit or whenever the unsold units constitute less than 25 percent of the common interest, whichever is sooner.

Sponsor and/or the Commercial Unit Owner, all Members of the Board must be either Residential Unit Owners or certain interested parties as described in the By-Laws. No member of the Board shall continue to serve on the Board if, during such Member's term of office, such member shall cease to be a Residential Unit Owner or an interested party. All Members of the Board shall serve without compensation.

Powers and Duties of and Determinations by the Board

The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations with respect to the administration of the affairs of the Condominium shall be made by the Board.

As more fully set forth in the By-Laws, all determinations required to be made by the Board shall be by majority of the votes cast at any meeting at which a quorum is present.

Notwithstanding anything to the contrary contained herein, so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Board may not, without Sponsor's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessment for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency, or surplus fund; (c) increase or decrease the number, or

change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services or facilities or any line items set forth in the First Year's Budget; and (y) 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 action is necessary, and no alternatives are available, to enable the Board 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.

Meetings and Votes of Unit Owners

Annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the 4 Residential Members to the Board, subject to any rights of Sponsor to designate Residential Members to the Board, and there shall also be transacted such other business as may properly come before such meetings. 1 member of the Board shall be designated by the Commercial Unit Owner. In addition, the President may call a special meeting whenever so directed by a duly adopted resolution of the Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate not less than 40% of the total Common Interest. The Secretary of the Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given at least 10 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than 40% of the total Residential Common Interests shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners.

At all meetings, each Unit Owner (or their proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit.

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Board following the First Annual Meeting. Thereafter, the President and Vice President must be members of the Board. No officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium are to be executed by any officer thereof or by such other person or persons as may be designated by the Board.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board will, except as set forth below, arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit).

If the Building is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first 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, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of the Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on the Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. Any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Board shall be payable to the Board in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

The Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent commercially reasonable and to the extent determined by the Board to be appropriate, the following insurance: (a) a commercial package policy including fire and special causes of loss, on at minimum a replacement cost valuation or replacement cost coverage and agreed valuation, insuring the Building (excluding each Unit, Unit Owner Property, and Residential Limited Common Elements), together with all Building service machinery contained therein and covering the interests of the Condominium, the Board and all Unit Owners and

Permitted Mortgagees, as their interests may appear; (b) rent insurance; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) water damage legal liability insurance; (f) fidelity bonds covering the Board and all officers, directors and employees of the Condominium; (g) directors and officers liability insurance; and (h) such other insurance as the Board may determine.

The fire insurance policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions described in the By-Laws.

The amount of fire insurance and all risk extended coverage to be maintained until the first Board meeting following the First Annual Meeting shall be in at least the sum set forth in the First Year's Budget.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of (a) subrogation; (b) a cross-liability endorsement; and (c) pro rata reduction of liability if Unit Owners obtain additional coverage and shall provide that such policies may not be cancelled or substantially modified without at least 10 days' prior written notice to the Board and to all of the insureds, including Permitted Mortgagees who have requested the same from the Board in writing. Evidence of insurance or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees, who have requested the same from the Board in writing. Renewals shall be obtained at least 10 days' prior to the expiration of the then current policies.

The Board shall also be required to obtain and maintain, to the extent commercially reasonable, commercial general liability insurance covering claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Board may from time to time determine, covering (1) the Board, Managing Agent or agents thereof, each Board member and each officer and employee of the Condominium, and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's Unit or its appurtenant Limited Common Element. The Board shall review such limits not less than once each year. Until the first Board meeting following the First Annual Meeting, such liability insurance shall be in at least the sum set forth in the First Year's Budget with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Board may provide for such deductible amounts as the Board may determine. The premiums for all insurance referred to above shall be a General Common Expense.

All Unit Owners are required to obtain casualty and liability insurance for their own benefit covering their Units, any Unit Owner Property, and the Limited Common Elements appurtenant thereto. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Liability of the Board and Unit Owners

Every contract made by the Board or by any Managing Agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners and the members of the Board, Managing Agent or manager thereof shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all unit owners. To the extent permitted by Law, the members of the Board shall have no liability to Unit Owners except that a member of the Board shall be liable for such members own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each member of the Board against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with any member of the Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners approximately 4 months after the end of each fiscal year.

Amendments to Condominium Documents

Generally, subject to certain exceptions concerning, among other things, Sponsor and the Commercial Unit Owner and provided that required consents of the Mortgage Representatives, if any, are obtained (if applicable), any provision of the Declaration, By-Laws or Residential Rules and Regulations affecting the (i) General Common Elements or all Units may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, and (ii) the Residential Common Elements or all Residential Unit Owners may be amended, modified, added to or deleted by the affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

No amendment, modification, addition or deletion of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, shall be effective (a) against Sponsor or any Unsold Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto, or (c) against the Commercial Unit Owner and/or the Commercial Unit without the prior written consent of the Commercial Unit Owner.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the

Condominium Act as a result of the vote to do so of at least 80% in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Residential Units Acquired by Board

All Residential Units acquired or leased by the Board or its designee shall be held by the Board, or its designee, on behalf of all Residential Unit Owners and the rent or Purchase Price, closing costs and adjustments payable in connection therewith shall be assessed against all Residential Unit Owners. No Residential Units held by the Board shall carry any voting rights.

The purchase of any Residential Unit by the Board on behalf of the Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such account are insufficient to effectuate any such purchase, the Board may levy an assessment against each Residential Unit Owner in proportion to the Common Interest, as a Common Charge and/or the Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its Common Interests.

Procedure to Review Real Estate Tax Assessments

The Board, on behalf of and as agent for all Residential Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units. All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Residential Common Interests. In the event any Residential Unit Owner individually seeks to have the assessed valuation of the Residential Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Residential Unit Owner in pursuing, such reduction, provided that such Residential Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, attorneys' fees, costs and disbursements) resulting from such proceedings.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several Units and their respective Common

Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the Common Elements shall be the basis for a lien thereon but all Common Charges received by the Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Board or Managing Agent for the Common Elements.

Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and their appurtenant Residential Limited Common Elements and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In addition, as set forth in Articles 10 and 11 of the Declaration, Sponsor and the Commercial Unit Owner have been granted certain easements with respect to the use and operation of their respective Units.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units and Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

Name of Condominium

The Condominium and the Building shall be designated and known as "320 Macon Condominium." Sponsor and Sponsor's assignee shall own and control all rights and interests, including the right to apply for any trademark and prosecute to registration any federal trademark applications, and shall be responsible for all obligations and liabilities, including those in furtherance of protecting, policing and maintaining any applicable trademark rights, which may include litigating against those whom Sponsor believes may be infringing Sponsor's rights in and to the name of the Condominium and Building, appurtenant to the name of the Condominium and/or the Building. Only Sponsor shall have the right to change or assign the name of the Condominium and/or the Building. In addition, Sponsor shall have the right, for so long as the ~~Property is a condominium~~ Sponsor owns any Unit , to maintain a plaque identifying Sponsor as the sponsor of the condominium offering, together with such other information as Sponsor determines in its sole discretion.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A Purchaser should read the Plan in its entirety including the Declaration and By-Laws.

_Smoking Policy

On August 28, 2017, New York City Mayor Bill De Blasio signed Local Law 147, which goes into effect on August 28, 2018. Local Law 147 amends the Administrative Code of the City of New to require that all class A multiple dwellings—*i.e.*, buildings with three or more residential dwelling units—adopt a written smoking policy for the building that is disclosed to all residents and incorporated into all leases, purchase agreements, and building governing documents.

In conformance therewith, the Sponsor has set the initial Smoking Policy as follows: There shall be no smoking in the inside common areas. Smoking within Units is permitted to the extent permitted by Law. Anyone smoking in the front yard or at the Building entrance must pick up all smoking materials. Once 3 Units have closed, the Smoking Policy will be reviewed and revised at the discretion of the non-Sponsor members of the Board. The Smoking Policy is included in the Purchase Agreement, By-Laws and Interim License Agreement.

REAL ESTATE TAXES

A. Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay such Unit Owner's pro rata share (in the proportion that such Unit Owner's Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Board as Common Charges.

B. N.Y. Real Prop. Tax Law § 581 provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. N.Y. Real Prop. Law § 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interest exceed the total valuation of the property were the property assessed as one parcel.

C. The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes for the residential portion of the Building payable with respect to each Residential Unit for the First Year of Condominium Operation will be allocated in proportion to each Residential Unit's Common Interest. The tax figures set forth on Schedule A are estimates only and actual real estate taxes for the First Year of Condominium Operation may be higher or lower. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's purchase price or imputed market value rather than its Common Interest, and, if so, Residential Units having the same or similar purchase price or imputed market value may pay higher real estate taxes than are reflected on Schedule A.

D. Based on an opinion of Podell, Schwartz, Schechter & Banfield, LLP, assuming the Property does not receive any exemption from real estate taxes, it is estimated that the aggregate real estate taxes for the First Year of Condominium Operation will total approximately:

(A) **$6,740.00 for the Residential Unit Owners**, which assumes (i) an assessed valuation attributable to the residential portion of the Property for the 6 months of the 2018/2019 tax year reflecting the assessment for a residential "class 2" property and for the 6 months of the 2019/2020 tax year reflecting the post-conversion assessment, and (ii) a projected tax rate of 12.719% of assessed valuation for the fiscal tax year; and

(B) **$1,190.00 for the Commercial Unit Owner**, which assumes (i) an assessed valuation attributable to the Commercial Unit for the 6 months of the 2018/2019 tax year reflecting the assessment for a residential "class 2" property, and (ii) a projected tax rate of 12.719% of assessed valuation for the fiscal tax year.

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

BE CHANGED. PURCHASERS ARE ADVISED THAT THE NEW YORK CITY TAXING AUTHORITIES HAVE IMPLEMENTED SIGNIFICANT INCREASES IN THE TENTATIVE ASSESSED VALUATIONS FOR NEW CONSTRUCTION CONDOMINIUMS FOR CERTAIN TAX YEARS WHICH DO NOT APPEAR CONSISTENT WITH THEIR VALUATIONS IN PRIOR YEARS. SPONSOR MAKES NO REPRESENTATIONS REGARDING THE METHODOLOGY WHICH THE TAXING AUTHORITIES WILL USE IN FUTURE TAX YEARS.

F. PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY: (i) REGARDING THE METHOD OF ALLOCATING REAL ESTATE TAXES WHICH WILL BE EMPLOYED BY THE NEW YORK CITY TAX ASSESSOR; (II) OF THE ASSESSED VALUE OF THE RESIDENTIAL PORTION OF THE PROPERTY DURING THE FIRST YEAR OF CONDOMINIUM OPERATION; OR (III) OF THE TAX RATES IN EFFECT DURING THE FIRST YEAR OF CONDOMINIUM OPERATION.

G. The By-Laws provide that the Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Residential Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

H. Individual Residential Unit Owners may qualify for a partial abatement of real estate taxes pursuant to the Condominium Abatement Program. The abatement is not available to Sponsor, to any party owning more than three Units in the Condominium or to a Commercial Unit Owner. Only Residential Units owned by individuals would be eligible to receive the abatement, if otherwise qualified; Residential Units owned by trusts, limited liability companies or corporations will not receive benefits. Further, the abatement will be restricted to Unit Owners who use at least one Unit in the Building as their primary residence. The Condominium Abatement Program is in place through the 2018/2019 tax year, which ends June 30, 2019. Purchasers are advised that insofar as the Condominium Abatement Program expires prior to the First Year of Condominium Operation, there is no guarantee that the Condominium Abatement Program will be renewed beyond that date and, if renewed, that its requirements and benefits will be consistent with those of the current program.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

A. The following discussion of certain income tax consequences of the ownership of Residential Units by Purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the Attorney's Income Tax Opinion prepared by Nixon Peabody LLP, a law firm retained by Sponsor, a copy of which is set forth in Part I of this Plan.

B. NIXON PEABODY LLP WAS RETAINED BY SPONSOR AND NOT THE UNIT OWNERS. EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Deductibility of Mortgage Interest and Real Estate Taxes

A. Each Residential Unit Owner will own such Unit Owner's Residential Unit and its Appurtenant Interest in the Common Elements in fee simple and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments (*see* the section entitled "Real Estate Taxes" in Part I of the Plan for further details). Since each Residential Unit Owner will own such Unit Owner's Residential Unit in fee simple, the owner may mortgage such Residential Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

B. It is the opinion of Nixon Peabody LLP that a Residential Unit Owner who uses such Unit Owner's Residential Unit as a personal residence and itemizes such Unit Owner's deductions may, under present Law, for Federal, New York State, and New York City income tax purposes, be entitled to a deduction for mortgage interest (to the extent it constitutes interest on "acquisition indebtedness") and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to secured debt used to acquire or substantially improve a principal residence or second residence with a total indebtedness of up to $750,000.00 ($375,000.00 in the case of a married individual filing a separate return). Interest on home mortgage debt in excess of those limitations would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and may apply to the overall allowance of itemized deductions.

Taxation of the Condominium

C. If the Condominium meets the requirements for qualification as a "homeowners association," under Section 528 of the Internal Revenue Code, which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, and on interest earned on any reserve, Working Capital Fund, or Capital Repair and Replacement Reserve (in each case, less expenses directly connected with the production of such income).

D. The Condominium will likely not qualify as a homeowners' association under Section 528 of the Internal Revenue Code. Assuming the Condominium does not qualify as a homeowners' association, or if it does but chooses not to make the election to be a homeowners' association, the present state of the Law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion prepared by Nixon Peabody LLP and set forth in Part I of the Plan, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the non-membership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax (depending on whether the Condominium is properly classified as a corporation or a partnership for Federal income tax purposes). Schedule B in Part I of the Plan does not contemplate any substantial income which might be taxable and accordingly does not specifically budget any amounts for taxes for non-membership or membership income. Alternatively, if the Condominium is treated as a separate taxable entity, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification. (See the Attorney's Income Tax Opinion in Part I of the Plan for further details.)

E. The qualification of an organization as a homeowners' association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

F. No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance, or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Nixon Peabody LLP, a law firm retained by Sponsor, bases its opinion, will not change. In no event will Sponsor, Nixon Peabody LLP, the Selling Agent, the Managing Agent, or any other person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under this Plan, and no one has been authorized to give any warranties.

G. Schedule B in Part I of the Plan does not contemplate any substantial income which might be taxable and accordingly does not specifically budget any amounts for taxes for non-membership or membership income. Any sums actually realized by the Condominium in excess of operating expenses in the First Year of Condominium Operation will be segregated and maintained in the Capital Repair and Replacement Reserve.

H. The Sponsor has been advised by Lewis C. Taishoff, Esq., EA, that on January 1, 2018, the Tax Cuts and Jobs Act of 2017 (the "17 Act") went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. These changes are currently in effect for all tax years commencing January 1, 2018 and ending December 31, 2025, but no representation can be made that law or

regulations may not change at any time. The following is a brief description of the two principal changes to former law in respect of the deductions described in this Plan.

Section 11042 of the 17 Act expressly limits the individual deduction for all State, municipal and local taxes otherwise allowed or taken into account pursuant to 26USC§164 (non-business taxes) to $10,000 ($5,000 in the case of a married individual filing a separate return).

Section 11043 of the 17 Act eliminates the previous deduction for interest paid on home equity indebtedness whose principal balance was less than $500,000. Section 11043 of the 17 Act also reduces the deduction for amounts of interest paid on acquisition indebtedness to such indebtedness whose principal balance is less than $750,000 ($375,000 for married persons filing separately).

Section 11043 of the 17 Act also limits the deduction for interest paid on refinanced acquisition indebtedness.

Other provisions of the 17 Act may affect the tax position of prospective purchasers. The foregoing is a summary only, and is not exhaustive. Purchasers are advised to consult with tax advisers of their sole choosing with respect to the tax impacts of their purchase and ownership of the Units offered hereby. Purchasers should not rely on any representations in this offering plan addressing taxes without first so consulting.

Spector Foo Weissman LLP, CPAs, New Hyde Park, 11042, New York have not reviewed or rendered and opinion on any tax matters herein set forth.

Purchasers are advised to consult with own expert regarding the tax consequences of purchasing a condominium unit.

ATTORNEY'S INCOME TAX OPINION OF NIXON PEABODY LLP

NIXON PEABODY

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ATTORNEYS AT LAW

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June 28, 2018

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RE: 320 Macon Condominium
320 Macon Street
Brooklyn, New York 11216 (the "Condominium")

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, 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 Condominium Offering Plan (the "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 the ownership of Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences (including the deductibility of any mortgage interest or real estate taxes) of (i) ownership of any Unsold Unit, any Unit that is used for commercial, professional or mixed residential and commercial/professional purposes, or any units other than the Units, (ii) ownership or rental of any Unit purchased or rented for use by the resident manager or (iii) any rebates or other payments that may be made, or benefits that may be provided, to owners of the Units. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the 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 Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials 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.

Pursuant to the Plan, the purchaser of a Unit will receive legal title in fee simple to his or her Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the

Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the Property to the extent otherwise allowed. Rev. Rul. 64-31, 1964-1 C.B. 300.

Accordingly, based on the foregoing, it is our opinion that an owner of a Unit who itemizes deductions and who uses his or her Unit solely as a personal residence will be entitled under current law to deduct from his or her gross income for federal income tax purposes, subject to an overall limitation on itemized deductions as may be in effect under Code Section 68 (which under recent tax legislation, has been suspended for tax years 2018-2025), real estate taxes assessed against his or her Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the federal alternative minimum tax. Owners of the Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes, and the applicability to them of the federal alternative minimum tax.

Purchasers are advised that an exemption from real estate taxes may be available for veterans and other purchasers under the New York State Real Property Tax Law, as amended, and/or various codes, rules and regulations of the City of New York. Prospective purchasers are advised to consult with their own attorneys or other advisers to determine whether the prospective purchaser qualifies for any exemption from real estate taxes.

Code Section 163 provides that a taxpayer generally is entitled to a deduction for federal income tax purposes for interest paid with respect to a principal and a second residence (each a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing of such indebtedness, to the extent that the indebtedness does not exceed the amount of the refinanced debt), up to a maximum of $750,000 for the years 2018-2025 and $1 million thereafter ($375,000 in the case of a married individual filing a separate return for the same years and $500,000 thereafter) ("acquisition indebtedness"). The formerly allowable additional deduction for home equity indebtedness has been recently repeated for the tax years 2018-2025. Accordingly, an owner of a Unit who itemizes deductions and thereafter uses his or her Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for federal income tax purposes, subject to an overall limitation on itemized deductions as may be in effect under Code Section 68 (which under recent tax legislation, has been suspended for tax years 2018-2025), interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed $750,000 ($375,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax

advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Units for federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and any overall limitation on the allowance of itemized deductions.

Each owner of a Unit who uses his or her Unit solely as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Unit for New York State and New York City income tax purposes as is allowed for federal income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction in the case of individuals having income exceeding certain prescribed levels.

If the Condominium qualifies as a homeowners association within the meaning of Code Section 528, it may elect not to be subject to federal income tax on amounts received as membership dues, fees or assessments from Unit Owners. However, even if the election is made, the Condominium will remain liable for federal income tax on any taxable income it may have from other sources, such as income, if any, from the operation of laundry or dining facilities and interest earned on any reserve funds (in each case, less expenses directly connected with the production of such income).

For an condominium management association to qualify as a homeowners association under Code Section 528, the association must meet, on an annual basis, all of the following conditions: (1) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from the unit owners, (2) at least 85% of the total square footage of all units within the condominium must be used by individuals for residential purposes, (3) at least 90% of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (5) no part of its net earnings may inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care with respect to association property, and other than by rebate of excess membership dues, fees, or assessments) and (6) it must elect to be treated as a homeowners association. The qualification of an organization under the provisions of Code Section 528 is to be determined annually at the close of each taxable year, and it is possible, therefore, that if an association does not qualify in one year, it may nevertheless qualify in one or more future years, or, conversely, it may qualify in one year and not qualify in one or more future years.

Based on the information contained in the Plan, (1) at least 60% of the Condominium's gross income is expected to consist of amounts received as membership dues from the Unit Owners

pursuant to Treasury Regulation § 1.528-5, (2) assuming that the Units are used by individuals solely for residential purposes pursuant to Treasury Regulation § 1.528-4, at least 85% of the total square footage of all Units of the Condominium will NOT be used by individuals for residential purposes and (3) we understand, based on the assumptions and conclusions set forth herein, that for purposes of clause (3) in the preceding paragraph, the expenditure of Condominium funds to ensure adequate utilities for the Property should be treated as a qualified expenditure, and, therefore, at least 90% of the total expenditures by the Condominium will be qualifying expenditures under Treasury Regulation § 1.528-6. Based upon the foregoing and assuming (i) the Plan becomes effective during the taxable year ending December 31, 2019 (the "First Taxable Year"), (ii) the actual gross income and expenditures of the Condominium for the First Taxable Year are the same as (or, if such year is a short taxable year, are in the same proportions as) the estimated gross income and expenditures for the Condominium's first full year of operations, as set forth in the Plan and the associated documents referenced therein, (iii) the Condominium otherwise satisfies requirements (4), (5) and (6) of the preceding paragraph and (iv) there are no changes in the facts and/or the relevant provisions of applicable law after the date hereof, the Condominium will NOT be eligible to elect to be treated as a homeowners association under Code Section 528 for the First Taxable Year.

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996, and there is no authority addressing the application of those entity classification regulations to condominiums. Provided that the Condominium is not an incorporated entity, the Condominium Board, as agent of the Unit Owners under the Condominium's By-Laws, may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges should not be considered income earned by the Condominium through the Condominium Board collecting such charges. If, however, the Condominium is properly treated as a separate entity, and is not an incorporated entity, the Condominium may elect to classify itself as a corporation under the currently applicable federal entity classification regime. If the Condominium files an election to be classified as a corporation, it would be considered a separate taxpayer with respect to income (potentially including the Common Charges, among other things) and deductions and return filing requirements and would be subject to federal corporate income tax. If the Condominium does not file an election to be treated as a corporation and is treated as a partnership, the partnership would not be subject to an entity level tax; the items of income and deduction of the partnership (potentially including the Common Charges, among other things) generally would be reflected on the separate income tax returns of each of the Unit Owners in accordance with the provisions of

Subchapter K of the Code, and the partnership would be required to file information returns with the IRS.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for federal income tax purposes, it is still possible that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, the Condominium likely would be subject to the New York City Unincorporated Business Tax, unless it were eligible for and elected treatment under Code Section 528 as a homeowners association.

We express no views as to any federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS, the New York State Department of Taxation and Finance, the City of New York Department of Finance or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Sponsor, Nixon Peabody LLP, the Condominium Board, the Selling Agent, or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or the IRS and New York State and New York City rulings on which we have relied, which cause the owners of the Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan, along with references to our name in the Plan.

Very truly yours,

Nixon Peabody LLP

Nixon Peabody LLP

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SEE PAGE 81

REAL ESTATE TAX OPINION OF PODELL, SCHWARTZ, SCHECHTER & BANFIELD, LLP

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June 27, 2018

320 Macon GP LLC
c/o Gregory Maidman
7 Penn Plaza, Suite 1400
New York, New York 10017

Re: THE 320 MACON CONDOMINIUM
320 Macon Street
Borough: Brooklyn
Block: 1853, Lot: 42

Gentlemen:

You have requested that we provide you with an estimate of the above property's real estate tax assessments and real estate taxes following its conversion into a mixed-use condominium.

You have advised us that you are the fee owner of certain real property located at 320 Macon Street, Brooklyn, New York, and currently designated as Block 1853, Lot 42 on the Official Tax Map of the City of New York. According to New York City Department of Finance records, the property consists of a land area of 2,000 square feet and is currently improved with a 4-story structure consisting of 2,000 square feet of retail space and 4,620 square feet of residential space, which is comprised of three (3) apartments. Finance records further indicate that the property is classified for tax purposes in residential tax "class 2B," defined as a residential property consisting of seven (7) to ten (10) units.

You have advised us that you are in the process of converting the existing structure into a mixed-use condominium consisting of the following:

- One commercial unit located on the ground floor consisting of 1,822 square feet; and
- Four (4) residential units located on floors 2-4.

You have advised us that there are no major capital improvements planned in connection with the property's conversion and that the first year of condominium operation will be from January 1, 2019 through December 31, 2019.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors. These factors include actual construction costs (if applicable), the property's location, a hypothetical economic analysis of the condominium as if it were a rental property (as required pursuant to section 581 of the New York Real Property Tax Law), assessed valuations of comparable buildings, statutory assessment increase limits (if applicable), and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 – June 30) based upon its use and condition on January 5th (taxable status date).

As defined in section 1802 of the New York Real Property Tax Law, tax "class 2" properties include all residential properties that are not designated in residential tax "class 1" (i.e., generally one, two and three family residential properties). Tax "class 2" includes "sub-class 2A" and "2B" properties (residential properties consisting of 4-6 units and 7-10 units, respectively) and "sub-class 2C" properties (which include residential cooperatives and condominiums of less than 11 units), which are subject to statutory assessment increase limitations described in more detail below.

The New York City Department of Finance purports to assess residential tax "class 2" properties at 45% of their perceived full market value. For "class 2" properties, annual increases or decreases in assessed value resulting from construction, demolition or other physical changes to the property (i.e., "physical" or "alteration" increases) are taxable the year they are levied. For "class 2" properties having more than 10 units, annual assessment increases or decreases not resulting from physical changes (i.e., "equalization" changes) are phased in for tax purposes over a five (5) year period at 20% per year. Hence, two assessed values: 1) the "actual assessment," which is set at 45% of the City's claimed market value: and 2) the "transitional assessment," which is based on physical increases and the 5-year phase in of equalization changes. Real property taxes in any given year are based on the lesser of the actual or transitional assessment.

For "sub-class 2A," "2B" and "2C" properties, assessment increases are limited pursuant to section 1805 of the New York Real Property Tax Law. In this regard, equalization assessment increases on "sub- class 2A," "2B"and "2C" properties are limited to a maximum of 8% of the property's assessed value in any one year, or 30% during any five (5) year period. Annual physical or alteration increases on "sub-class 2A," "2B" and "2C" properties are limited to one-third of the increase in assessed value otherwise allowed resulting from the improvements made to the property.

The 320 Macon Street property's assessment history is as follows:

		Tax Class	Assessed Value Land	Total
Final	2018/19	2B	$16,332	$59,755
Final	2017/18	2B	$15,509	$59,755
Final	2016/17	2A	$ 5,473	$31,611

As set forth above, the subject property is currently designated for tax purposes in tax "sub-class 2B." Given the number of units and eventual condominium status, we assume that the property will be designated in "sub-class 2C" upon its conversion into a condominium. It has been the New York City Department of Finance's policy and procedure in the past to impose statutory equalization and physical assessment increase limits on properties that are converted from residential tax "sub-class 2B" to "sub-class 2C." For purposes of this projection, we have assumed that these statutory limits will apply to the subject property. No representation or warranty is made herein that the Department of Finance will continue to adhere to this policy upon completion of this project, in which case assessed values and real estate taxes may be greater than those projected below.

For condominiums, including "sub-class 2C" properties, in arriving at the assessed value for each unit (usually following the recording of the condominium declaration and filing of floor plans with the New York City Surveyors' Office), the building is first assessed in its entirety and the overall assessment is then apportioned among the various units (in accordance with section 339-y of the New York Real Property Law), each of which is assigned a separate tax lot designation. We have been advised that it is the policy and practice of the New York City Department of Finance to apportion the assessed valuation of a condominium among the various units based upon the percentage of common interest contained in the Condominium Declaration. In the past, Finance employed other methodologies to apportion assessed value, including relative projected selling price per unit set forth in the offering plan as well as other indicia of value such as location, square footage, income potential, amenities, etc. No representation is made herein that the Department of Finance will adopt any particular method of apportioning the assessed value among the various units.

As set forth above, the New York City Department of Finance has set the property's 2018/19 taxable assessed value in the total amount of $59,755. The City's final assessment roll, which was published on or about May 25, 2018, continues to classify the property for tax purposes in residential "sub-class 2B."

The most recent tax rates available as of the date of this letter are those passed by the City Council for the 2017/18 tax year. The 2017/18 residential "class 2" tax rate is 12.719%. For purposes of this projection, we have estimated that the 2018/19 "class 2" tax rate will be in the approximate amount of 12.719%. Given the final 2018/19 taxable assessed value and estimated 2018/19 tax rate, we estimate that the gross real estate taxes due for the fiscal year July 1, 2018 through June 30, 2019 will be in the approximate amount of $7,610.

The first taxable status date following the property's anticipated conversion and apportionment into separate condominium tax lots will be January 5, 2019, which will be the basis for the property's 2019/20 assessed values. We assume that for the post-construction 2019/20 tax year the residential and commercial units will be classified for tax purposes in protected residential tax "class 2C" (i.e., a predominantly residential condominium of less than 11 units) and that the property will be subject to statutory limits on assessment increases. We estimate the aggregate post-conversion taxable assessed value for the residential and commercial units to be in the total amount of $64,540.

As set forth above, we have been advised that it is the policy and practice of the New York City Department of Finance to assign separate tax lots and apportion the assessed valuation of a condominium among the various units based upon the percentage of common interest contained in the Condominium Declaration. In this regard, you have advised us that the percentage of common interest assigned to the various units are as follows:

4 Residential Units . . .	85.1%
Commercial Unit . . .	14.9%

Assuming Finance apportions the total 2019/20 estimated taxable assessed value based on these percentages, our estimates of the post-conversion taxable assessed values for the residential and commercial units are as follows:

	Est. 2019/20 Taxable Assessments
4 Residential Units . . .	$ 54,924
Commercial Unit . . .	$ 9,616

As set forth above, the most recent tax rates available as of the date of this letter are those passed by the City Council for the 2017/18 tax year. For purposes of this projection we have estimated that the 2019/20 class "2" rate will be in the amount of 12.719% (i.e., the 2017/18 residential "class 2" tax rate). Given the projected 2019/20 taxable assessed values and tax rate, we estimate that the gross real estate taxes due for the fiscal year July 1, 2019 through June 30, 2020 will be in the following amounts:

	Est. 2019/20 Taxes
4 Residential Units . . .	$ 6,990
Commercial Unit . . .	$ 1,230

You have advised us that the first year of Condominium operation will be from January 1, 2019 through December 31, 2019. Based on the foregoing projections for the 2018/19 and 2019/20 fiscal tax years and apportioning estimated taxes between the residential and commercial units based on their relative percentages of common interest, we estimate gross real estate taxes for the condominium's first year of operation to be in the following amounts:

	Est. First Yr. (1/1/19-12/31/19) Taxes
4 Residential Units . . .	$ 6,740
Commercial Unit . . .	$ 1,190

It should be noted that the estimated real property taxes for the first year of condominium operation (i.e., January 1, 2019 through December 31, 2019) do not reflect the converted building.

A schedule of estimated real property taxes by residential condominium unit for the first year of condominium operation as well as estimated taxes for the first post-conversion tax year (i.e., 2019/20) based on relative percentages of common interest set forth in schedule "A" in the Offering Plan is attached.

Once again, it should be noted that, although it is currently Finance's stated policy to apportion the assessed values of condominium properties among the various units on this basis, Finance has used different methodologies in the past. No warranty or guarantee is made herein that assessed values will not be apportioned based on a different method.

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and publicly available tax records and are subject to amendment. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimates of assessed valuations upon conversion are good faith estimates, such assessed valuations when actually made may be less or greater than as estimated herein.

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential property or any increase in the real estate tax rates. The above

opinion is based upon our interpretation of The New York State Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual or transitional tax assessments, tax rates, or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the property's conversion is complete. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one of more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that assessments, tax rates, and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department and the Tax Commission of the City of New York with respect to mixed-use properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

Very truly yours,

PODELL, SCHWARTZ, SCHECHTER & BANFIELD, LLP

BY: _____
Paul V. Greco

PVG:

WORKING CAPITAL FUND AND APPORTIONMENTS

A. The initial Purchaser of each Residential Unit shall be required to make its respective Working Capital Fund Contribution to the Working Capital Fund which may be used for any purpose permitted by Law.

B. At the First Closing, Sponsor will apportion with the Board the following items as of midnight of the date preceding said Closing:

1. deposits with utility companies, if any, and fees for assignable permits and licenses, if any;

2. charges for electricity and other utilities for the General and Limited Common Elements;

3. cost of fuel on hand (plus sales tax), if any;

4. charges and receipts in connection with service, maintenance and concession contracts;

5. water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Residential Units);

6. cost of Building supplies on hand at Sponsor's cost (including sales tax);

7. premiums for transferable insurance policies, if any;

8. management fees; and

9. other customary adjustments.

C. Adjustments for prepaid expenses between Sponsor and the Board, if any, may be deducted from the Working Capital Fund. If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable or there are insufficient funds in the Working Capital Fund, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

D. The Working Capital Fund will be held and used for working capital, for closing costs, to reduce Common Charges for all owners (including during any Control Period) or for such other purposes permitted by Law as will be determined by Sponsor and/or the Board and may be augmented by allocations from the monthly Common Charges collected from each Residential Unit.

E. The 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 the Working Capital Fund available at any specific time. There is no minimum amount set for the Working Capital Fund regardless of the amount of adjustments.

In the event that Condominium expenditures are greater than anticipated, it may be necessary to increase Common Charges or make Special Assessments payable by Unit Owners who are responsible for the expense in question. Alternatively, the Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws, the Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund. Capital Repairs and Replacements shall include a building-wide replacement of a major component of any of the following systems: (1) heating, ventilation and air conditioning; (2) plumbing; (3) wiring; (4) windows; or, a major structural replacement to or repair of the building.

CAPITAL REPAIR AND REPLACEMENT RESERVE

A reserve fund study was conducted for the Condominium by Strategic Inspections LLC to project the estimated capital repair and replacement reserve requirements of the Condominium for thirty (30) years. (See a copy of the Reserve Fund Study which is set forth as Exhibit 19 in Part II of the Plan.)

Schedule B (First Year's Budget) includes a line item for a Capital Repair and Replacement Reserve for the sole purpose of costs and expenses related to capital repairs, replacements and improvements. For so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Board must maintain the Capital Repair and Replacement Reserve and any change in the amount of the Capital Repair and Replacement Reserve shall be made only with Sponsor's prior written consent, which such consent may be granted or withheld in Sponsor's sole discretion. Sponsor makes no representation that the Capital Repair and Replacement Reserve will satisfy the requirements of a Purchaser's lender. No assurance or guarantee is given that capital repairs, replacements and improvements will not be required in the future. The Capital Repair and Replacement Reserve reflected in Schedule B is not intended to meet the cost of any specific major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase monthly Common Charges or institute a Special Assessment of Common Charges. Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises. (See Schedule B set forth in Part I of the Plan and the Reserve Fund Study which is set forth in Part II of the Plan.)

. Capital Repairs and Replacements shall include a building-wide replacement of a major component of any of the following systems: (1) heating, ventilation and air conditioning; (2) plumbing; (3) wiring; (4) windows; or, a major structural replacement to or repair of the building.

MANAGEMENT AGREEMENT, CONTRACTS, AND LEASES

A. The Management Fee is listed at $0.00 for the Projected First Year of Condominium Operation because Sponsor anticipates that the Condominium will be self-managed. In order to ensure for proper Building operations until such time and in order to enumerate the management activities to be performed, Sponsor shall enter into a written agreement with the Board to manage the Condominium without charging a management fee. Pursuant to the Management Agreement, Sponsor shall act as the Managing Agent until such time as 2 Residential Units have been sold to Purchasers. At any time after the closing of the second Residential Unit, both Sponsor and the Board shall each have the right (with or without cause) to terminate the Management Agreement by giving not less than thirty (30) days' written notice to the other party, in which event the Management Agreement and Sponsor's obligations with respect thereto shall terminate on the date fixed in said termination notice. If neither Sponsor nor the Board so elects to terminate the Management Agreement, then Sponsor shall continue as Managing Agent pursuant to the terms and conditions of the Management Agreement and shall be entitled from and after the closing of the second Residential Unit to receive an annual fee of $6,000 in accordance with the Management Agreement and such other fees, reimbursements and amounts as are provided for in the Management Agreement. The Managing Agent's management fee for each twelve (12) month period following the initial closing of the second Residential Unit in the Condominium shall increase to 120% of such fee for the immediately preceding 12-month period. In no event shall any increase in management fees, reimbursements or other amounts (whether payable to Sponsor as provided under the Management Agreement, or to any other managing agent retained by the Condominium in the event the Management Agreement is terminated) entitle Purchasers to a right of rescission or otherwise relieve Purchasers of any of their liabilities or obligations.

B. In addition, for services rendered to Residential Unit Owners (other than Sponsor) in connection with processing applications to sell or otherwise transfer Residential Units, the Managing Agent shall receive the following fees from Residential Unit Owners (i) upon the sale, lease or other transfer of a Residential Unit for reviewing the waiver of the Condominium's right of first refusal and other required documents, a fee of $650.00; (ii) $300.00 in connection with the processing of a lease renewal application for a Residential Unit Owner, (iii) $500 in connection with a Unit Owner's application for an appraisal or mortgage refinancing; and (iv) $300 - $1,000 in connection with the alteration or renovation of a Unit (such fee amount to be determined by Managing Agent based upon the extent of the proposed alterations and charged by the Managing Agent upon submission of the alteration request to the Managing Agent.

C. The Board shall reimburse the Managing Agent for all out-of-pocket expenses incurred by the Managing Agent in the performance of its duties under the Management Agreement. If Managing Agent shall advance voluntarily for the Condominium's account any amount, for the payment of any proper obligation or necessary expense authorized under the Management Agreement to be paid in connection with the maintenance or operation of the Condominium, the Condominium shall reimburse Managing Agent therefore, and Managing Agent may pay such charges out of the Condominium's accounts. All amounts advanced by Managing Agent but not promptly reimbursed to Managing Agent shall bear interest at the rate of 2% per month.

D. The duties and services to be rendered by the Managing Agent include, among others:

1. Cause to be hired, paid, and supervised, using reasonable care, the non-resident independent contractor superintendent budgeted for in Schedule B of the Offering Plan, the Board at its own cost and expense shall defend any suit brought against the Board or the Managing Agent on account of the operation or maintenance of the Managed Property, including injuries to employees or others, and the Board shall hold harmless and fully indemnify the Managing Agent from any loss to the Managing Agent on account thereof, unless such loss has been caused by the Managing Agent's or its employees' gross negligence or willful misconduct, and the Managing Agent will cause to be discharged all persons unnecessary or undesirable, all subject to such agreements concluded on behalf of the Board with the Board's written approval. Notwithstanding the foregoing, the Managing Agent, with the consent of the Board, may engage another company to hire, pay and supervise employees of the Condominium or a particular section of the Condominium;

2. Bill and collect all Common Charges, or Special Assessments and other amounts due and payable by Unit Owners, and other income from the Managed Property and take all action Managing Agent deems reasonable to collect any such amounts that are late;

3. To the extent same may or is required to be maintained or operated by the Board under the terms of the Declaration, through employees of the Condominium or when required, in Managing Agent's judgment, through independent contractors or through arrangement with the Other Managing Agents (as hereinafter defined), cause the Managed Property to be repaired, restored, cleaned, added to, improved, altered, replaced or maintained in such condition as may be deemed advisable by Managing Agent, including, but not limited to plumbing, steam-fitting, carpentry, elevator, painting and plastering, sidewalk and roadway repairs and gardening and, in conjunction therewith, to purchase such equipment, furniture, tools, appliances, materials, supplies, and uniforms as Managing Agent shall reasonably deem necessary or advisable, and in connection with the purchase of any material or services as hereinabove provided, Managing Agent shall use commercially reasonable efforts to make such purchases at the lowest available costs from reliable suppliers and shall allow the Condominium any rebates or discounts obtained by Managing Agent;

4. Unless otherwise directed in writing by the Board in each instance, and as deemed necessary by Managing Agent, enter into contracts for elevator maintenance, telephone service, window cleaning, steam, gas, electricity and water services, security services, extermination and other services as shall from time to time be approved by the Board and shall do so in its name or the name of the Condominium, as the latter shall elect;

5. On behalf of and at the cost and expense of the Board, cause such acts or things to be done in and about the Managed Property and to prepare and file all such documents, as shall be necessary to comply with all federal, state and municipal statutes, rules, and regulations of and remedy all violations charged by any such authorities, the

New York Board of Fire Underwriters, the New York Fire Insurance Exchange or similar body which are the responsibility of the Board under the Declaration;

6. On behalf of and at the expense of the Board cause to be effected and maintained, and in accordance with the insurance requirements listed in the Condominium By-Laws including but not limited to following coverages, Building, Business Interruption, Boiler, General Liability, Excess Liability, Workers Comp and DBL if applicable, Directors & Officers Liability covering the Board, officers and employees of the Board and, except as hereinafter provided, officers and employees of the Managing Agent, to the extent obtainable, and such other insurance as the Board and Managing Agent shall deem necessary or reasonably desirable for the protection of the interests of the Condominium, Board, and Managing Agent, and Managing Agent shall be named as an additional insured party in all liability policies, and other policies not including Property coverage, and the Managing Agent will coordinate with the Board to obtain the requisite insurance coverages for the Building;

7. Deposit all monies received by it for or on behalf of the Condominium or the Board (less any sums properly deducted by Managing Agent in accordance with the provisions of the Management Agreement) to the account of the Condominium in one or more special bank account established in the name of the Board (or in the name of the Managing Agent) and maintained by Managing Agent for such purpose (the "Condominium Accounts") and no such monies shall be commingled with other funds of Managing Agent; Managing Agent shall keep the Board advised of the balance of such accounts; the Board covenants and agrees to maintain sufficient balances in the Condominium Accounts to properly maintain and operate the Managed Property;

8. Pay all bills received for services, work and supplies ordered in connection with maintaining and operating the Managed Property, and, also pay water charges, sewer rent and assessments assessed with respect to the Condominium or the Managed Property;

9. Consider and, when reasonable, attend to the complaints of Unit Owners;

10. Render to the Board monthly statements of receipts and expenditures on an accrual basis for the preceding month and for the year to date, not later than the 30th business day of each month for the preceding calendar month. A copy of each such monthly statement shall be sent by Managing Agent to the President and Treasurer of the Condominium, provided that the cost of reproduction shall be borne by the Condominium;

11. Set up and maintain in a reasonably satisfactory manner, separate and accurate books of account, check books, and other records of the Condominium, and maintain orderly files of all rent records, leases, correspondence, and insurance policies (collectively called "Documents") pertaining to the Managed Property, all of which shall be and remain the property of the Condominium. Managing Agent shall, upon request of the Board, make all of said Documents available to the Board and its officers, accountants, attorneys and other representatives and shall deliver same to the Board or its Managing Agents or representatives on demand;

12. In conjunction with the certified public accountant of the Condominium, arrange for an annual audit each year of the books of account of the Condominium, including an annual report of the Condominium for the year then ended. If the Board shall so request, a copy of each such annual report shall be provided by Managing Agent to each Unit Owner and the cost thereof shall be borne by the Condominium (including photocopying, postage, etc.);

13. Prepare and submit annually to the Board an operating budget setting forth the anticipated income and expenses of the Condominium for the ensuing year, proposing annual and other assessments of Common Charges, and notifying Unit Owners of annual and all other assessments of Common Charges as determined by the Board;

14. Cause a representative of its company to attend annual meetings of the Unit Owners and meetings of the Boards and, if desired by a Board, provide a secretary, at the Condominium's expense ($250 per meeting) to record the minutes of such meetings, it being understood that every reasonable effort will be made to schedule Board meetings or Unit Owner meetings, as the case may be, at a sufficiently early hour; and

15. Process applications and references from all Residential Unit Owners and lessees in connection with the transfer of ownership, leases, mortgage refinancing, alterations or otherwise of any Residential Units; and other reports relating to Unit Owners and lessees of space being leased; and, if requested by the Board, in cooperation with the Board's counsel, review Unit Owners' alteration plans, arrange for the execution of alteration agreements and obtain required certificates of insurance; furnish certificates of common charges, waivers of the Board's first right of refusal and any related notices.

E. The Board will indemnify the Managing Agent against liability for all claims for all acts properly performed by the Managing Agent pursuant to the management agreement or at the instructions of the Board; provided, however, any such indemnification shall not cover any claims resulting from the Managing Agent's gross negligence or willful misconduct.

F. The Board may not assign the Management Agreement without the written consent of the Managing Agent. Managing Agent may assign the Management Agreement to an entity in which one or more of the principals are also principals of Managing Agent or to any entity into which Managing Agent is consolidated or merged.

IDENTITY OF PARTIES

Sponsor

A. Sponsor is 320 Macon GP LLC, having an office at 7 Penn Plaza, Suite 1400, New York, New York 10001. Sponsor is a New York limited liability company with an Amended and Restated LLC Operating Agreement dated as of May 9, 2017. Sponsor consists of 2 members, Gregory Maidman and Richard Mack. The sole Managing Member of Sponsor is Gregory Maidman.

B. Sponsor was organized for the purpose of owning and operating the Property, together with such other activities as may be necessary and advisable in connection therewith. The sole principals of Sponsor are its 2 members, Gregory Maidman and Richard Mack. No other person or entity has any influence in the decision-making of the sponsor and/or its principal.

C. The principals of Sponsor have not been involved in any condominium or cooperative offering plans for the last 5 years and do not own 10% or more of the unsold units or unsold shares in any building except as follows:

1. For Richard Mack:

   (1) 10 Huron FS Condo LLC as sponsor of "The Greenpoint", 21 India Street, Brooklyn, NY, AG File #CD16-0197.

   (2) Court Lofts, RP, LLC as sponsor of "The 505 Court Street Condominium", 505 Court Street, Brooklyn, NY AG File #CD04-0161.

2. For Gregory Maidman: NONE

As of the filing date of this Plan, Richard Mack is current in his obligations with respect to the foregoing properties.

D. There have been no prior felony convictions of Sponsor, or any principals of Sponsor; and no prior convictions, injunctions and judgments against Sponsor, any principals of Sponsor, any individuals who own or control a 10% or more equity interest in Sponsor ("major equity owners") and/or entities in which principals of Sponsor or such major equity owners were principals, that may be material to this Plan or an offering of securities generally and that occurred within 15 years prior to the submission of this Plan.

E. Martin Spector, C/O Spector Foo Weissman LLP, CPAs, New Hyde Park, 11042, New York, has been designated to receive service of process by 320 Macon GP LLC.

Selling Agent

A. The Selling Agent for this offering is The Corcoran Group, having an address at 49 East 10th Street, New York, New York 10003. The Selling Agent specializes in the planning, marketing

and sales of residential developments and conversions in New York and is not affiliated with Sponsor.

B. There have been no prior felony convictions of Selling Agent, or any principals of Selling Agent; and no prior convictions, injunctions and judgments against Selling Agent, or any principals of Selling Agent that may be material to the Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

Managing Agent

C. Sponsor anticipates that the Condominium will be self-managed. In order to ensure for proper Building operations until such time and in order to enumerate the management activities to be performed, Sponsor shall enter into a written agreement with the Board to manage the Condominium without charging a management fee. Pursuant to the Management Agreement, Sponsor shall act as the Managing Agent until such time as 2 Residential Units have been sold to Purchasers. At any time after the closing of the second Residential Unit, both Sponsor and the Board shall each have the right (with or without cause) to terminate the Management Agreement by giving not less than thirty (30) days' written notice to the other party, in which event the Management Agreement and Sponsor's obligations with respect thereto shall terminate on the date fixed in said termination notice. If neither Sponsor nor the Board so elects to terminate the Management Agreement, then Sponsor shall continue as Managing Agent pursuant to the terms and conditions of the Management Agreement and shall be entitled from and after the closing of the second Residential Unit to receive an annual fee of $6,000 in accordance with the Management Agreement and such other fees, reimbursements and amounts as are provided for in the Management Agreement. In no event shall any increase in management fees, reimbursements or other amounts (whether payable to Sponsor as provided under the Management Agreement, or to any other managing agent retained by the Condominium in the event the Management Agreement is terminated) entitle Purchasers to a right of rescission or otherwise relieve Purchasers of any of their liabilities or obligations. (See the Section of the Plan entitled "Management Agreement" in Part I of the Plan for further details.)

D. There have been no prior felony convictions of the Managing Agent, or any principals of the Managing Agent; and no prior convictions, injunctions or judgments against the Managing Agent, or any principals of the Managing Agent that may be material to the Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

Attorneys for Sponsor

E. Sponsor initially retained the law firm of Nixon Peabody LLP, 55 West 46th Street, New York, New York 10036, to represent it in connection with the Plan. Nixon Peabody LLP prepared the initial draft of the Plan, and prepared the Declaration, the By-Laws and the forms of Purchase Agreement, Residential Unit Deed, Power of Attorney, Interim License Agreement, and the 339-i opinion. The Sponsor has retained Lewis C. Taishoff, Esq., EA, Room 28-047,85 Broad Street, New York, NY 10004 as special counsel in connection with the filing of the Plan.

F. Nixon Peabody LLP has rendered an opinion with respect to the availability of income tax deductions to Purchasers of Residential Units.

G. Eliezer Cohen, Esq., will serve as Escrow Agent.

H. Sponsor retained the law firm of Podell, Schwartz, Schechter & Banfield, LLP 605 Third Ave., 18th Floor New York, NY 10158, to render an opinion as to the estimated valuation of the Property for real estate tax purposes.

Sponsor's Architects/Engineers

I. The architect and engineer of record is Meltzer/Costa & Associates, having an address at 175 Great Neck Road, Suite 303, Great Neck, New York 11021. The architect and engineer are not affiliated with Sponsor.

Sponsor's Energy Expert

J. Meltzer/Costa & Associates, having an address at 175 Great Neck Road, Suite 303, Great Neck, New York 11021, prepared the estimates of energy usage by individual Unit Owners set forth in Part I of the Plan. Meltzer/Costa Associates Architects and Engineers have over 35 years' experience in New York City residential projects, among them 220 West 93rd Street, Manhattan, 600 West 218th Street, aka 27 Indian Road, Manhattan, 595 West End Ave, Manhattan, 865 1st Avenue, Manhattan, NY (aka 865 UN Plaza), 66-02 99th Street, Queens, 905 West End Avenue, Manhattan, 317 West 89th Street, Manhattan, and 145 East 49th Street, Manhattan. The energy expert is not affiliated with Sponsor.

Sponsor's Condominium Budget Expert

K. Eliezer Cohen is an attorney and real estate manager, with over thirty years' experience in managing residential real estate in New York City. Mr. Cohen estimated all amounts of income and expenses in Schedule B in consultation with Sponsor and provided his opinions regarding the adequacy of the Budget and the adequacy of the Common Charges payable by the Commercial Unit Owner. Sponsor's Condominium Budget Expert is not affiliated with Sponsor.

Service of Process

L. Martin Spector, C/O Spector Foo Weissman LLP, CPAs, New Hyde Park, 11042, New York, has been designated to receive service of process by 320 Macon GP LLC.

REPORTS TO UNIT OWNERS

It is the obligation of the Board to give Unit Owners annually:

1. a financial statement of the Condominium prepared by a certified public accountant within four months after the end of each fiscal year, which statement shall be certified while Sponsor is in control of the Board;

2. prior notice of the Annual Unit Owner's meeting not fewer than ten nor more than forty days prior to the date fixed for the meeting; and

3. a copy of the proposed annual budget of the Condominium delivered to Unit Owners at least five days prior to the adoption thereof.

RECORDATION, INSPECTION, AND DELIVERY OF DOCUMENTS

A. Pursuant to the provisions of N.Y. Gen. Bus. Law § 352-e, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection by Purchasers, and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years from the date of the First Closing, without charge and for copying for a reasonable charge. 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 in the City Register's Office following the recording of the Declaration, and an additional set will be furnished to the Board.

B. The Declaration and the By-Laws will be recorded in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be recorded in the City Register's Office.

GENERAL

A. The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the form of Declaration, form of By-Laws, form of Purchase Agreement, form of Residential Unit Deed, form of Power of Attorney and other documents and Purchasers are urged to read the documents set forth in Part II of the Plan in their entirety. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete, but every material disclosure made in Part II has been made in Part I. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, by any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Residential Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

B. No party other than the respective Purchasers 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.

C. Sponsor reserves the right, from time to time, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a material amendment to the Plan that adversely affects the Purchasers, Sponsor must grant Purchasers the right of rescission and a reasonable period of time that is not less than 15 days after the date of presentation of said amendment to exercise the right. Escrow Agent shall promptly return any Deposit, together with any interest thereon, to Purchasers who rescind, except that Escrow Agent shall return to Sponsor the Deposit (and any interest thereon) of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

D. In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Units because of such person's sex, race, creed, color, national origin, marital status, age, disability or any other ground proscribed by Law.

E. The Martin Act requires that Sponsor disclose the terms of the offering made under this Plan. With regard to the description of property, the Martin Act requires that Sponsor disclose the detailed terms of the transaction, which shall include a description of the property, the nature of the interest, and how title thereto is to be held. As required by the Department of Law regulations, Sponsor hereby discloses that it is obligated to construct the Building in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan. The Plan sets forth all material terms of the offering.

F. Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the others.

G. No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

H. Sponsor has not previously tested the market pursuant to Cooperative Policy Statement No. 1.

RESERVATION OF AIR AND DEVELOPMENTAL RIGHTS

Sponsor shall retain ownership of Excess Development Rights which may be utilized by Sponsor and merged into a zoning lot pursuant to the terms of a ZLDA or such other documentation as may then be required to convey the Excess Development Rights. Sponsor does not intend to utilize the Excess Development Rights to increase the size of the Building.

SPONSOR'S STATEMENT OF BUILDING CONDITION

A. Sponsor hereby adopts the Description of Property set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property.

Local Law 7 of the City of New York for the Year 2004 requires the installation of carbon monoxide detectors by owners of multiple dwellings, including owners of units in residential condominiums. Sponsor intends to provide carbon monoxide detectors in each Unit in accordance with Local Law 7 of the City of New York for the Year 2004. Each Unit Owner will be responsible to keep and maintain the carbon monoxide detectors in good repair and to replace any carbon monoxide detectors which have been stolen, removed, found missing or rendered inoperable. Sponsor makes no representations whether Unit Owners will comply with the foregoing obligations. For further details, see Part I of the Plan under the Section "Rights and Obligations of Sponsor."

PART II

320 Macon Condominium

320 Macon Street

Brooklyn, New York 11216

Exhibit "1"

PURCHASE AGREEMENT

PURCHASE AGREEMENT

320 Macon GP LLC

Sponsor-Seller

TO

_____

Purchaser

UNIT NUMBER ____

320 Macon Condominium
320 Macon Street
Brooklyn, New York 11216

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UNIT NUMBER _____

320 Macon Condominium
320 Macon Street
Brooklyn, New York 11216

This purchase agreement (this "Purchase Agreement"), dated as of the date on the signature page hereunder, by and between 320 Macon GP LLC, a New York limited liability company ("Sponsor"), having an office at 7 Penn Plaza, Suite 1400, New York, New York 10001, and _____ (individually or collectively, "Purchaser"), having an address at _____.

WHEREAS, Sponsor desires to sell to Purchaser, and Purchaser desires to purchase from Sponsor, the condominium unit to be designated as Unit _____ in the Plan (defined below), together with the Common Interest appurtenant thereto equal to ___% (the "Unit") subject to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the Deposit (defined below), and the other mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

WITNESSETH:

1. THE PLAN. Purchaser acknowledges having received and fully read a copy of the offering plan for 320 Macon Condominium and all amendments thereto, if any, filed with the Department of Law of the State of New York (hereinafter collectively referred to as the "Plan") at least three calendar days prior to Purchaser's signing this Purchase Agreement. If Purchaser has not received and had an opportunity to read the Plan and all amendments thereto at least three full calendar days prior to Purchaser's signing this Purchase Agreement, Purchaser shall have the right to rescind this Purchase Agreement within seven calendar days from the date Purchaser signs and delivers this Purchase Agreement to Sponsor. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Purchase Agreement and the Plan, the provisions of the Plan will govern and be binding except where such provisions were requested by Purchaser and agreed to by Sponsor in a duly annexed rider or amendment to this Purchase Agreement.

2. DEFINITIONS. Terms used herein which are also used in the Plan shall have the same meanings herein as in the Plan unless the context otherwise requires.

3. THE UNIT. Subject to Purchaser's timely payment of the Deposit, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit upon and subject to the terms and conditions set forth herein.

4. PURCHASE PRICE.

4.1 The purchase price for the Unit (the "Purchase Price") is $_____.

The Purchase Price is payable as follows:

(a) $_____, (the "Deposit") representing the payment from Purchaser due concurrently upon Purchaser's signing and submitting this Purchase Agreement, by Purchaser's wire transfer to the account of the Escrow Agent, receipt of which is hereby acknowledged.

(b) $_____, ("Balance of Purchase Price") constituting the balance of the Purchase Price, payable on the delivery of the deed as hereinafter provided.

4.2 Purchaser must deliver the payment of the Balance of the Purchase Price by official bank check unless Sponsor offers, in Sponsor's sole discretion, to accept a wire transfer. Checks for the Deposit shall be made payable to "Eliezer Cohen, Esq., Escrow Agent." All checks for payment of a Deposit must be from an account in the name of Purchaser (or alternatively, principal of Purchaser if Purchaser is an entity) drawn on a domestic bank or from an escrow account of an attorney licensed to practice law in the State of New York. To the extent Sponsor agrees to accept a wire transfer in lieu of a check, only domestic wires from either an account in the name of Purchaser (or principal of Purchaser if Purchaser is an entity) or an escrow account of an attorney licensed to practice law in the State of New York will be accepted. Any Deposit received from Purchaser shall be submitted along with a completed W-9, W-8BEN, or W-8BEN-E form, as applicable, and same may be submitted electronically by email. If any Deposit check is returned for insufficient funds or any other reason, or if any Deposit wire transfers are not received in accordance with this Section 4.2, Sponsor at its sole option, may declare this Purchase Agreement void *ab initio* and of no further force and effect, in which event Sponsor shall be released and discharged of all further liability and obligations under this Agreement, and the Unit may be sold to another as though this Agreement had never been made, and Sponsor may institute an action against Purchaser for the collection of the Deposit. With respect to wire transferred funds, any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser.

4.3 Purchaser shall purchase the Unit by tendering the Balance of the Purchase Price and performing all of the other obligations and requirements of Purchaser set forth herein to be performed at or before closing. The Balance of the Purchase Price shall be paid by official bank check drawn on or issued by a New York bank or trust company that is a member of The New York Clearinghouse Association or, at Sponsor's election, upon not less than two calendar days' prior written notice, by domestic wire as directed by Sponsor with instructions provided by Sponsor to Purchaser. Funds drawn on out-of-state or foreign banks or New York banks or trust companies that are not members of The New York Clearinghouse Association will not be accepted as payment of the Purchase Price (including the Deposit) unless otherwise agreed

by Sponsor. Sponsor makes no representations or guarantees that the foregoing will not be further modified, at its discretion or as required by Law. If the Balance of the Purchase Price is paid by check, such check shall be made payable to the direct order of "320 Macon GP LLC" or such other party as Sponsor may designate upon not less than two calendar days' prior notice.

Purchaser acknowledges and agrees that the Deposit constitutes consideration to Sponsor for Sponsor's agreement to: (i) enter into this Purchase Agreement with Purchaser; (ii) not sell the Unit to another purchaser while this Purchase Agreement is in effect and no defaults thereunder exist; and (iii) sell the Unit to Purchaser on the terms and conditions contained herein and for the Purchase Price.

5. CLOSING OF TITLE.

5.1 The Closing shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on notice served not less than 30 calendar days prior to the scheduled date for closing. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser. In the event of such adjournment, a closing may be rescheduled by Sponsor upon written notice to Purchaser, which notice shall fix a new date, hour and place for the Closing and will be given not less than two Business Days prior to the new scheduled date and time for closing. These notice provisions may be modified or waived by an agreement signed by both Sponsor and Purchaser.

5.2 The Closing shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I of the Plan.

5.3 The term "Closing Date or "Closing" or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit is delivered to Purchaser.

6. DELIVERY OF THE DEED AND POWER OF ATTORNEY.

6.1 At the Closing, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser (the "Unit Deed"). The Unit Deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in such form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes in the manner more particularly described under "Closing Costs and Adjustments" in Part I of the Plan, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return, the New York State Property Transfer Tax return and any other forms then required by law, all of which shall be prepared by Sponsor.

6.2 (a) Purchaser is entitled to select its own title insurance company which is a member of the New York Board of Title Underwriters and otherwise authorized and licensed to do business in New York State.

(b) Although the NYC RPT Tax and the NYS Tax are generally a seller's obligation, the obligation is transferred to the purchaser in the sale of condominium units from the sponsor to the purchaser pursuant to the Plan. As is customary in condominium offerings throughout New York State. Therefore, upon closing, Purchasers shall be obligated to pay the NYC RPT Tax and NYS Tax, which, by Law, are the primary obligation of a seller. Each title underwriter selected by Purchaser shall agree (i) to timely submit the deed, all New York State and New York City Real Property Transfer Tax forms for applicable transfer taxes (collectively, "Transfer Tax Forms"), including the New York State Additional Tax pursuant to New York Tax Code § 1402-a, commonly referred to as the "Mansion tax" (collectively, "Transfer Taxes") and checks for payment of such Transfer Taxes required to be submitted to the appropriate governmental authorities for recording and payment in connection with the conveyance of the Unit to Purchaser, in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency; and (ii) indemnify Sponsor, its counsel, agents, Escrow Agent, and others for loss, damages, penalties, fines and the like (including attorneys' fees) in the event the title underwriter (or its abstract company) fails to file such Unit Deed and Transfer Tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency. If said title underwriter does not execute and provide Sponsor a title indemnity agreement substantially in the form set forth as Schedule D annexed hereto and made a part hereof, Purchaser shall: (a) indemnify Sponsor, its counsel, agents, Escrow Agent, and others for loss, damages, penalties, fines and the like (including attorneys' fees) if its title underwriter (or such title underwriter's abstract company) fails to file such Unit Deed, transfer tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency, and (b) provide such further assurances as Sponsor shall reasonably require (including, without limitation, providing funds in escrow to secure Purchaser's indemnity obligations).

(c) The provisions of this Section 6.2 shall survive the Closing.

6.3 At the Closing and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a Power of Attorney to the Board and Sponsor, substantially in the form set forth in Part II of the Plan.

6.4 The deed and Power of Attorney to the Board and Sponsor, shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the deed shall be returned to Purchaser and the Power of Attorney shall be sent to the Managing Agent.

6.5 Sponsor shall deliver to Purchaser a certification in the form then required by the Internal Revenue Service stating that Sponsor is not a foreign person and (ii) each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with Internal Revenue Code § 6045(e), as amended, or any successor provision of law and governing rules and regulations, insofar as the same requires reporting of information in respect of real estate transactions.

6.6 If Purchaser is a foreign government, prior to the Closing Purchaser shall deliver to Sponsor the notification of approval to the transaction from the Department of State as required by 22 U.S. Code § 4305 as more particularly set forth herein.

7. FEE TITLE.

7.1 At the Closing, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any unpermitted encumbrance shall not be an objection to title if (a) the instrument required to remove such objection of record is delivered at or prior to the Closing to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) any title insurance company licensed to do business in New York, is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the proceeds of sale of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the title company is willing to insure, without additional premium, Purchaser's title with such exception.

7.2 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 Purchaser's title insurance company before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss or damage not covered by such title insurance. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage which 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 the title insurance coverage that was available to Purchaser

8. CLOSING ADJUSTMENTS AND REAL ESTATE TAXES.

8.1 Subject to Article 15 of this Purchase Agreement, the following adjustments shall be made as of 11:59 p.m. of the day preceding the Closing Date with respect to the Unit:

(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 for the month in which title closes; and

(c) accrued use and occupancy payments, if any and any other charges pursuant to an Interim License Agreement, if any, covering the Unit.

8.2 If Closing 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 tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If a Unit is not separately assessed as of the

Closing Date, the adjustments and collection of taxes under subsection 8.1(a) hereof and future tax payments shall be as described in the Section of the Plan entitled "Closing Costs and Adjustments."

8.3 If Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Sponsor reserves the right to apportion the refund (minus the costs and/or fees for obtaining the refund or credit) based on ownership of said Unit.

8.4 At Closing, Purchaser shall pay a contribution to the Condominium Working Capital Fund in an amount equal to the Working Capital Fund Contribution then applicable to each Unit being purchased, the details of which are set forth in the Plan.

8.5 At Closing, if Purchaser is a Government Entity, as such term is defined in the Plan, Purchaser will be required to deposit a Security with the Board prior to the Closing Date, in accordance with the terms of the Plan.

8.6 The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

8.7 Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery but in no event more than 180 calendar days thereafter.

8.8 The provisions of this Article 8 shall survive the Closing for a period of 180 calendar days.

9. MORTGAGE RECORDING TAX CREDIT. If Purchaser obtains a mortgage loan for the purchase of the Unit, Purchaser shall pay to Sponsor a sum equal to the partial mortgage tax credit that Purchaser may be entitled to pursuant to N.Y. Real Prop. Law § 339-ee(2), which sum shall be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s), and it is specifically understood that any such credit shall enure to the benefit of Sponsor.. Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of the Unit with a mortgage loan, Purchaser must cause the lender making such mortgage loan to accept from Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to such mortgage loan as determined by Sponsor. Upon such assignment, that portion of the mortgage loan assigned by Sponsor, will be exempt from mortgage recording tax under N.Y. Tax Law § 252. In such event, Purchaser will be obligated to pay any costs or fees incurred by Sponsor in connection with such assignment. Sponsor shall be solely entitled to the benefits of the mortgage tax credit that Purchaser receives as a result of such assignment and accordingly, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax savings resulting from such exemption.

10. CLOSING COSTS. In addition to those costs and adjustments described in Articles 8 and 9 of this Purchase Agreement, Purchaser shall be required to pay the other closing costs that are Purchaser's responsibility as more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments."

11. DEPOSIT. The Deposit made pursuant to this Purchase Agreement is subject to N.Y. Lien Law § 71-a) (the provisions of which are set forth in Part II of the Plan and deemed incorporated herein by reference) and N.Y. Gen. Bus. Law §§ 352-e(2-b) and 352-h. Any Deposit received from Purchaser will be held in accordance with the provisions of the Subsection entitled "Escrow and Trust Fund Requirements" under the section entitled "Procedure to Purchase" set forth in Part I of the Plan. By signing this Purchase Agreement, Purchaser will not object and shall 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 this Purchase Agreement, or on the other terms and conditions set forth in the Plan and this Purchase Agreement. Sponsor is required by Law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser's Deposit, if any.

12. BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts all terms, conditions and disclosures in the Plan (including the proposed Declaration, By-Laws and Rules and Regulations contained therein) as well as all duly filed amendments to the Plan and agrees to abide and be bound by the terms and conditions thereof in the recorded form.

13. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Purchase Agreement, including any Deposit received by Sponsor from Purchaser. Notwithstanding the foregoing, the provisions of this Purchase Agreement are and shall be subject and subordinate to the lien of any mortgage, whether entered into before or after the date of this Purchase Agreement. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses, and without the consent of Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and the undivided interest in the Common Elements allocated thereto, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

14. PURCHASER'S REPRESENTATIONS. Purchaser represents that Purchaser has full right and authority to execute this Purchase Agreement and perform the obligations expected of Purchaser hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at any time, such documents evidencing Purchaser's authority and the authority of Purchaser's signatory as may be required by Purchaser's title company or Sponsor. Purchaser acknowledges and agrees that Sponsor may desire to obtain certain information about Purchaser's (or Purchaser's principals') general character and/or financial status prior to counter-executing this Purchase Agreement. In order to permit Sponsor to comply with the requirements of the Fair Credit Reporting Act, Purchaser hereby authorizes Sponsor, whether or not Sponsor has counter-executed this Purchase Agreement, to obtain such information and to retain a credit reporting agency to obtain such information. The Controlling Party (as defined under Section 26.1 of this Purchase Agreement) is and shall remain personally liable for Purchaser's obligations under this Purchase Agreement, including those provisions that survive Closing. Purchaser represents that

there are no actions, lawsuits, litigation or proceedings pending or threatened in any court or before any governmental or regulatory agency that affect Purchaser's power or authority to enter into or perform this Purchase Agreement. Purchaser represents that there are no judgments, orders, or decrees of any kind against Purchaser unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Purchaser's actual knowledge, threatened against Purchaser, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Purchaser or the ability of Purchaser to consummate the transactions contemplated by this Purchase Agreement. Purchaser represents that it is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations OFAC (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities. On the Closing Date all representations and warranties made by Purchaser in this Purchase Agreement shall be true and correct as if made on the Closing Date. At Closing, Purchaser will supply any information required to comply with any FinCEN Geographic Targeting Order.

15. DEFAULT BY PURCHASER.

15.1 The following events shall without limitation each constitute a default under this Purchase Agreement:

(a) Purchaser's failure to pay (a) the Deposit or any portion thereof when due or (b) the Balance of the Purchase Price on the date designated by Sponsor for closing the Unit;

(b) Purchaser's failure to duly complete and sign before a notary public and deliver at Closing the Power of Attorney or the New York State and New York City transfer tax returns;

(c) If Purchaser occupies the Unit pursuant to a use and occupancy agreement, Purchaser's failure to make any use and occupancy fees or to otherwise comply with Purchaser's lease or tenancy obligations;

(d) If Purchaser is or becomes a licensee of the Unit and Purchaser vacates or abandons the Unit;

(e) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy;

(f) 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;

(g) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same;

(h) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor;

(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;

(j) Purchaser's failure to pay any closing costs set forth in this Purchase Agreement or the Plan, on the Closing Date designated by Sponsor; or

(k) The failure to pay, perform or observe any of Purchaser's other obligations hereunder.

15.2 **TIME IS OF THE ESSENCE** with regard to Purchaser's obligations to pay the Balance of the Purchase Price and to perform Purchaser's other obligations under this Purchase Agreement (including, without limitation, the giving of notices, the delivery of documents and the funding of money) required or permitted to be taken under this Purchase Agreement. If there is a default by Purchaser hereunder, Sponsor in its sole discretion may give notice to Purchaser of same. If such default shall not be cured within 30 calendar days thereafter, **TIME BEING OF THE ESSENCE**, Sponsor in its sole discretion may, at its option, terminate this Purchase Agreement by notice of termination to Purchaser and retain the Deposit and all other sums deposited by Purchaser under this Purchase Agreement, together with interest earned thereon as liquidated damages without additional instructions to Escrow Agent. Upon such termination of this Purchase Agreement, Purchaser shall have no further rights thereunder, and Sponsor shall have no further obligations under this Purchase Agreement except for those that are expressly stated to survive the termination thereof, and Sponsor may sell the Unit to any third party as though this Purchase Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale). If Sponsor does not send such a notice of termination, Sponsor may elect to send notice that it shall seek specific performance, and Purchaser shall then have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with this Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection). The provisions of this Section 15.2 shall survive a termination of this Purchase Agreement.

15.3 Sponsor and Purchaser each hereby agree and acknowledge that is would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of a default by a Purchaser hereunder, and that the Deposit (including all interest earned thereon) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor with respect to the failure of the consummation of the transaction contemplated by this Purchase Agreement as a result of Purchaser's breach or default. The payment of the Deposit (including all interest earned thereon) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

15.4 Neither Sponsor nor Purchaser shall challenge the validity of the provisions of this Purchase Agreement or the Plan with respect to the liquidated damages or any

right of Sponsor set forth in this Purchase Agreement or in the Plan, to retain the Deposit in the event of a Purchaser default. Such provisions have been agreed to voluntarily, after negotiation and consultation with attorneys, without duress or coercion by any party upon any other party, and with each party having been (or have had full and adequate opportunity to) represented and advised by counsel, accountants, brokers, appraisers and other experts and advisors of its own choosing.

15.5 If Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date and Sponsor elects not to terminate this Purchase Agreement as a result of same, (a) the closing apportionments described in Section 8.1 of this Purchase Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, in addition to the other payments to be made to Sponsor under this 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 day before the actual Closing Date. 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.

15.6 The provisions of this Article 15 shall survive termination of this Purchase Agreement.

16. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE.

16.1 The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan (see the Section in the Plan entitled "Effective Date" for full details). Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

16.2 If the Plan is abandoned or if after being declared effective the Plan will not be consummated for any reason, this Purchase Agreement will be deemed canceled and the Deposit paid by Purchaser hereunder, together with interest earned thereon, if any, will be disbursed to Purchaser. After the monies are so disbursed, Purchaser and Sponsor will have no claim against each other or the Selling Agent in connection with this Purchase Agreement or the Plan, and all of same will be released and discharged from all liabilities and obligations hereunder and under the Plan.

16.3 The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of the Minor Building Improvements and compliance with the other prerequisites recited in the Section of the Plan entitled "Closing of Title to Residential Units." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges

that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially later than any projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

17. SPONSOR'S INABILITY TO CONVEY THE UNIT. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Purchase Agreement and the Plan, Sponsor will 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, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in breach or default hereunder, Purchaser's sole remedy will be to either (a) take title to the Unit subject to such inability (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 Purchase Agreement. If Purchaser so elects to terminate this Purchase Agreement, Sponsor will, within 30 calendar days after receipt of notice of termination from Purchaser, return to Purchaser the Deposit paid by Purchaser hereunder. Upon making such payment, this Purchase Agreement will be terminated and of no further effect and neither party hereto will have any further rights, obligations or liability to or against the other under this Purchase Agreement or the Plan, except for the provisions hereof that expressly survive termination of this Purchase Agreement. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within 15 calendar days after the giving of Sponsor's notice of refusal to remedy such inability, failing which it will be conclusively deemed that Purchaser elected the remedy described in clause (a) above (*i.e.*, to acquire title subject to such inability).

18. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. Only those fixtures, appliances and items of personal property that are described in the Description of the Property in Part II of the Plan as being part of the Unit are included in the sale of the Unit pursuant to the provisions of this Purchase Agreement. No portion of the Purchase Price shall be attributable to such items.

19. ACCEPTANCE OF CONDITION OF PROPERTY.

19.1 (a) Purchaser has inspected or has had an opportunity to inspect the Unit and shall accept title to the Unit in its "AS-IS, WHERE-IS, AND WITH ALL FAULTS" condition as of the date of this Agreement, subject to reasonable use, wear, tear and natural deterioration between the date Purchaser signs this Agreement and the Closing Date (the "Required Condition"). Prior to the Closing, Purchaser, accompanied by a representative of Sponsor, shall have the right to inspect the Unit on such date and at such time designated by Sponsor; provided, however, that (i) Sponsor shall have no obligation to correct any immaterial conditions ~~or defects if any~~COMMENT 6 noted or alleged by Purchaser upon such inspection, or to abate the Purchase Price, escrow monies, or otherwise compensate Purchaser for same, and (ii) any immaterial condition COMMENT 6 which Purchaser and Sponsor agree cause the Unit to not be in the Required Condition (a "Non-Conforming Condition") shall not entitle Purchaser to delay the Closing or otherwise refuse to perform Purchaser's obligations under this Agreement, so long as

Sponsor agrees to correct such Non-Conforming Condition within a reasonable period of time following the Closing. In the event Sponsor agrees to correct such Non-Conforming Condition following the Closing, such obligation shall be conditioned upon the Purchaser providing full access to Sponsor and Sponsor's contractors and agents in order to take all necessary steps to correct such Non-Conforming Condition. The provisions of this Section 19.1 shall survive the Closing.

(b) In entering into this Agreement, Purchaser has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Sponsor or any agent, employee or other representative of Sponsor or by any broker or any other person representing or purporting to represent Sponsor, which are not expressly set forth in this Agreement and the Plan, whether or not any such representations, warranties or statements were made in writing or verbally. Purchaser acknowledges having read the Description of Property, which sets forth a description of the physical condition of the Property set forth in the Plan. Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, and the Unit, except as may otherwise be set forth in the Plan and this Agreement. The Unit will include only those appliances, fixtures and furnishings specifically described in the "Description of Property" in Part II of the Plan. Unless otherwise noted, certain appliances, fixtures and furnishings have been previously used and are provided to Purchaser in their as-is condition. Purchaser acknowledges that Sponsor is reserving the right to amend or modify the Plans and Specifications in any way not material to this offering or in a manner disclosed in the Plan, including, without limitation, changing appliances and fixtures in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of Equal or Better Quality. None of the foregoing shall give rise to a right of rescission on the part of Purchaser and may be made without prior notice or amendment to the Plan, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligation under this Agreement.

19.2 The Martin Act requires that Sponsor disclose the terms of the offering made under the Plan. With regard to the description of property, the Martin Act requires that Sponsor disclose the detailed terms of the transaction, which shall include a description of the property, the nature of the interest, and how title thereto is to be held. As required by the Department of Law regulations, Sponsor hereby discloses that it is obligated to construct the Building in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B), which only applies to new dwellings of five stories or less, is not applicable to this offering. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability of the Unit, or any Common Element or Limited Common Element, if applicable, and Purchaser is advised that no such warranties exist under the laws governing the offering. Purchaser is further advised that the Martin Act is a disclosure statute that does not require Sponsor to provide any specific warranties of any nature regarding the Unit. Sponsor makes no representation or warranty with respect to sound transmission, odors emanating from within or without the Condominium, air, views or light quality. As stated above, Sponsor is obligated to construct the Building and the Unit in accordance with all applicable Laws and the Plans and Specifications, and any conflict between: (a) the disclaimers and (b) Sponsor's obligation to construct the premises in accordance with all applicable Laws and the Plans and

Specifications as disclosed in the Plan, shall be resolved in favor of Sponsor's obligation to construct the premises in accordance with all applicable Laws and the Plans and Specifications set forth in the Plan.

19.3 Subject to Sponsor's obligation to construct the Building and the Unit in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of the Plan, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Condominium, Sponsor hereby discloses that it shall not be liable 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. In no event will Sponsor be liable for incidental, special or consequential damages in connection with the issues described in this Paragraph (whether based on negligence, breach of contract, warranty, or otherwise), including, without limitation, costs incurred if Purchaser vacates the Unit or its contents during any period that Purchaser seeks to remediate any condition described in this Paragraph. The foregoing disclaimers and waivers of Purchaser shall also apply to any "consumer product" as defined in the Magnuson-Moss Warranty Act, which consumer products shall not be warranted by Sponsor but instead by the manufacturer, if applicable.

20. INTENTIONALLY OMITTED.

21. DAMAGE TO THE UNIT. If between the date of this Purchase Agreement and the Closing the Unit is damaged by fire or other casualty, the following shall apply:

21.1 The risk of loss to the Unit by fire or other casualty until the Closing is assumed by Sponsor, but without any obligation or liability by Sponsor to repair or restore the Unit. If Purchaser entered into a use and occupancy agreement for the Unit prior to Closing, Purchaser assumes only the risk of loss to personal property. In the event that the Unit is damaged or destroyed as a result of a fire or other casualty prior to the Closing, and provided Sponsor elects to repair or restore the Unit (which election shall be in its sole discretion), this Purchase Agreement shall continue in full force and effect, and 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 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 Board and other Unit Owners, if the Declaration has been recorded, belong entirely to Sponsor, and if such proceeds are paid to Purchaser, Purchase shall promptly, upon receipt thereof, turn such proceeds over to Sponsor. The provisions of the preceding sentence shall survive the Closing.

22.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Purchase Agreement will be deemed canceled and of no further force and effect and Sponsor will return to Purchaser the Deposit paid by Purchaser hereunder, and neither party shall have any further rights, obligations or liability to or against the other under the Plan of this Purchase Agreement, except that if Purchaser is then in

default hereunder, Sponsor will retain Purchaser's Deposit, together with interest earned thereon, if any, as and for liquidated damages. Sponsor shall elect whether or not to repair or restore as aforesaid within 120 days after the casualty.

22. NO REPRESENTATIONS. The Plan and the terms of this Purchase Agreement include Sponsor's entire offer to Purchaser. Purchaser acknowledges that it 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, the estimated Common Charges allocable to the Unit, the estimated real estate taxes of the Unit, the ability to rent the Unit and/or the rental income therefor, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, any views from or of the Building, or any other data or information, except for the representations in the Plan and the individually negotiated terms to this Purchase Agreement, if any, between Purchaser and Sponsor, which shall appear as a rider to this Purchase Agreement. No representations or statements about this offering shall be considered a part of the offer made by Sponsor, unless such representations are either in the Plan or individually negotiated rider to this Purchase Agreement, if any. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. Nothing herein shall be construed as a disclaimer of or release from any liability on the part of Sponsor and its Principals under the Martin Act and governing regulations. The provisions of this Article 23 shall survive the Closing.

23. PROHIBITION AGAINST ADVERTISING AND SELLING. Prior to the Closing to the Unit, Purchaser is prohibited from advertising, listing, offering, promoting or publicizing the availability of the Unit for resale or rental with any broker or otherwise, without Sponsor's prior written consent, which consent may be withheld or conditioned in Sponsor's sole discretion. Subsequent to the Closing, Purchaser shall be prohibited from advertising, listing, offering, promoting or publicizing the availability of the Unit for resale with any broker or otherwise, without Sponsor's prior written consent, which consent may be withheld or conditioned in Sponsor's sole discretion, for 18 months following the Closing Date (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Residential Units offered pursuant to the Plan). In the event that Purchaser conveys its Unit in violation of the foregoing, Sponsor shall be entitled to void the conveyance. Alternatively, Sponsor may elect, in its sole discretion, to collect from Purchaser, and Purchaser shall be obligated to pay to Sponsor, a sum equal to 25% of any profits that Purchaser receives from the conveyance. The provisions of this Article 24 shall survive the Closing.

24. BROKER. Purchaser represents and warrants to Sponsor that Selling Agent and _____ (collectively, "Broker") is/are the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this sales transaction, and Sponsor agrees to pay the commission earned by Broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor and any successors or assigns of Sponsor free and harmless from and

against any and all liabilities and expenses in connection therewith, including legal fees. The provisions of this Article 25 shall survive the Closing.

25. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Purchase Agreement without the prior written consent of Sponsor, which consent may be withheld or conditioned in Sponsor's sole discretion.

25.1 If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of this Purchase Agreement and shall be subject to the provisions, prohibitions and terms of this Section and the terms of the Plan concerning assignment of this Purchase Agreement. For purposes of this Purchase Agreement, it is the intent of the party(ies) that the individual(s) controlling Purchaser shall be deemed to be _____ (the "Controlling Party"). By execution of this Purchase Agreement, it is acknowledged and agreed that the Controlling Party is and shall remain personally liable for Purchaser's obligations under this Purchase Agreement.

25.2 If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Purchase Agreement, or for the addition, deletion or substitution of names on this Purchase Agreement, then Purchaser will be required to pay Sponsor's Counsel a fee as disclosed in the Plan, in advance, for preparation of an assignment agreement.

25.3 Any purported assignment by Purchaser in violation of this Purchase Agreement will constitute a default by Purchaser hereunder and will be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Purchase Agreement or give rise to any claim for damages against Sponsor.

26. BINDING EFFECT. This Purchase Agreement shall not be binding on Purchaser or Sponsor until a fully executed counterpart has been delivered to Purchaser. If this Purchase Agreement is not accepted within 30 calendar days after delivery by Purchaser of an executed Purchase Agreement by the delivery to Purchaser of a fully executed counterpart, this Purchase Agreement shall be deemed to have been rejected and canceled and the Deposit, if any, shall be promptly returned to Purchaser. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Purchase Agreement may not be rejected due to Purchaser's gender, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, or any other ground proscribed by Law.

27. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan (other than amendments to the Plan which shall be served in accordance with the Plan or documents for which the method of notice and or delivery is otherwise set forth in the Plan) shall be in writing and delivered by regular mail and via electronic transmission (e-mail), as well as hand delivered or sent, postage prepaid, by registered or certified mail, by facsimile, or by Federal Express or other reputable overnight courier, to Purchaser at the address given at the beginning of this Purchase in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. All notices,

requests or other communications that may be or are required to be given, served or sent by any party hereto to any other party hereto shall be deemed delivered (a) upon delivery, if delivered in person, (b) upon the date deposited for overnight delivery with any reputable overnight courier service, or (c) upon the date deposited in any post office or mail depository regularly maintained by the United States Postal Office and/or sent by regular, registered or certified mail, postage paid. However, with respect to any "change of address" notification, the date of actual receipt of such notification shall be deemed the date of such notice. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself (including, without limitation, any notices of closing or default which Sponsor's counsel is hereby expressly designated and empowered to issue). A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in any way invalidate such communication. Notwithstanding anything to the contrary, notices regarding closing costs or ministerial matters, the rescheduling of Closing Dates or the scheduling or rescheduling of inspections may be made by facsimile to each party's attorneys.

28. JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers" if more than one person or entity are purchasers, in which case their obligations shall be joint and several.

29. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Purchase Agreement, the Plan, 13 N.Y.C.R.R. Part 20 (the regulations of the Department of Law of the State of New York governing the disclosure requirement of the Plan) and N.Y. Gen. Bus. Law § 352-e, *et. Seq.*, except those (if any) that are expressly stated to survive delivery of such deed. The provisions of this Article 30 shall survive Closing.

30. 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 for herein, as such other party may reasonably request in order to effectuate the provisions of this Purchase 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. The provisions of this Article 31 shall survive the Closing.

31. SMOKING There shall be no smoking in the inside common areas. Smoking within Units is permitted to the extent permitted by Law. Anyone smoking in the front yard or at the Building entrance must pick up all smoking materials. Once 3 Units have closed, the Smoking Policy will be reviewed and revised at the discretion of the non-Sponsor members of the Board. The Smoking Policy is included in the Purchase Agreement, By-Laws and Interim License Agreement.

32. COSTS OF ENFORCING AND DEFENDING AGREEMENT. Purchaser shall be obligated to reimburse Sponsor for any legal fees, expenses and disbursements incurred by Sponsor (provided Sponsor prevails in defending or enforcing Sponsor's rights) or in the event that Purchaser defaults under this Purchase Agreement, in canceling this Purchase Agreement or

otherwise defending or enforcing Purchaser's obligations hereunder. The provisions of this Article 32 shall survive the Closing or earlier termination of this Purchase Agreement.

33 SEVERABILITY. If any provision of this Purchase Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Purchase Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Purchase Agreement or the Plan, except as otherwise provided, shall be valid and enforced to the fullest extent permitted by Law. The provisions of this Article 34 shall survive the Closing or earlier termination of this Purchase Agreement.

34. STRICT COMPLIANCE. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Purchase Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Purchase Agreement to be performed by Purchaser. The provisions of this Article 35 shall survive the Closing or earlier termination of this Purchase Agreement.

35. GOVERNING LAW. The provisions of this Purchase Agreement shall be governed by and construed in accordance with the 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. The provisions of this Article 36 shall survive the Closing or earlier termination of this Purchase Agreement.

36. WAIVER OF JURY. EXCEPT AS PROHIBITED BY LAW, THE PARTIES SHALL, AND THEY HEREBY DO, EXPRESSLY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN THIS PURCHASE AGREEMENT OR THE RELATIONSHIP CREATED HEREBY. THE PROVISIONS OF THIS ARTICLE 37 SHALL SURVIVE THE CLOSING OF TITLE OR EARLIER TERMINATION OF THIS PURCHASE AGREEMENT.

37. ENTIRE AGREEMENT. This Purchase Agreement, together with the Plan, constitutes the entire agreement between the parties and supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof. The provisions of this Article 38 shall survive the Closing or earlier termination of this Purchase Agreement.

38. CERTAIN REFERENCES. A reference in this Purchase 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 terms "herein," "hereof" or "hereunder" or similar terms used in this Purchase Agreement refer to this entire Purchase Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Purchase Agreement. The provisions of this Article 39 shall survive the Closing or earlier termination of this Purchase Agreement.

39. CAPTIONS. The captions in this Purchase Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Purchase Agreement or the intent of any provision hereof. The provisions of this Article 40 shall survive the Closing or earlier termination of this Purchase Agreement.

40. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Purchase Agreement or the Plan. The provisions of this Article 41 shall survive the Closing or earlier termination of this Purchase Agreement.

41. SUCCESSORS AND ASSIGNS. The provisions of this Purchase 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.

42. NO ORAL CHANGES. This Purchase Agreement cannot be changed or terminated and no provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN PURCHASE AGREEMENT SIGNED BY THE PARTIES HERETO OR BY AN AMENDMENT TO THE PLAN.

43. ESCROW TERMS.

43.1 Eliezer Cohen, Esq. with an address at 70 East 55th Street, New York, New York 10022, telephone number (917) 567-5833, shall serve as Escrow Agent for Sponsor and Purchaser. Escrow Agent has established IOLA Account at Apple Bank for Savings at its branch located at 812 Lexington Avenue, New York, NY 10065. Eliezer Cohen is the only signatory on the account and is admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent, or any principal thereof, have any beneficial interest in any of the foregoing.

43.2 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 the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

43.3 Escrow Agent has established an escrow account at Apple Bank for Savings, entitled Eliezer Cohen, Esq., IOLA Account No. _____ (the "Escrow Account"). The Escrow Account is an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000.00 per depositor, per insured depository institution for each account ownership category. Accordingly, Purchasers are advised that (i) if a Purchaser makes a Deposit(s) in excess of $250,000.00 for the purchase of a Unit, such Deposit(s) will not be federally insured in excess of $250,000.00; and (ii) if a Purchaser has any additional accounts where the Escrow Account is held, the funds in said accounts will be added together with the Deposit(s) held in escrow and the total will only be insured up to the $250,000.00 FDIC maximum coverage. Any deposit in excess of $250,000.00 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions, each for less than the amount set forth above.

43.4 All funds received from Purchasers prior to Closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Escrow Account. All instruments to be deposited into the Escrow Account shall be made payable directly to the order of "Eliezer Cohen, Esq., as Escrow Agent". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Escrow Account, shall be returned to Purchaser promptly, but in no event more than five Business Days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Purchase Agreement.

43.5 As only four (4) Units are being offered for sale, and no Unit will be marketed until it is ready for occupancy, an IOLA escrow account as opposed to an account on which a party earns interest, is appropriate. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Within five 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 10 Business Days of the placing of 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 with the terms of the Purchase Agreement. The Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or the Selling Agent.

43.6 No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Within five Business Days after this Purchase Agreement has been tendered to Escrow Agent along with the Deposit, Escrow Agent shall sign this Purchase Agreement and place the Deposit into the Escrow Account(s). Within 10 Business Days of placing the Deposit into the Escrow Account(s), Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number(s) and the initial interest rate(s) to be earned on the Deposit. Any Deposits made for upgrades, extras, or Custom Work shall be initially deposited into the Escrow Account(s), and released in accordance with the terms of a written agreement between Purchaser and Sponsor, including this Purchase Agreement. The Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or the Selling Agent.

43.7 Escrow Agent is obligated to send notice to Purchaser once the Deposit is placed in the Escrow Account(s). If Purchaser does not receive notice of such Deposit within 15 Business Days after tender of the Deposit, he or she may cancel this Purchase Agreement within 90 calendar days after tender of this 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 Street, 21st Floor, 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 Designated Escrow Account(s) in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to Purchaser.

43.8 All Deposits, except for advances made for upgrades, extras, or Custom Work that is employed in connection with consummation of a sale of a particular Unit, if applicable, are and shall continue to be Purchaser's money, and may not be comingled with any other money, as per N.Y. Gen. Bus. Law § 352-h.

43.9 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 Sponsor of its obligations pursuant to N.Y. Gen. Bus. Law §§ 352-3(2-b) and 352-h.

43.10 Escrow Agent shall release the Deposit if so directed:

(a) pursuant to terms and conditions set forth in this Purchase Agreement upon Closing 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.

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

44.12 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.

43.13 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.

44.13 Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney

General's regulations and N.Y. Gen. Bus. Law §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in this Purchase Agreement, the Plan, or any amendment thereto.

43.15 Escrow Agent shall maintain the Escrow Account under its direct supervision and control. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to N.Y. Gen. Bus. Law §§ 352(e)(2-b) and 352(h).

43.16 Escrow Agent may rely upon any paper or document that may be submitted to it in connection with its duties under this Purchase 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.

43.17 Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit, along with a copy of this Purchase Agreement executed by Purchaser, to a designated attorney who is a shareholder of or employed by Escrow Agent, within two Business Days of tender of the Deposit by Purchaser, using such transmittal forms as required by Escrow Agent from time to time. Sponsor shall obtain or cause the Selling Agent under the Plan to obtain, a completed and signed Form W-9, W-8BEN, or W-8BEN-E, as applicable, from Purchaser and deliver such form(s) to Escrow Agent together with the Deposit and this Purchase Agreement. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in N.Y. Gen. Bus. Law §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

43.18 Sponsor has agreed to compensate Escrow Agent for services rendered and expenses incurred by Escrow Agent in connection with Escrow Agent's duties under this Purchase Agreement, if any, including, without limitation, disputes arising with respect to any Deposit. 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.

43.19 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 Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase 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.

43.20 Escrow Agent shall not be liable for any error in judgment, mistake of fact or law or for any act or omission on Escrow Agent's part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or

suffered in bad faith or in willful disregard of this Purchase Agreement or involving gross negligence on the part of Escrow Agent.

43.21 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.

43.22 Escrow Agent may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to Escrow Agent in respect of any action taken or omitted in good faith by Escrow Agent hereunder in accordance with the opinion of such counsel.

43.23 Escrow Agent is authorized to act as an escrow agent, and its rights and obligations hereunder shall remain in effect unless and until its agency is canceled by either:

43.24 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; or

43.25 The resignation of Escrow Agent, which shall not take effect until:

(a) 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; or

(b) all shares or Units offered by Sponsor pursuant to the Plan have been sold and no Deposits of Purchasers from Sponsor remain in the Escrow Account.

43.26 Upon termination of the duties of Escrow Agent as described in this Article 44 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.

44. COUNTERPART SIGNATURES. This Purchase Agreement may be executed in any number of counterparts, including counterparts transmitted by facsimile, PDF, or other similar electronic means, any one of which shall constitute an original of this Purchase Agreement. When counterparts have been executed by all parties, they shall have the same effect as if the signatures to each counterpart were upon the same documents and shall be deemed valid as originals. The parties agree that all such signatures may be transferred to a single document upon the request of any party. This Purchase Agreement shall not be binding unless and until it shall be fully executed and delivered by all parties hereto.

45. LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARD DISCLOSURE.

45.1 Buildings constructed prior to 1979 may contain lead paint, and buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially in young children. For the conversion of existing buildings where lead paint is presumed to be present. Purchasers are advised that Unit Owners shall be deemed "owners" of their respective Units and shall have the obligation to comply with all applicable laws, rules and regulations related to lead paint, including the requirements of Local Law 1 of 2004, as amended, if and to the extent the validity of such law is upheld by the courts. The Environmental Protection Agency and the Department of Housing and Urban Development promulgated Federal regulations under 24 CFR Part 35 and 40 CFR Part 745 ("Federal Regulations") regarding the disclosure of lead-based paint and/or lead-based paint hazards to prospective purchasers of Units. In accordance with the provisions of the Federal Regulations, annexed to this Purchase Agreement as **Schedule B** is a "Lead Warning Statement" and "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" to be signed by Sponsor and Purchaser. Set forth as an Exhibit in Part II of the Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor will comply with applicable Law concerning the use of lead-based paint and/or lead-based paint hazards. In accordance with the terms of the rider annexed to this Agreement, Purchasers have the right to inspect the Unit for the presence of lead-based paint. Sponsor has received no specific reports regarding lead-based paint in the Building other than those set forth in Part II of the Plan. While Sponsor, to the best of its knowledge, is not aware of any existence of lead-based paint in the Building currently or at any time in the past, given the age of the Building and the widespread use of lead-based paint in preceding decades, it can be assumed that there is lead-based paint present in the Building. In addition, there are numerous layers of paint on the walls of the original building. Sponsor makes no representation as to the existence or non-existence of lead-based paint within the walls. Purchasers are advised that, in the event they remove sheetrock at any time in the future, they may be responsible for removing and abating lead-based paint in accordance with applicable Law at their sole cost and expense. Purchaser's obligation hereunder shall survive Closing.

45.2 In the event Purchaser exercises Purchaser's right to conduct a risk assessment or inspection ("Inspection") for the presence of lead-based paint and/or lead-based paint hazards, such Inspection shall be performed within 10 calendar days following the date of this Agreement on the following terms and conditions:

(a) Purchaser and Purchaser's consultant ("Consultant") will be given reasonable access to the Unit and the public areas of the Building.

(b) The Inspection shall be held at a mutually convenient time and date on a business day between 9 a.m. and 5 p.m.

(c) The Inspection shall be performed in a reasonable manner so as not to disturb or interfere with the use, operation, security or occupancy of the Units or the Building.

(d) Purchaser shall be liable for any damages to any Unit or the Building, injuries, and all claims and lawsuits caused by Purchaser or the Consultant during the Inspection, and shall provide liability insurance naming Sponsor as a named insured.

(e) Purchaser or the Consultant will not probe, penetrate or disturb any painted or covered surface during the Inspection without Sponsor's approval.

46. CERTIFICATION OF SPONSOR AND PRINCIPALS. Consistent with court precedent, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their 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 125 North 10th Condominium v. 125North10*, 150 A.D.3d 1065 (2d Dept. 2017); See also *Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al., 2013 N.Y. Slip Op. 03574 (1st Dept. May 16, 2013).*

47. EXCULPATION. Purchaser agrees that it does not have and will not have any claims or causes of action against any officer, director, employee, trustee, shareholder, partner, member, principal, parent, subsidiary, retirant, beneficiary, internal investment contractor, agent or other affiliate of Sponsor or any of the principals of Sponsor, including, without limitation, any officer, director, employee, trustee, shareholder, partner, principal, retirant, beneficiary, internal investment contractor, agent or other affiliate of Sponsor or any such parent, subsidiary or other affiliate, or any other Sponsor Related Parties (collectively, "Sponsor's Affiliates"), arising out of or in connection with this Purchase Agreement or the transactions contemplated hereby. Purchaser agrees to look solely to Sponsor and its assets for the satisfaction of any liability or obligation arising under this Purchase Agreement or the transactions contemplated hereby, or for the performance of any of the covenants, warranties or other agreements contained herein, and further agrees not to sue or otherwise seek to enforce any personal obligation against any of Sponsor's Affiliates with respect to any matters arising out of or in connection with this Purchase Agreement or the transaction contemplated hereby. Without limiting the generality of the foregoing provisions of this Article 50, Purchaser hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Sponsor's Affiliates, and hereby unconditionally and irrevocably releases and discharges Sponsor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Purchaser against Sponsor's Affiliates, in connection with or arising out of this Purchase Agreement or the transactions contemplated hereby. The provisions of this Article 48 shall survive the termination of this Purchase Agreement and the Closing.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date set forth below.

Date: _____
(to be inserted after execution by Sponsor)

SPONSOR:

320 Macon GP LLC

By: _____
Name:
Title:

[PURCHASER AND ESCROW AGENT SIGNATURE PAGES FOLLOW]

PURCHASER:

For purposes of this Purchase Agreement, it is acknowledged and agreed that the undersigned is the controlling individual of Purchaser and shall remain personally liable for Purchaser's obligations under this Purchase Agreement:

_____

[INSERT NAME]

_____

Telephone Number: _____

[ESCROW AGENT SIGNATURE PAGE FOLLOWS]

ESCROW AGENT:

The undersigned places its signature below solely to acknowledge that it is acting as Escrow Agent in accordance with the terms and conditions of Article 44 hereof.

_____

SCHEDULE A
PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from Purchaser to the Board and Sponsor, as the case may be, and the Tax Lot Drawings; as all of the same may be amended from time to time.

3. 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.

4. 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.

5. Revocability of licenses for vault space, if any, under the sidewalks and streets.

6. 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 between record lines of the Property and retaining walls and the like, if any.

7. Leases and service, Maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

8. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the Closing.

9. The lien of any unpaid assessment payable in installments (other than assessments levied by the 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 Purchaser shall pay all assessments due from and after the Closing Date.

10. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any Law or requirement of the New York City 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.

11. Any encumbrance as to which a New York Board of Title Underwriters member title insurance company would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (1) will not be collected out of the Unit if it is a lien or (2) will not be enforced against the Unit if it is not a lien.

12. 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 Residential Unit for residential purposes.

13. Any lease covering the Unit made from Sponsor to Purchaser.

14. Any violation against the Property (other than the Unit) which is the obligation of the, Board, or another Unit Owner to correct.

15. Any state of facts which an accurate survey of the Property would show, provided such state of facts would not make title to the Unit uninsurable, except as otherwise permitted herein.

16. 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.

17. Any Certificate of Occupancy or Permanent Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for dwelling purposes.

18. Any title exceptions noted in the Specimen Title Policy set forth in Part II of the Plan.

SCHEDULE B

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

LEAD WARNING STATEMENT

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide buyer with information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

SPONSOR'S DISCLOSURE

(a) Presence of lead-based paint and/or lead-based paint hazards. (check (i) or (ii) below):

(i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain on attached sheet).

(ii) _X_ Sponsor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to Sponsor (check (i) or (ii) below):

(i) ___ Sponsor has provided Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below on attached sheet).

(ii) _X_ Sponsor has no records or reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

PURCHASER'S ACKNOWLEDGMENT (initial)

(c)____ Purchaser has received copies of all information listed above.

(d)____ Purchaser has received the pamphlet Protecting Your Family from Lead in Your Home.

(e)____ Purchaser has (check (i) or (ii) below):

(i)___ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii)__ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

SELLING AGENT'S ACKNOWLEDGMENT (initial)

(f) X__ Selling Agent has informed Sponsor of Sponsor's obligation under 42 U.S.C. 4852d and is aware of Selling Agent's independent responsibility to ensure compliance.

CERTIFICATE OF ACCURACY

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

By: _____
Name:
Title:

SCHEDULE C

RIDER TO PURCHASE AGREEMENT RE: FINANCING CONTINGENCY

Re: Unit: _____ (the "**Unit**")
Purchaser(s): _____ (individually or collectively, "**Purchaser**")
320 Macon Condominium
320 Macon Street
Brooklyn, New York 11216 (the "**Condominium**")

THIS RIDER TO PURCHASE AGREEMENT RE: FINANCING CONTINGENCY (this "**Financing Rider**") is made as of the date on the signature page hereunder, by and between 320 Macon GP LLC, a New York limited liability company ("Sponsor"), and Purchaser.

WITNESSETH:

This Financing Rider amends and modifies that certain purchase agreement (the "**Purchase Agreement**") by and between Sponsor and Purchaser with respect to the above referenced Unit in the Condominium. In case of any inconsistencies between any of the terms and conditions of the Purchase Agreement, including any handwritten modifications thereto, and the terms and conditions of this Financing Rider, the terms and conditions of this Financing Rider shall prevail. All of the paragraphs and provisions contained in this Financing Rider are incorporated into the Purchase Agreement and made a part thereof with the same force and effect as if therein originally contained.

1) The obligation of Purchaser to purchase under this Purchase Agreement is conditioned upon issuance, on or before _____ days after a fully executed counterpart of this Purchase Agreement is given to Purchaser or Purchaser's attorney (the **"Commitment Date"**), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, to Purchaser, at Purchaser's sole cost and expense, of $_____ for a term of at least _____ years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms (the **"Commitment"**). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met. Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this Purchase Agreement even if the lender fails or refuses to fund the loan for any reason.

2) Purchaser shall (i) make prompt application to at least one Institutional Lender (and to any other Institutional Lenders that Sponsor shall designate) for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required in connection with such applications and loan, (iii) pay all fees, points and charges required in connection with such applications and loan, (iv) pursue such applications and loan with diligence, and (v) cooperate with best efforts and in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms

set forth in Section 1 hereof and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Sponsor with a copy of the Commitment promptly after receipt thereof.

3) Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("**Mortgage Broker**") shall constitute full compliance with the terms and conditions set forth in Section 2(i) hereof, provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such Institutional Lender(s).

4) If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date despite Purchaser's best efforts to obtain such Commitment, Purchaser may cancel this Purchase Agreement by giving notice thereof to Sponsor, with a copy of such denials, provided that Purchaser has complied with all its obligations under this Financing Rider.

5) If no Commitment is issued by the Institutional Lender on or before the Commitment Date despite Purchaser's best efforts to obtain such Commitment, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in Section 1 hereof, Purchaser may cancel this Purchase Agreement by giving notice to Sponsor within 5 business days after the Commitment Date, provided that such notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied with all its obligations under this Financing Rider.

6) If this Purchase Agreement is canceled by Purchaser pursuant to Sections 4 or 5 of this Financing Rider, and thereupon Purchaser shall receive a return of its Deposit (to the extent paid) less all third party, out-of-pocket expenses actually incurred by Sponsor in connection with the negotiation and preparation of this Purchase Agreement and Financing Contingency Rider which such amount shall simultaneously be paid to Sponsor by Purchaser or from the Deposit by Escrow Agent (which Purchaser hereby authorizes Escrow Agent to so pay) in connection with such cancellation right and thereafter neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this Purchase Agreement except for the provisions hereof that expressly survive termination of this Purchase Agreement.

7) If Purchaser fails to give timely notice of cancellation (**TIME BEING OF THE ESSENCE**) or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in Section 1 hereof, then Purchaser shall be deemed to have waived Purchaser's right to cancel this Purchase Agreement and to receive a refund of the Deposit by reason of the contingency contained in this Financing Rider.

8) If Sponsor has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Sponsor may cancel this Purchase Agreement by giving notice to Purchaser within 5 business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Sponsor within 10 business days after the Commitment Date. After such cancellation neither party shall have

any further rights against, or obligations or liabilities to, the other by reason of this Purchase Agreement, except that the Deposit shall be promptly refunded to Purchaser (provided Purchaser has complied with all of its obligations under this Financing Rider) except for the provisions hereof that expressly survive termination of this Purchase Agreement.

9) For purposes of this Purchase Agreement, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

10) In the event Purchaser obtains a Commitment on or before the Commitment Date, and the Closing Date is adjourned by Sponsor to a date beyond which the Purchaser is able, at Purchaser's sole cost and expense to extend Purchaser's Commitment at the lender's then prevailing rate of interest and Purchaser has made a good faith effort to so extend the Commitment, then within 15 days of Sponsor's receipt of written notice from Purchaser of such adjournment, Purchaser may send written notice in accordance with the notice requirements of the Purchase Agreement to the Sponsor stating that Purchaser elects to rescind the Purchase Agreement, whereupon the Deposit paid hereunder (and interest earned thereon, if any) shall be returned to Purchaser and the Purchase Agreement and Financing Contingency Rider shall be deemed canceled and of no further force or effect and the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan.

11) All terms not defined herein shall have the meanings ascribed to them in the Plan or in the Purchase Agreement.

12) Except as expressly modified hereby, the terms and provisions of the Purchase Agreement remain unchanged and in full force and effect.

13) The provisions set forth in this Financing Rider shall expressly survive Closing to the Unit and shall be binding upon all of Purchaser's successors and/or assigns.

[No further text on this page]

IN WITNESS WHEREOF, the parties have executed this Financing Rider as of the date set forth below.

Date: _____
(to be inserted after execution by Sponsor)

SPONSOR:

320 Macon GP LLC

By: _____
Name:
Title:

[PURCHASER SIGNATURE(S) ON FOLLOWING PAGE]

PURCHASER:

_____

_____

SCHEDULE D

FORM OF TITLE INDEMNITY AGREEMENT

(TO BE PROVIDED ON TITLE UNDERWRITER'S LETTERHEAD)

Dated: _____

_____
_____
_____

Re: 320 Macon Condominium
320 Macon Street
Brooklyn, New York 11216 ("Premises")

Ladies and Gentlemen:

In connection with the sale of certain units ("Units") at the referenced Premises, you have asked for certain assurances regarding the recordation by _____ ("TitleCo") or an abstract company or other person or entity selected by TitleCo (any of the foregoing, a "Title Closer") of the deeds for the Units and related documentation, including, without limitation, mortgage related documents (the "Closing Documents"), the payment of New York City and New York State transfer taxes (including the New York State Additional Tax pursuant to Article 31 of the Tax Law) due in connection with such conveyances and mortgage recording taxes or other fees, if applicable (collectively, the "Tax Payments"), for which TitleCo is insuring title.

As of the date hereof, TitleCo agrees to hold harmless and indemnify Sponsor, 320 Macon GP LLC_ and Eliezer Cohen, Esq. and Lewis C. Taishoff, Esq. and their respective agents, representatives, members, affiliates and the like (each, an "Indemnified Party") from and against all losses, liabilities, judgments, damages, costs and expenses that an Indemnified Party may incur or suffer from the failure of TitleCo or a Title Closer to (a) record the Closing Documents for any of the Units and submit the Tax Payments for any of the Units in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency, and (b) do such other act as a reasonably prudent title company of Title Closer would perform.

[Name of Title Underwriter]

By: _____
Name:_____

Exhibit "2"

POWER OF ATTORNEY

UNIT POWER OF ATTORNEY

Terms used in this Unit Owner's power of attorney (this "Power of Attorney") which are used (a) in the declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as 320 Macon Condominium (the "Condominium") and by the street number 320 Macon Street, Brooklyn, New York under Article 9-B of the Real Property Law of the State of New York, dated _____, 20__, and recorded in the Office of the Register of the City of New York, County of New York on _____, 20__ as CRFN _____, as the same is amended, restated or supplemented at any time, or (b) in the By-Laws of the Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, as the same is amended, restated or supplemented at any time, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, having an address at 320 Macon Street, Brooklyn, New York 11216, the owner of condominium unit ___ (the "Unit") in the Condominium, which is designated and described in the Declaration as Tax Lot ___ in Block 1853 of Section ___ of the Borough of Brooklyn on the Tax Map of the Department of Finance of The City of New York and on the Tax Lot Drawings, does hereby nominate, constitute and appoint Sponsor and the persons who may from time to time constitute the Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in Sponsor's name or in the name of Sponsor's designee (corporate or otherwise), and with respect to the Board members, in their own names, as Members of the Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased; and

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto,

affecting the Property which the Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

The acts of a majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

I hereby nominate, constitute and appoint the Declarant (a/k/a Sponsor under the Plan for the Condominium), true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the Declaration, or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Residential Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Residential Unit; or (3) shall be required to correct any inconsistencies or scriveners' errors in the Declaration, the By-Laws and/or the Floor Plans; or (4) relinquish Sponsor's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as (i) Sponsor shall cease to own any Unit in the Condominium; and (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and

(b) to effectuate Sponsor's and/or Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in the Declaration.

This Power of Attorney shall be irrevocable.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of _____, 20__.

_____

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On _____, 20__, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

Exhibit "3"

UNIT DEED

UNIT DEED

THIS INDENTURE, made as of _____, 20__, between 320 Macon GP LLC, a New York limited liability company, having an office at 7 Penn Plaza, Suite 1400, New York, New York 10001 (the "Grantor") and _____, having an address at _____ (the "Grantee").

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and 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 Condominium Unit (the "Unit") in the premises known as 320 Macon Condominium and by the street number 320 Macon Street, Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described as Unit No. ___ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, 20__ and recorded in the New York County office of the Register of The City of New York (the "City Register's Office") on _____, 20__ as CRFN _____, also designated as Tax Lot(s) _____ in Block 1853 of Section ____ of the Borough of Brooklyn on the Tax Map of the New York City Department of Finance, Division of Land Records, Tax Map Unit, and on the Tax Lot Drawings of said building, certified by _____, on _____, 20__, and filed in the New York City Department of Finance, Division of Land Records, Tax Map Unit on _____, 20__ as Condominium No. ____, also filed in the City Register's Office on _____, 20__, as CRFN _____. The premises within which the Unit(s) is (are) located are more particularly described in Schedule A attached hereto and made a part hereof. 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 320 Macon Condominium. (Said by-laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws.")

Together with the Common Interest appurtenant thereto in the amount of _____% (as such term is defined in the Declaration);

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit; and

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 (any of) the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

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 regarding such invalidity shall control.

Except as otherwise specifically permitted by the Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as aforesaid.

The 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.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have executed this Indenture as of the date and year first above written.

GRANTOR:
320 Macon GP LLC

By: _____
Name:
Title:

GRANTEE:

_____

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On _____, 20__, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On _____, 20__, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On _____, 20__, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A TO DEED

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:

To be completed prior to recording of the Declaration.

SCHEDULE B TO DEED

PERMITTED ENCUMBRANCES

REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO AGREEMENT

TO BE INSERTED PRIOR TO CLOSING

Exhibit "4"

DESCRIPTION OF PROPERTY

COSTA
ARCHITECTURE + ENGINEERING, LLP

Angelo R. Costa, RA, AIA
Paul M. Antonio, PE

ARCHITECT-ENGINEER'S

REPORT ON PROPOSED CONDOMINIUM CONVERSION

320 Macon Street
Brooklyn NY 11216
June 26, 2018
Amended August 28, 2018
Amended February 11, 2019
Amended May 7, 2019
Amended June 7, 2019
Amended July 8, 2019

The information contained herein has been obtained from available records at the New York City Department of Buildings and on-site inspections made by our office.

This report conforms to the outline promulgated by the Attorney General of the State of New York. The basis for the report are the "Plans and Specifications" on file in the New York City Department of Buildings and visual inspections made by the office of the Architect.

A. Location & Use

An existing 4-story, mixed use building is being converted to a multiple-dwelling condominium with first floor commercial space. The first floor commercial unit will not be offered for sale under this offering plan.

1) Address: 320 Macon Street, Brooklyn, NY, 11216
2) Block: 1853, Lot: 42
3) Zone: R6B, Map: 17a
   (a) Formerly C1-3 in R6 until July 22, 1965 at which time the zoning was revised to C1-3 in R5. This zoning remained until October 29, 2007 when zoning again was revised to eliminate the commercial overlay and change the residential zone to R6B, the current zone.
4) Permissible uses: Residential & Community Facility, existing first floor commercial use permitted to remain in accordance with existing CO.
5) Proposed Use: Residential on floors two through four and commercial on the first floor. The current Certificate of Occupancy states that the Commercial Unit may be occupied by businesses listed in the New York City Zoning Resolution under Use Group 6, which the Certificate of Occupancy then generally describes as Doctors office and stores. The current tenants, a restaurant and a liquor store, are both Use Group 6 uses. The restaurant filed plans with DOB in 2017 under Alt 2 application #321521288 clearly showing its conversion of a former store to a restaurant use and DOB did not require an amendment to the Certificate of Occupancy per Buildings Bulletin 2009-025, demonstrating that the Certificate of Occupancy does not limit the permissible Use Group 6 uses to a subset of doctors and stores. There is one approximately 300 square foot vacant space in the Commercial Unit. Sponsor does not anticipate that it will rent the space to other than a Use Group 6 establishment and thus will not require a new Certificate of Occupancy.

B. Status of Construction:

1) Year Built : 1872

2) Construction Class: Class 3, Non-Fireproof (pre-1968 NYC Building Code)

3) Current Certificate of Occupancy: CO# 228549, Issued: 9/18/87, permanent.

4) Alteration permit numbers and description of work done:

(a) Latest completed NYC Department of Buildings application: Alt 2 application #321155389 to renovate townhouse space with partition changes as well as plumbing modification, Filed and approved on 7/1/15, signed off on 11/16/16.

(b) NYC Department of Buildings application: Alt 2 application #321521288 for minor construction and minor plumbing work in the cellar and first floor. Filed on 2/3/17, approved on 6/21/17, permit issued 7/20/17 and signed off on 7/27/18.

(c) Currently filed NYC Department of Buildings Alt 2 application #321686975 to modify the existing fire suppression system. Filed on 12/21/17, approved on 1/8/18, permit issued on 1/11/18 and signed off on 8/24/18.

(d) Currently filed NYC Department of Buildings Alt 2 application #321536432 for minor repair to the ansul system. Filed on 3/3/17 and disapproved 3/8/17. This application will be withdrawn as the referenced work was refiled under item (c) noted above.

(e) Currently filed NYC Department of Buildings Alt 2 application #340584647 for minor interior partition changes and minor plumbing work on the third and fourth floors. Filed on 2/15/18, approved on 2/21/18 and partial permit issued on 3/3/18. The work is expected to be completed by the end of July 2019.

(f) NYC Department of Building SC application #321766068 for condominium subdivision. Filed on 6/6/18 and completed 7/27/18.

(g) Violation #040618LBLVIO11588 for failure to file annual boiler inspection report. Violation will be cured by the sponsor prior to the closing.

(h) Currently filed NYC Department of Buildings Alt 2 application #340670884 to install an additional window in one of the bedrooms in the second floor rear apartment. Filed on 4/8/19, approved on 4/10/19 and permit issued 5/7/19. The work is expected to be completed by 7/14/19.

(i) Currently filed NYC Department of Buildings Alt 2 application # 340676174 to remove the existing residential entry door, enlarge the opening and replace with a double entry door with a glazed arch transom above. Filed on 5/7/19, expected date of approval is 5/21/19, permit expected to be issued by 5/22/19. The work is expected to be completed by 7/14/19.

(j) Currently filed NYC Department of Buildings Alt 2 application #340626610 for the installation of rooftop condenser units. Filed on 8/16/18, approved on 8/30/18 and permit issued on 9/4/18. Work completed, expected to be signed off by 5/1/19.

5) Quality Housing: This is an existing building with less than nine dwelling units and no changes to zoning, therefore compliance with the Quality Housing Program is not applicable.

C. Site

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1) **Lot Size:** Beginning at a point on the southwest corner formed by the intersection of Macon Street and Marcus Garvey Boulevard (formerly Sumner Avenue) running thence South 100'; thence West 20'; thence North 100'; thence East 20' to the point or place of beginning. Lot size: 20' x 100' = 2,000 SF

2) **Number of buildings and use:** (1) One building, mixed residential & commercial use

3) **Streets:** Privately owned and maintained streets: None

   (a) City owned streets: Macon Street and Marcus Garvey Boulevard

      (i) Material: Asphalt

      (ii) Condition: Good

   (b) Sidewalks

      (i) Material: Existing concrete

      (ii) Condition: Good

   (c) Curbs

      (i) Material: Concrete along Macon Street, granite along Marcus Garvey Blvd. (Existing)

      (ii) Condition: Good

   (d) Catch Basins: One catch basin is located at the southwest corner of Macon Street and Marcus Garvey Boulevard

      (i) Condition: Good

   (e) Street Lights – Utility/light poles are located on the southwest and northeast corners of the intersection of Macon Street and Marcus Garvey Blvd. Additional utility/light poles are located approximately 100' north along Macon Street and approximately 100' west along Marcus Garvey Blvd. The intersection of Macon Street and Marcus Garvey Blvd. is also provided with traffic lights with the utility poles located on the northwest and southeast corners. All are in good condition.

   (f) All street items are in conformity with local codes

D. Utilities

1) **Water Supply**: Water is supplied by a 2" incoming domestic water supply taken from the city main in Marcus Garvey Blvd. It is being metered by a 2" DEP approved water metering device.

   Water will be billed collectively via an NYC DEP approved metering device installed on the domestic water main.

2) **Sanitary and Storm Water Drainage:** The City of New York provides combined sewer service. A single 6" combined line from the house trap runs to the City sewer located below grade on Marcus Garvey Blvd.

3) **Gas Supply:** Gas is supplied by a 2" gas line from Consolidated Edison of New York (Con Edison), a regulated utility. The 2" main from Marcus Garvey Blvd. enters below the sidewalk

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and through the cellar/ground wall to the main meter in the cellar. Gas is being metered by (5) individual gas meters.

4) **Electric Supply and Metering**: Con Edison conduit runs from the main under Marcus Garvey Blvd to a 400 Amp, 208Y/120V, 3-phase, 4-wire end box located on the cellar wall. ConEd End Box serves nine (9) service disconnect switches. Landlord service rated for 60 Amp. Each apartment is metered by separate ConEd meter. Condo 1 service disconnect is rated for 60Amp, 208Y/120/208V, 1-phase, 3-wire fused at 60Amp. Condos 2A,2B,3 and 4 each are served with service disconnect switches rated for 60Amp. Each apartment includes panelboard with a main disconnect switch located inside the apartment and serves the apartment. Landlord service serves lighting and power in common spaces. The electric panels in the condos will be upgraded to 100A panels and fuses replaced with 300A fuses.

E. Subsoil Conditions:

1) No uneven foundation movement has been observed in this building, such as foundation cracks, uneven floors, bulges, leaning of foundation walls or defects on building exterior facades associated with foundation movement.

2) There is no evidence of moisture or seepage below the slabs, through the walls or above the footings.

3) Depth of water table was not determined. There are no bodies of water or other sources of water nearby that might cause flooding, mudslides or erosion.

F. Landscaping and Enclosures

1) Grass Areas: There are no grass areas

2) Plantings: There are three (3) movable planting containers located within the front yard, each of which contains a small coniferous tree.

3) Major Trees: There are no trees on site. There are sidewalk trees in the vicinity as follows:

   (a) One existing tree in front of the adjacent property along Macon Street and two trees located along Marcus Garvey Blvd. approximately 25' and 75' west of Macon Street. All trees are deciduous.

4) Fencing: There is a wrought iron fence enclosing a small concrete front yard and residential entry along Macon Street. The fence is in good condition and has a black painted finish. Last painting was done prior to current building ownership.

5) Gates: There is a double wrought iron gate in good condition along Macon Street to provide access to the residential entry steps and small front yard. Finish is as stated above.

6) Garden Walls: There are no garden walls.

7) Retaining Walls: There are no retaining walls.

8) Display pools and fountains: There are no pools or fountains.

G. Building Size

1) Height: 4 stories and Cellar, approximately 45' from grade to top of roof deck.

2) Crawl Spaces: There are no crawl spaces.

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3) Number of sub-cellars and cellars: There is (1) cellar used for storage, boiler room and incoming utilities.

4) Number and type of floors and Use: There are (4) apartments, and (3) commercial tenants:

   (i) Cellar Use: Open storage, utility meters and boiler room.

   (ii) 1st Floor: (3) commercial tenants.

   (iii) 2nd Floor: Entry vestibule and (2) residential units.

   (iv) 3rd & 4th Floors: (1) residential unit per floor.

   (v) Roof Structures: There are no rooftop structures. Air conditioning condensing units are located on the roof of the (1) story portion of the building located at the western end of the property.

5) Equipment Rooms: There is a boiler room at the cellar level.

6) Parapet: Building is supplied with a parapet wall all around with height varying from 12" – 36". This is an existing building erected prior to 1968, as such the parapet wall height complies with the old code requirements.

H. Structural System

The overall condition of the structural system of the building is good with no apparent defects.

- This is an existing building dating back to 1872, as such, there was no observation of underpinning, any sound insulation within the building floor or wall construction, sub-grade drainage system nor waterproofing for foundation walls and floor slab. The typical structural system of the floors is assumed to be wood joists, however, size and spacing is unknown.
- Classification: Old Code, Class 3 – Non-fireproof
- Type of construction: fire protected wood frame floors with brick exterior walls.
- Foundation Walls: Stone masonry.
- Over all there does not seem to be any structural defects that require a structural engineer.

1) Exterior walls of the building

   (i) General: The exterior walls are 12" masonry, in good condition, The face of the building at Macon Street is brownstone with decorative stone sills and lintels. The exterior wall at Marcus Garvey Blvd. is brick with stone window sills and lintels. The existing walls were not opened, therefore no insulation was observed, and no further investigation will be performed. Masonry walls of this construction typically have a 3 hour fire-rating.

   (ii) Local Law 11/98 for exterior facades- States that owners of buildings with exterior wall(s) greater than 6 stories in height must inspect their wall(s) every five years and submit a technical report to DOB. This building doesn't apply because it is 4 stories, 45' high. The windows are double hung, wood along Macon Street and aluminum along Marcus Garvey Blvd. All windows appear to be in 'Good' condition. Stone lintels appear to be in 'Good' condition.

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(iii) Material: Brownstone with decorative stone window sills and lintels along Macon Street and brick with stone window sills and lintels along Marcus Garvey Blvd. Steel lintels are provided above the storefronts on Marcus Garvey Blvd.

1. Condition - Good

(iv) Windows: All residential windows are double-hung windows with double-insulated glass, wood frame at the Macon Street façade and aluminum frame at the Marcus Garvey Blvd. façade. All windows were installed prior to current ownership and manufacturer, warranty and thermal break is unknown. Interior sills are painted wood. Insect screens are installed in the aluminum windows and guard rails are installed on all windows except for those that provide access to the fire escape. Windows provided in habitable rooms have been verified to meet code requirements for light and air.

(v) Lot Line Windows: The residential condominium units 3, 4 & 5 are provided with windows in the west exterior wall. These windows are lot line windows, but do not contribute towards the light and air requirements for the spaces in which they are located. Further, these windows are double hung windows with double insulated glass within aluminum frames and are in good condition. All windows were installed prior to current ownership and manufacturer, warranty and thermal break are unknown.

These window openings have been in the wall for decades and most likely installed at the time of building erection as evidenced on plans dated March 22, 1940. To the best of my knowledge and belief, there was no ten percent maximum opening area requirement under prior codes in effect at that time. Additionally, there is no type of fire protection provided at the openings.

If for any reason these windows need to be infilled in the future, the openings are required to be infilled with masonry providing a minimum 3 hour fire rating at an approximate cost of $885.00 per window for the large windows and $350.00 per window for the small windows. However, please note that a preliminary zoning study for the adjacent premises, located west of the subject property, at 318 Macon Street indicates that a maximum addition of 184 sq. ft. of floor area could be added to the existing building. Any single story addition that may be added will not affect the lot line windows located on floors two through four of the subject property.

If the additional floor area were to be divided between two floors, each floor would contain approximately 92 sq. ft. Given a minimum required interior room width of 8 feet, and assuming 12" thick exterior wall construction to allow for the required 3 hour fire rating, the maximum size of the addition would be 10'-0" wide x 9'-2" deep. The closest window to the existing rear wall of the adjacent building is approximately 9'-11". The two story addition would not block any of the lot line windows located within the west wall of the subject property. [20.7(h)]

1. Window Types and Location

    a. Cellar level – No Windows

    b. Commercial Areas - Each commercial space is provided with commercial storefront assemblies of anodized aluminum and insulated glass. Color of the

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framing system is dark bronze. All storefronts are existing and manufacturer and warranty are unknown.

i. Type: Fixed

ii. Material: Anodized aluminum

iii. Glazing: Double-insulated

iv. Condition: Good

v. Manufacturer: Unknown – installed prior to current ownership.

c. Common Hallways: There are no windows in the common hallways.

d. Public Stairs: There are no windows in the public stairs.

e. Residential Units

i. Type: Existing Double Hung

ii. Material: Wood at Macon Street façade and aluminum at Marcus Garvey Blvd. facade

iii. Glazing: Double-insulated

iv. Condition: Good

v. Manufacturer: Unknown – installed prior to current ownership.

f. Window Guards: All residential windows are provided with window guards except for those windows which provide access to the fire escape.

g. Screens: provided in all windows along the Marcus Garvey Blvd. façade.

h. Lintels: Stone with steel provided above storefront construction.

i. Condition: Good

i. Caulking: good

(vi) Landmark status: The building is located within the Bedford Stuyvesant/Expanded Stuyvesant Heights Historic District. As such, all work performed on the exterior of the building is subject to approval from the NYC Landscape Preservation Commission.

2) Parapets and Copings

(a) Existing parapets are of masonry construction. Roofing membrane extends up the parapet and over the coping. Coping was not visible due to coverage by the roofing membrane. It is assumed to be precast stone or concrete. All parapets appear to be in sound condition with no visible signs of leakage or cracking.

(b) This is an existing building erected prior to 1968, as such the parapet wall height complies with old code requirements.

3) Chimneys and caps

(a) There are five (5) masonry shafts to approx. 5 feet above the roof, four (4) of which have been sealed and one with an existing clay flue pipe extending up. The sealed chimneys

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are most likely abandoned chimneys of original fireplaces no longer in use and the one remaining operational chimney is used for boiler and hot water heater exhaust. No new chimneys provided. A new chimney cap will be installed on the working chimney. The cap will be 9" x 9" black galvanized steel.

4) Balconies and terraces: There are no balconies or terraces.

5) Exterior entrances:

   (a) Main Residential Entrance on Macon Street to a small vestibule.

      (i) Type: New double wood and insulated glass doors with glazed transom above. Wood to be Sapele solid wood with stained finish

      (ii) Material: Stained wood with insulated glass panels

      (iii) Lock: Mortise with SDC security strike

   (b) Vestibule to Lobby Main Entrance

      (i) Type: Existing self-closing door with wire glass panel in good condition

      (ii) Material: Painted metal

      (iii) Lock: Key lockset with SDC security strike controlled from apartment units

   (c) The exterior stairs to access the residential portion of the building are located at the northern end of the Macon Street façade and are of concrete construction and in good condition.

   (d) Railings are of wrought iron construction in good condition with a black painted finish. Last painting was done prior to current building ownership.

   (e) Tenant Mailboxes: New tenant mailboxes will be located externally in a new Cluster Box Unit (CBU) within the front yard area to the east of the front entry steps on Macon Street. The CBU will be model #1570-4T5DB as manufactured by National Mailboxes. It is provided with four (4) tenant compartments, two (2) parcel compartments and an outgoing mail compartment and will meet USPS requirements.

   (f) Lighting:

      (i) Exterior Lighting: Existing wall mounted fixtures on either side of the entry doors.

      (ii) Interior Lighting: There is a ceiling mounted pendant light fixture.

6) Service Entrances: There is no service entrance.

7) Roof and Roof Structures

   (a) Roofing: This is an existing building with existing roofing membrane over wood roof decking. The existing ceilings were not opened and therefore the insulation size, type and insulating value are unknown. No further investigation will be performed.

      (i) Type: flat

      (ii) Material: Modified Bitumen, galvanized coating

      (iii) Manufacturer: Unknown, installed prior to current ownership

      (iv) Bond or guarantee: Unknown, installed prior to current ownership

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(v) Areas where the roofing membrane was damaged and cracked have been repaired. The membrane in these areas was removed and the membrane patched. Upon completion of the repair work, the entire roof and chimneys were waterproofed with two coats of Aluminum Fiber Roof Coating. Roofing repair work was completed in June of 2018. Roofing is in good condition with no signs of water penetration or movement.

(b) Drains: Roof is provided with a single cast iron roof drain with metal strainer dome.

(c) Skylights:

(i) A 42" x 58" vented metal skylight with wire glass in good condition is provided in the roof above the public stair.

(d) Stair Bulkheads: There are no stair bulkheads, access to the roof is gained by means of a Werner AH2210, 22.5" x 54" drop down aluminum attic ladder giving access to the roof scuttle above. The scuttle is wood construction weatherproofed with roofing material as described in H.7(a) above.

(e) Metal Work at Roof Level: No railings or other metal work is on the roof. Flashing materials, including counter flashing are existing and could not be viewed as they have been covered by roofing membrane which extends up the parapet walls.]

(f) Rooftop facilities: There are no rooftop facilities.

8) Fire escapes

(a) There is an existing fire escape on the building, located on Marcus Garvey Blvd. and serving all of the residential apartments on floors two through four. The fire escape is wrought iron construction in good condition with a black painted finish. Last painted prior to current ownership. There are no unusual access situations.

9) Yard and courts

(a) General Description: There is one (1) front yard. Access to the front yard is through a double gate located on Macon Street. The yard area is a concrete slab on grade, in good condition and encompasses the entry for the residential units, outside trash container storage and a small sitting area. The yard is provided with planting located in movable containers.

(b) Drainage: There are no drains in the yard.

(c) Railings: None in the yard, however, the railings for the stair to access the residential portion of the building are of wrought iron construction in good condition with a black painted finish. Last painting was done prior to current building ownership.

(d) Stairs: The exterior stairs to access the residential portion of the building are located within the front yard area and are of concrete construction and in good condition.

(e) Fencing: There is a wrought iron fence enclosing a small concrete front yard and residential entry along Macon Street. The fence is in good condition and has a black painted finish. Last painting was done prior to current building ownership.

(f) Walls: The front yard abuts the front building wall which is 12" masonry, in good condition, The face of the building is brownstone with decorative stone sills and lintels.

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(g) Retaining Walls: None

10) Interior stairs

(a) Public Stair

(i) 1 public interior egress stair

(ii) Enclosure: As this is an existing building and stairway enclosure walls were not opened, they are assumed to be 1 hour fire rated frame wall construction, code compliant for construction class 3 buildings of 4 stories or less. Walls are provided with a painted finish in good condition.

(iii) Stair Construction: concrete filled steel pan stairs in good condition

(iv) Stringers: steel in good condition

(v) Treads: Steel pan fill with concrete in good condition

(vi) Risers: Steel in good condition

(vii) Guardrails: no guard rail, there is a 34" high metal handrail throughout on one side, in good condition

(viii) Balustrade: Metal post 5" on center, in good condition

11) Interior doors and frames

(a) Common Area Interior Doors – All interior doors within common areas are in good condition.

(i) Cellar and Misc. Utility doors

1. Type: FPSC 1-1/2 hour rated
2. Material: Metal Painted
3. Condition: Good

(b) Residential Units

(i) Type - Entrance FPSC 1-1/2 hour-rated

1. Material: Metal Painted
2. Hardware: Lockset – Security Chain – Peep Hole
3. Condition: Good

(ii) Type - Interior, wood panel, stile & rail

1. Material: Painted wood
2. Condition: Good

(c) Roof scuttle: (1) existing scuttle to roof from stairwell.

(i) Material: Wood

(ii) Hardware: (2) Sliding latches

(iii) Condition: Good.

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12) Elevators

(a) There are no elevators in the building.

I. Auxiliary Facilities

1) Laundry Room

(a) The second floor is provided with a laundry closet off the public hallway. This area houses one existing and one new washer and one existing and one new ventless electric dryer for use by the second floor tenants. Laundry room filed and installed under DOB Alt 2 application #321155389. Copy of approved plans submitted herewith.

Appliances are as follows:

(i) Existing appliances:

1. Washer: LG, Model No. WM1377HW in good condition
2. Dryer: LG, Model No. DLEC855W in good condition

(ii) New appliances:

1. Washer: Bosch 300 Series, 24", 2.2 cu. ft. high efficiency front load compact washer, model #WAT28400UC with 1 year manufacturer's warranty and 3 year extended warranty past the manufacturer's warranty.
2. Dryer: Bosch 300 Series, 24", 4 cu. ft. electric condensation compact dryer, model #WTG86400UC with 1 year manufacturer's warranty and 3 year extended warranty past the manufacturer's warranty.

(b) The third and fourth floor units are provided with stacked washers and gas dryers within the unit space. All appliances are provided with a 3 year extended warranty past the manufacturer's warranty and are as follows:

(i) Washers: LG Electronics, 4.5 cu. ft. high-efficiency front load washer with steam and turbo wash, model #WM3770HVA.

(ii) Dryers: LG Electronics, 7.4 cu. ft. Ultra large capacity gas dryer with sensor dry turbo steam and Wi-Fi connectivity, model #DLGX3701V.

2) Refuse disposal

(a) Incinerator: None

(b) Compactor: None

(c) Garbage chute: None

(d) Garbage storage area: Trash containers are stored outside behind the fence in front yard.

(e) General: Refuse is brought to the curb on Macon St by the building management to be collected by the NYC Dept. Of Sanitation.

3) Package Rooms: None

4) Storage Rooms: None

5) Bicycle Rooms: None

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J. Plumbing and Drainage

1) **Water Supply**: Water is supplied by a 2" copper incoming domestic water supply taken from the city main in Marcus Garvey Blvd. It is being metered by a 2" DEP approved water metering device. The main shut off valve is located in the cellar of the rear of the building, back from Macon Street. There is no visible piping insulation in the cellar or other areas within the building where piping was visible. No further investigation will be performed.

   (a) Pressure: Domestic pressure is provided by NYC water main. Water is distributed to each apartment and pressure is adequate.

   (b) Piping: Water service piping from street to all interior piping is copper.

   (c) Domestic Hot Water System - Hot water directly supplied from two (2) gas fired 75,000 btu/h, 75 gallon tank located in the cellar.

2) **Fire Protection System**

   (a) Sprinklers: None

   (b) Detectors: Smoke detectors and carbon monoxide detectors (hard wired) are installed in all apartments as required.

3) **Water Storage tank(s) and enclosures:** N/A there are no water storage tanks.

4) **Water pressure and how maintained:** City pressure is adequate and no pressure booster pump is required.

5) **Sanitary sewage system**

   (a) General Description and Utility: The City of New York provides combined sewer service. A single 6" line from the house trap runs to the City sewer located below grade on Marcus Garvey Blvd. Sewage piping materials are as follows:

Service	Size	Material	Joint
Sanitary pipe	2-6"	Cast Iron	Both hub and no hub
Sanitary pipe	0-2"	Brass	Threaded coupling

   (b) (1) House Trap is installed within the cellar covered by a metal plate. The trap connects to the 6" drain line and runs to the City sewer located below grade on Marcus Garvey Blvd.

   (c) An existing ejector pump was visible, however, the manufacturer, make and energy efficiency labels were not visible without disassembling the system. Only a non-destructive inspection was performed and the system was not disassembled.

6) **Permit(s) required:** No permits or certificates are required at this time as no work is proposed. Permits that are required for equipment (i.e.: boiler, oil tanks, etc.) are indicated in this report under the related section.

7) **Storm drainage system:** The City of New York provides combined sewer service. Storm drainage piping is cast iron, hub and no hub piping. A single line from the house trap runs to the City sewer located below grade on Marcus Garvey Blvd. There were no storm drainage ejector pumps observed.

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K. Heating: The heating system and hot water system is able to maintain the legally required internal temperature of 68 degrees Fahrenheit. The heating is achieved by use of split system units, with air handlers either ceiling mounted or floor mounted within the residential units and heat pumps mounted on a rooftop steel dunnage rack. New digital Nest Learning Thermostats are provided in the residential units to control internal temperatures. The fasteners for the exterior units are corrosion resistant. The rooftop units will not produce any vibration to the residential units.

Heating System Schedule						
apt.	Control	Type of unit	Warranty	Manufacture Date	Useful life (1)	Efficiency
2A	Digital	apt. 2A and 2B have one split ducted ac system with individual damper	10 years	2018	10 years	15 SEER
2B	Digital					
3	Digital	Duct Split	10 years	2018	10 years	15 SEER
4	Digital	Duct Split	10 years	2018	10 years	15 SEER
note: (1) useful life with proper maintenance						

The refrigerant pipes have Armaflex refrigerant piping insulation. The thickness of the insulation is 3/8" with an R value of approximately 10.

1) First Floor Commercial unit:
   (a) Store A (Olivino wines)
      (i) Cooling/Heating Capacity: 18,000 btu/h
      (ii) Manufacture: Ductless Aire
      (iii) Model number of compressor: DA1813-5230/0
      (iv) Location of compressor: 1st floor roof
   (b) Store B
      (i) Cooling Capacity: 18,000 Btu/h
      (ii) Heating Capacity: 19,800 Btu/h
      (iii) Manufacture: GREE
      (iv) Model number of compressor: VIR18HP230V1BO
      (v) Location of compressor: 1st floor roof
2) Residential units
   (a) Apt. 2A& Apt. 2B
      (i) Indoor unit: Single dual zone unit for both apartments located in a closet in the rear apartment. Air flow supplied through ductwork.
      (ii) Heating Capacity: 30,000 btu/h

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(iii) Manufacture: RHEEM

(iv) Model number of air handler: RH1P3017STANJA

(v) Model number of compressor: RP1530BJ1NA

(b) Apt. 3

(i) Indoor unit: Ceiling mounted dual zone unit.

(ii) Heating capacity: 30,000 btu/h

(iii) Manufacture: RHEEM

(iv) Model number of air handler: RH1P3017STANJA

(v) Model number of compressor: RP1530BJ1NA

(c) Apt. 4

(i) Indoor unit: two (2) indoor units

(ii) Heating Capacity: 36,000 btu/h

(iii) Manufacture: Luxaire

(iv) Model number of air handler: AP24BBA21

(v) Model number of compressor: TH4B24215

3) Boiler: No boiler.

4) Oil Tank: No Oil Tank.

5) Hot Water Heating: Hot water is supplied to the dwelling units via a newly installed Performance High Demand 75 gallon hot water heater rated at 75,100 Btu/Hr. Hot water heater specifications are indicated in the following chart.

Hot Water Heater Schedule						
Size	Rating	Manufacture	Model #	Warranty	Fuel	Efficiency
75 Gallon	75,100 btu/h	Rheem	XG75T06ST76UO	6 YEARS	N.G.	80%

L. Gas Supply: Gas is supplied by a 2" gas line from Consolidated Edison of New York (Con Edison), a regulated utility. The 2" main from Marcus Garvey Blvd enters below the sidewalk and through the cellar/ground wall to the main meter in the cellar.

1) Type: ConED

2) Meters: Located in the Cellar

3) Piping: Black iron, existing.

M. Air conditioning.. The cooling is achieved by use of existing split system units, with air handlers either ceiling mounted or floor mounted within the residential units and condensers mounted on a rooftop steel dunnage rack. The fasteners for the exterior units are corrosion resistant. The rooftop units will not produce any vibration to the residential units. Design internal temperature = 78°F and outside design temperature = 90°F. Cooling system is adequate to maintain comfortable conditions. See the summary of Cooling Loads and calculations attached. (Attachment 1)

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Summary of Cooling Loads		
Location	Cooling load required	Cooling load supply
2nd floor	24493	30000
3rd floor	24836	30000
4th floor	27078	36000

Split system description is in the following chart:

Cooling System Schedule						
apt.	Control	Type of unit	Warranty	Manufacture Date	Useful life (1)	Efficiency
2A	Digital	apt. 2A and 2B have one split ducted ac system with individual damper	10 years	2018	10 years	15 SEER
2B	Digital					
3	Digital	Duct Split	10 years	2018	10 years	15 SEER
4	Digital	Duct Split	10 years	2018	10 years	15 SEER
note: (1) useful life with proper maintenance						

The refrigerant pipes have Armaflex refrigerant piping insulation. The thickness of the insulation is 3/8" with an R value of approximately 10.

1) First Floor Commercial unit:
   (a) Store A (Olivino wines)
      (i) Cooling/Heating Capacity: 18,000 btu/h
      (ii) Manufacture: Ductless Aire
      (iii) Model number of compressor: DA1813-5230/0
      (iv) Location of compressor: 1st floor roof
   (b) Store B
      (i) Cooling Capacity: 18,000 Btu/h
      (ii) Heating Capacity: 19,800 Btu/h
      (iii) Manufacture: GREE
      (iv) Model number of compressor: VIR18HP230V1BO
      (v) Location of compressor: 1st floor roof
2) Residential units
   (a) Apt. 2A& Apt. 2B
      (i) Indoor unit: Single dual zone unit for both apartments located in a closet in the rear apartment. Air flow supplied through ductwork.
      (ii) Cooling Capacity: 30,000 btu/h

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(iii) Manufacture: RHEEM

(iv) Model number of air handler: RH1P3017STANJA

(v) Model number of compressor: RP1530BJ1NA

(b) Apt. 3

(i) Indoor unit: Ceiling mounted dual zone unit.

(ii) Cooling Capacity: 30,000 btu/h

(iii) Manufacture: RHEEM

(iv) Model number of air handler: RH1P3017STANJA

(v) Model number of compressor: RP1530BJ1NA

(c) Apt. 4

(i) Indoor unit: two (2) indoor units

(ii) Cooling Capacity: 36,000 btu/h

(iii) Manufacture: Luxaire

(iv) Model number of air handler: AP24BBA21

(v) Model number of compressor: TH4B24215

N. Ventilation

1) Public Spaces - Natural ventilation

(a) Lobby: Entry Door

(b) Public stairs/hall: Ventilated skylight

2) Residential Units

(a) Kitchens: Ventilation is provided by means of windows. The exhaust hoods are ducted and vented through the roof.

(b) Bathrooms: All bathrooms and toilet rooms are ventilated by mechanical means with an air exhaust of 50 cfm, which is above the minimum code requirement. Ventilating systems are existing and fully operational and venting is assumed to the outside.

(c) Fireplaces – None

(d) Other: Some spaces (closets, etc.) are not provided with ventilation. None is required by code.

(e) All the apartments in this building are ventilated by natural ventilation, except the toilet exhaust fans, which are approximately 2 sones.

3) Cellar: The cellar is ventilated by natural ventilation. The boiler room has a louver to the adjacent space in the cellar. The space is large enough to meet the ventilation requirement for the hot water heaters and boiler.

O. Electrical System

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1) **Electric Supply and Metering**: Con Edison conduit runs from the main under Marcus Garvey Blvd to an 400 Amp, 208Y/120V, 3-pahse, 4-wire end box located on the cellar wall in the meter room. ConEd End Box serves nine (9) service disconnect switches. Landlord service rated for 60 Amp. Each apartment is metered by separate ConEd meter. Condo 1 service disconnect is rated for 60Amp, 208Y/120/208V, 1-pahse, 3-wire fused at 60Amp. Condos 2A,2B,3 and 4 each are served with service disconnect switches rated for 60Amp, 208Y/120/208V. Electric service is 100 Amp. Each condo includes panel board with a main disconnect switch located inside the condo and serves the condo. Landlord service serves lighting and power in common spaces.

2) **General Description:** The electrical system to the meters is serviced and maintained by the utility company. See Utilities section III D. The service is in good condition.

   (a) No other sources of electric power are provided to the building.

   (b) Adequacy - Electrical service is believed adequate to serve current load demands. An increase in building service may be required if apartment renovations are undertaken that increase the number and type of equipment and appliances.

3) **Electrical Systems**

   (a) Main service POE is located on Marcus Garvey Blvd., ConEd service End Box provides for 400A, 208Y, 120V, and 3-Phase service for the entire building. There are various wire sizes that appear to be sized per NEC and NYC electrical code. The wire material that was visible is copper cable with metal jacket. Wires are assumed to be copper throughout the building. The electrical design and the installation of the wire appears to comply with 2014 NYC Building Code, 2014 NYC Electrical Code and NFPA 70.

   (b) Each tenant apartment is served by a 100A, 1-phase circuit breaker panel. The latest panel schedule below:

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Panel schedule for 2A on 2nd floor									
wire size	Circuit #	Description	Load V-A (W)	Circuit brakers	Circuit breakers	Load V-A (W)	Description	Circuit #	wire size
12	1	Bedroom	100	20	20	100	Living room	2	12
12	3	Bathroom light	100	20	20	100	kitchen light	4	12
12	5	dishwasher	1500	20	20	100	living room	6	12
12	7	kitchen outlet	200	20	20	100	living room	8	12
12	9	smoke alarm	100	20	20	100	kitchen outlet	10	12
12	11	range	100	20	20	500	Refrigerator	12	12
12	13	washer	500	20	20	250	dryer	14	10
12	15	ac indoor 208V2.5A	520	20	30	3120	Heatpump 208V15A	16	8
	17							20	
	19							20	
	21							22	
	23							24	
	25							26	
	27							28	
	29							30	
	31							32	
	XXXXXXXX	Total W	3120			4370			
		space for 2-1p or 1-2 pole					space for 1-2p or 2-1 pole		

Panel Data
main, GND. BUS: 200A MNS., 100 A GND. BUS
W: 7490
A 62.4
Branch c/b INT. CAP. AMP. 10,000
Mounting -recess
A WITH 65% DIVERSITY
A= 40.57

Panel schedule for 2B on 2nd floor									
wire size	Circuit #	Description	Load V-A (W)	Circuit brakers	Circuit breakers	Load V-A (W)	Description	Circuit #	wire size
12	1	Bedroom	100	20	20	100	Living room	2	12
12	3	Bathroom light	100	20	20	100	kitchen light	4	12
12	5	dishwasher	1500	20	20	100	living room	6	12
12	7	kitchen outlet	200	20	20	100	living room	8	12
12	9	smoke alarm	100	20	20	100	kitchen outlet	10	12
12	11	range	100	20	20	500	Refrigerator	12	12
	13			40	20	250	dryer	14	12
	15			40	20	500	washer	16	12
	17				30			20	
	19				30			20	
	21							22	
	23							24	
	25							26	
	27							28	
	29							30	
	31							32	
	XXXXXXXX	Total W	2100			1750			
		space for 2-1p or 1-2 pole					space for 1-2p or 2-1 pole		

Panel Data
main, GND. BUS: 200A MNS., 100 A GND. BUS
W: 3850
A 32.1
Branch c/b INT. CAP. AMP. 10,000
Mounting -recess
A WITH 65% DIVERSITY
A= 20.85

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Panel schedule for 3rd floor

wire size	Circuit #	Description	Load V-A (W)	Circuit brakers	Circuit breakers	Load V-A (W)	Description	Circuit #	wire size
12	1	washer	500	40	20	100	Kitchen outlet	2	12
12	3	spare	0	40	20	500	Refridgerator	4	12
12	5	bedroom light	100	20	20	100	Living Room	6	12
12	7	bedroom outlet	100	20	20	100	Living Room	8	12
12	9	bathroom light	100	20	20	100	Living Room	10	12
12	11	Living room outlet	100	20	20	100	Bedroom	12	12
10	13	Living Room Light	100	20	20	250	bathroom	14	12
10	15	range	100	20	20	100	bedroom	16	12
12	17	smoke alarm	20	20	30	250	Dryer	18	12
	19	A/C Indoor 208V-2.5A	520	20	30	1500	dishwasher	20	12
	21			20	20	100	Kitchen counter	22	12
12	23	Counter outlet		20	20	50	Hood	24	12
8	25	Heatpump 208V-18A	3744	30	20	0	Spare	26	12
	27			30	20			28	
	29							30	
	31							32	
	XXXXXXXX	Total W	5384			3250			
		space for 2-1p or 1-2 pole					space for 1-2p or 2-1 pole		

Panel Data
main, GND. BUS: 200A MNS., 100 A GND. BUS
W: 8634
A 72.0
Branch c/b INT. CAP. AMP. 10,000
Mounting -recess
A WITH 65% DIVERSITY
A= 46.77

Panel schedule for 4th floor

cable size	Circuit #	Description	Load V-A (W)	Circuit brakers	Circuit breakers	Load V-A (W)	Description	Circuit #	cable size
12	1	Kitchen outlet	100	40	20	100	Light	2	12
12	3	Smoke Alarm	20	40	20	100	Bedroom outlet	4	12
12	5	Front Room	100	20	20	100	Kitchen Hood	6	12
12	7	Bedroom outlet	100	20	20	1500	Dish Washer	8	12
8	9	Heatpump 208V-14A	2912	40	20	100	Bedroom light	10	12
	11			40	20	100	Living Room	12	12
10	13	Indoor unit	520	20	20	250	Living Room	14	12
12	15		0	20	30	374	ac indoor 208V-1.8A	16	8
12	17	Range	100	20	30			18	
10	19	Indoor unit	520	50	20	100	Bedroom outlet	20	12
	21			50	20	100	Refridgerator	22	12
12	23	Dinning Room		20	30	500	Washer	24	10
12	25	Kitchen outlet	100	20	30	250	dryer	26	12
	27	Light	100	20	20			28	
	29							30	
	31							32	
	XXXXXXXX	Total W	4572			3574			
		Total W			8146				
		space for 2-1p or 1-2 pole					space for 1-2p or 2-1 pole		

Panel Data
main, GND. BUS: 200A MNS., 100 A GND. BUS
W 8146
A 67.9
Branch c/b INT. CAP. AMP. 10,000
Mounting -recess
A WITH 65% DIVERSITY
A= 44.12

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4) **Lighting and Fixtures Within Units**

(a) Light fixture switches are provided in all habitable spaces.

(b) **Second Floor Front Unit**

(i) Living Room / Dining Room – Six recessed down lighting fixtures.

(ii) Kitchen – Three ceiling mounted pendant fixtures.

(iii) Bathroom – Recessed down lighting & wall mounted lighting above medicine cabinet.

(iv) Bedroom – One surface mounted ceiling fixture.

(c) **Second Floor Rear Unit**

(i) Living Room / Dining Room – Three recessed down lighting fixtures.

(ii) Kitchen – Three ceiling mounted pendant fixtures.

(iii) Bathroom – Recessed down lighting & wall mounted lighting above medicine cabinet.

(iv) Bedroom – One surface mounted ceiling fixture.

(v) Study – One ceiling mounted pendant light.

(vi) Entry Hall – One surface mounted ceiling fixture.

(d) **Third Floor Unit**

(i) Living Room / Dining Room – Nine recessed down lighting fixtures.

(ii) Kitchen – Six recessed down lighting fixtures.

(iii) Bathrooms – Recessed down lighting & wall mounted lighting above medicine cabinet.

(iv) Bedrooms – One ceiling mounted pendant fixture.

(v) Master Bedroom – Two surface mounted ceiling fixtures.

(vi) Pantry – One surface mounted ceiling light.

(vii) Laundry – One surface mounted ceiling fixture.

(viii) Storage – One surface mounted ceiling fixture.

(e) **Fourth Floor Unit**

(i) Living Room / Dining Room – Three recessed down lighting fixtures and three surface mounted ceiling fixtures.

(ii) Kitchen – Six recessed down lighting fixtures.

(iii) Bathrooms – Recessed down lighting & wall mounted lighting above medicine cabinet.

(iv) Bedrooms – One ceiling mounted pendant fixture.

(v) Master Bedroom – Two surface mounted ceiling fixtures.

(vi) Pantry – One surface mounted ceiling light.

(vii) Laundry – One surface mounted ceiling fixture.

(viii) Storage – One surface mounted ceiling fixture.

P. Intercommunication and/or door signal system

1) **Intercommunications Systems**

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(a) Intercom: The existing intercom system will be removed and replaced with a new video intercom system. The new system will be the CAT5 Building Video Intercom System as manufactured by BEC Integrated Solutions and consist of a lobby access panel and a five inch color monitor in each apartment. The intercom system comes with a one year warranty and lifetime tech support.

(b) Telephone System

(i) Utility: See "Utilities" above.

(ii) Telephone equipment: TBD

(iii) Billing: Individual bills are submitted to each subscriber by the utility company.

(iv) Condition: New

(c) Television System

(i) Master antennae: None

(ii) Cable TV: Provided by TBD

(iii) Billing: Individual bills are submitted to each subscriber by TBD

(iv) Condition: New

(d) Closed Circuit Television (CCTV): None

Q. Public Area lighting:

1) General: Ceiling mounted fixtures in the public halls, lobbies and stairs to provide proper and code compliant illumination.

2) Common area lighting:

(a) Vestibule: Ceiling mounted pendant fixture.

(b) Public stairs and halls: Ceiling mounted pendant fixture at entry hall and recessed down lighting fixtures throughout the public stairs and halls.

3) Utility & storage room lighting: fluorescent fixtures.

4) Convenience outlets - An adequate distribution of outlets, receptacle switches, etc. are provided.

R. Parking Garage: There is no Parking Garage.

S. Swimming Pool(s): No pools on the property.

T. Tennis court(s): No tennis courts on the property.

U. Permits and certificates:

1) Planned interior changes at the third and fourth floors have been filed with the NYC Department of Buildings. Alt 2 application #340584647. Refer to Section B.4(e) for additional information on this application.

2) Planned interior changes and new window installation at the second floor rear apartment will require issuance of work permits upon filing and approval of an application with the NYC Department of Buildings. Refer to Section B.4(h) for additional information.

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3) Planned removal and replacement of the residential entry door will require issuance of work permits upon filing and approval of an application with the NYC Department of Buildings. Refer to Section B.4(i) for additional information.

4) Bi-annual recurring inspections will be required for the fire suppression system for the commercial kitchen exhaust hood filed under NYC Department of Buildings Alt 2 application #321686975. No other recurring inspections are required for the premises.

V. Violations: There is one open violation on this property, Violation #V 040618LBLVIO11588, relating to annual boiler inspection report. The sponsor will cure any outstanding violation ns prior to the closing.

W. Unit Information:

1) General: Four (4) apartments. The location, type of unit, individual floor plans with room designations and dimensions, and floor areas of each are indicated on the unit plans and Schedule A included in the Offering Plan and as follows:

(a) Second Floor Front Unit: One bedroom unit with Kitchen and Great Room (Living and Dining areas). Laundry located at closet in hallway.

(b) Second Floor Rear Unit: Two bedroom unit with Kitchen and Great Room (Living and Dining areas).

(c) Third and Fourth Floor Units: Three bedroom units with two bathrooms, Living Room, Eat-in Kitchen, Pantry, Laundry Closet and Storage Room.

2) Unit Sizes- See Plans

3) Method of measuring

(a) Each unit is measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted); to the centerline of the interior walls that separate a unit from public corridors, stairs and other mechanical and electrical spaces or any common or limited common element; to the centerline of demising partitions separating one unit form another. Each unit is measured vertically from the top of the subfloor (located under the finished flooring of the unit) to the underside of the floor framing of the unit located on the floor above.

(b) Ceiling Heights: Heights vary from floor to floor, with no height being less than 8'-9½".

4) Schedule of Unit Finishes: At the time of inspection all residential units were vacant. Minor interior renovations are proposed for the 3rd and 4th floor apartments. A total of 4 units were inspected. Following are the typical existing/proposed finishes and equipment in the units.

5) Living/Sleeping/Hallways

(a) Floor finish:

(i) Second floor units: new Mayflower – 5/16" x 5" Chase Oak – prefinished quick click engineered flooring with 10 year manufacturer's warranty.

(ii) Third and fourth floors: new Bellawood 3/4" x 3-1/4" rustic iron maple prefinished solid hardwood flooring with 100 year residential warranty.

(b) Walls: Wall finishes are existing white painted gypsum board and exposed brick.

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(c) Wall base: Painted wood base

(d) Ceiling finish: Ceiling finish is existing white painted gypsum board.

(e) Doors and Window casings/trim:

(i) Doors: Painted solid core

(ii) Window casing: Painted wood

(f) Condition: Good

6) Kitchens

(a) Floor finish: Wood floors

(b) Wall finish: White painted gypsum board, exposed brick and white subway tile backsplash in good condition.

(c) Ceiling finish: Painted white gypsum board ceiling in good condition.

(d) Appliances:

(i) Refrigerator:

1. Second Floor Front:

New Fisher & Paykel 13.5 cu. ft. counter depth, bottom freezer refrigerator with external water dispenser and ice maker with 1 year manufacturer's warranty and 3 year extended warranty past the manufacturer's warranty. Model #RF135BDRUX4

2. Second Floor Rear:

New SMEG 11.7 cu. ft. counter depth, bottom freezer refrigerator with wine rack. 1 year manufacturer's full warranty and 5 year limited extended warranty past the manufacturer's warranty. Model #FAB32U

3. Third Floor:

New GE 20.8 cu. ft. Energy Star French door refrigerator with 1 year manufacturer warranty and 3 year extended warranty past the manufacturer's warranty. Model #GNE21FMK/FSK

4. Fourth Floor:

New Bertazzoni 21 cu. ft. counter depth French door refrigerator with limited 2 year manufacturer warranty and 3 year extended warranty past the manufacturer's warranty. Model #REF36X

(ii) Cooking range with oven:

1. Second Floor:

a. Condo 2F: New Thor Kitchen Professional 30" free standing gas range with 2 year manufacturer warranty and 5 year extended warranty past the manufacturer's warranty. Model #LRG3001U

b. Condo 2R: New DCS 36" free standing gas range with 5 year extended warranty past the manufacturer's warranty. Model #RGV366N

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2. Third Floor:

    a. New Thor Kitchen Professional 30" free standing gas range with 2 year manufacturer warranty and 5 year extended warranty past the manufacturer's warranty. Model #LRG3001U

3. Fourth Floor:

    a. New Superiore 36" free standing gas range with 4 burners and griddle, 2 year manufacturer warranty and 5 year extended warranty. Model #UXLP90F

(iii) Stainless sink

(iv) Dishwasher:

1. All Floors:

    New Bosch 300 series 24" dishwasher with 44dBA quiet level, 5 wash cycles & front controls – stainless steel with 1 year manufacturer's warranty and 3 year extended warranty past the manufacturer's warranty. Model #SHEM63W55N

(e) Cabinets: Provided by Owner - Wood

(f) Countertops: 1-1/4" thick simulated stone

7) Bathrooms:

(a) Floor finish:

(i) Ceramic tile with matte finish

(b) Wall Finish:

(i) Ceramic tile wainscot to 3'-10" high

(ii) Full height ceramic tile at tub and shower locations

(c) Ceiling finish: Painted gypsum board, white – flat finish

(d) Plumbing fixtures -- The following fixtures are provided in each apartment.

(i) Water closet

(ii) Lavatory

(iii) Bathtub: in second floor front apartment and guest bathrooms in third and fourth floor apartments.

(iv) Shower: in second floor rear apartment and Master bathrooms in third and fourth floor apartments.

(v) All existing bathroom fixtures are in good condition.

(e) Bathroom lighting:

(i) All bathrooms provided with recessed lights and vanity sconce.

X. Finishes of Spaces Other Than Units

1) Vestibule

(a) Floor finish: Ceramic tile

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(b) Wall finish: Painted gypsum board

(c) Ceiling finish: Painted gypsum board

(d) Lighting: surface mounted pendant decorative lighting

(e) Condition: Good

2) Main entry lobby

(a) Floor finish: Ceramic tile

(b) Wall finish: Painted gypsum board

(c) Ceiling finish: Painted gypsum board

(d) Lighting: Recessed lighting and pendant decorative light

(e) Condition: Good

3) Corridors

(a) Floor finish: Ceramic tile

(b) Wall finish: Painted gypsum board

(c) Ceiling finish: Painted gypsum board

(d) Condition: Good

4) Building Manager's Office – None

Y. Safety and Warning Devices: Operable, hard wired, smoke detector and carbon-monoxide detectors have been provided in each apartment as required. There is no fire alarm central station installed in the building.

Z. Additional Information

AA. Non-adequate visual examination: In the event that certain conditions in the building cannot be adequately evaluated by a visual exam, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure.

BB. Further Development: No additional units are planned to be added to the building.

CC. Asbestos: Asbestos report to be forwarded.

DD. Lead Based Paint: There are no records or reports to show that the building does not have lead paint. It is safe to assume that when the building was built lead based paint was used and exists in this building.

END

The foregoing constitutes a true, correct, and complete Description of Property by our firm for the property located at 320 Macon Street, Brooklyn, NY.

_____

Angelo Costa, R.A.

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Exhibit "5"

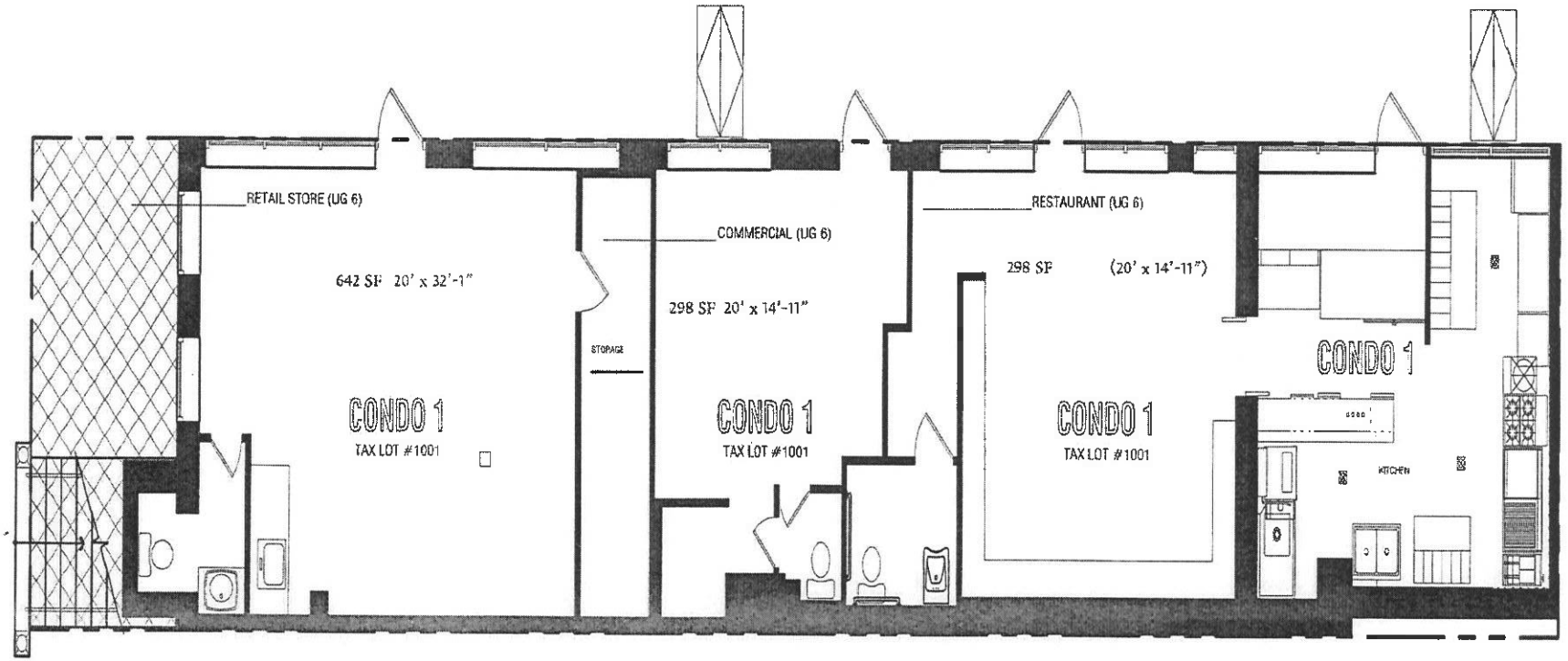
FLOOR PLANS

LEGEND:

GENERAL COMMON ELEMENTS

LIMITED COMMON ELEMENT

MARCUS GARVEY BLVD



1 / A-05 **FIRST FLOOR PLAN**

Not to Scale

FIRST FLOOR	(1,822 S.F. GROSS)
	AREA
COMMERCIAL UNIT 1:	1,822 S.F.
OUTDOOR GENERAL COMMON ELEMENT:	178 S.F.

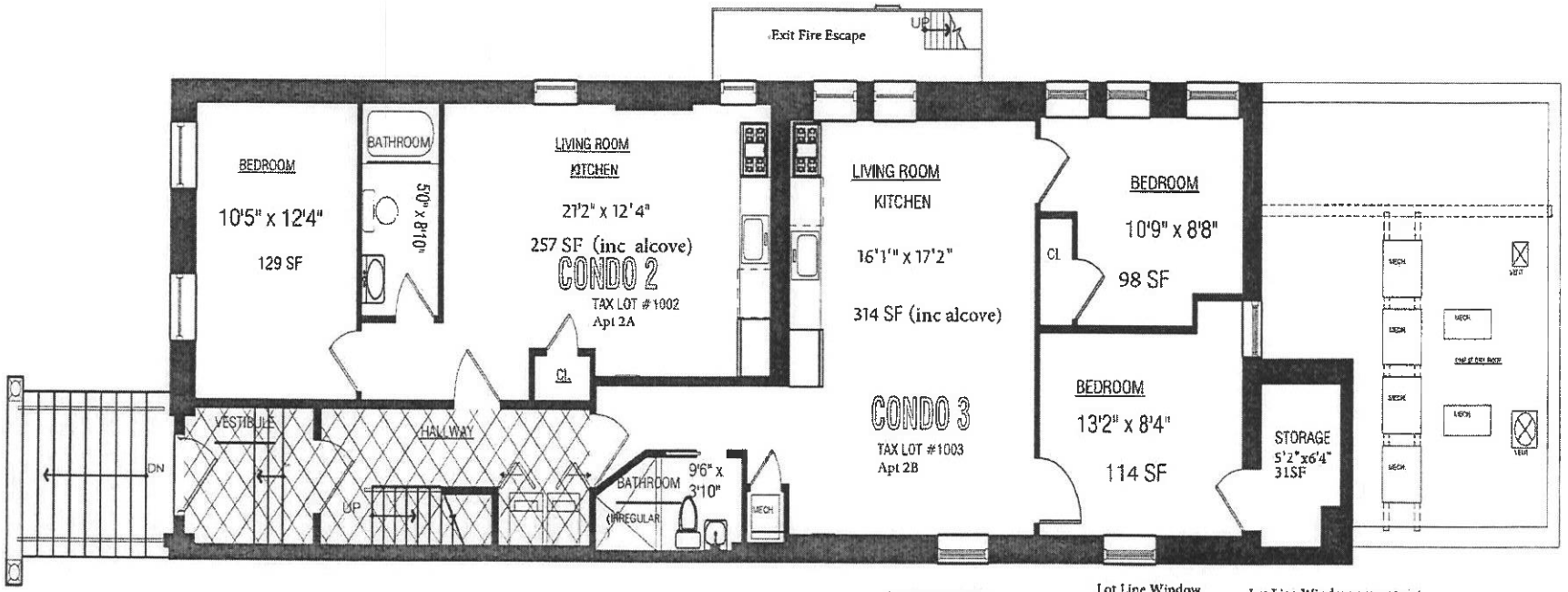
LEGEND:

GENERAL COMMON ELEMENTS

LIMITED COMMON ELEMENT

DIMENSIONS SHOWN ARE FROM INTERIOR FACE OF WALLS

MARCUS GARVEY BLVD



1
A-06

SECOND FLOOR PLAN

Not to Scale

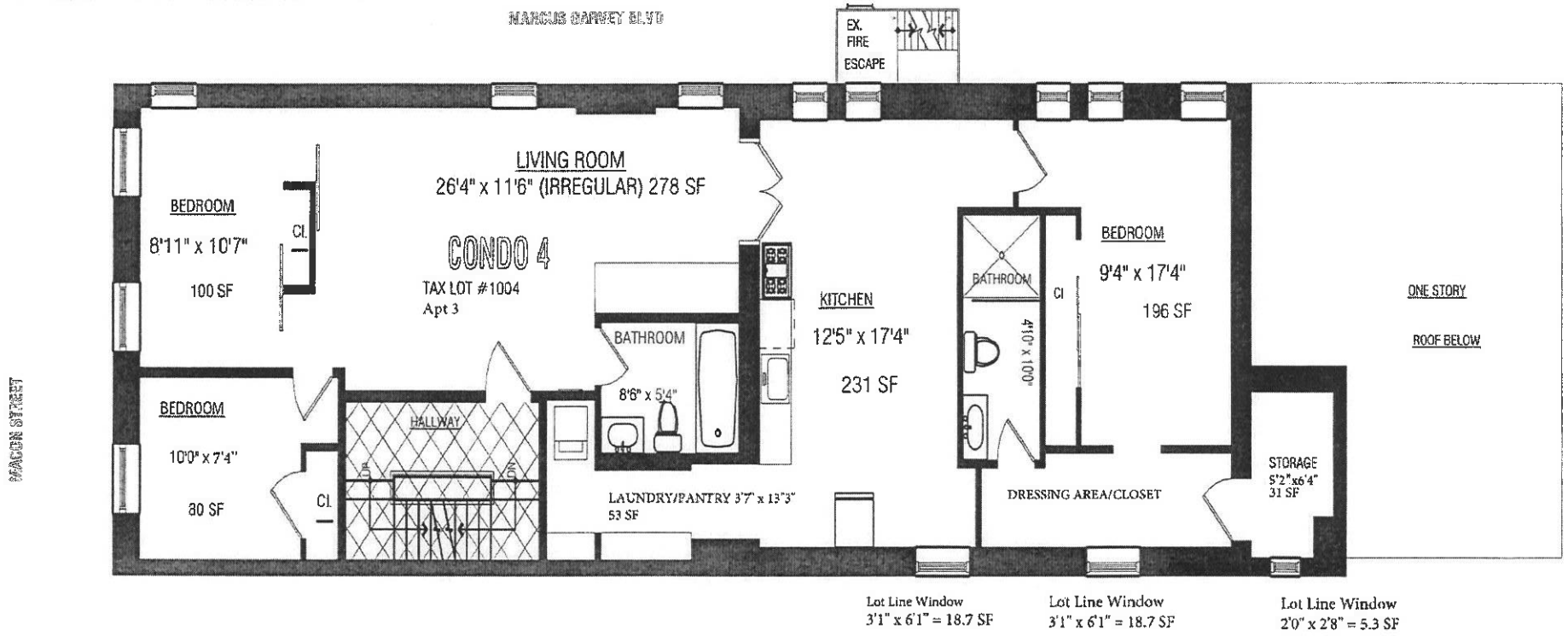
SECOND FLOOR	(1,471 S.F. GROSS) AREA
RESIDENTIAL UNIT 2: Denominated Apt 2A	524 S.F.
RESIDENTIAL UNIT 3: Denominated Apt 2B	770 S.F.
GENERAL COMMON ELEMENT:	177 S.F.

LEGEND:

GENERAL COMMON ELEMENTS

LIMITED COMMON ELEMENT

DIMENSIONS SHOWN ARE FROM INTERIOR FACE OF WALLS



1 / A-07 **THIRD FLOOR PLAN**

Not to Scale

THIRD FLOOR	(1,471 S.F. GROSS) AREA
RESIDENTIAL UNIT 4 Denominated Apt 3:	1,380 S.F.
GENERAL COMMON ELEMENT:	91 S.F.

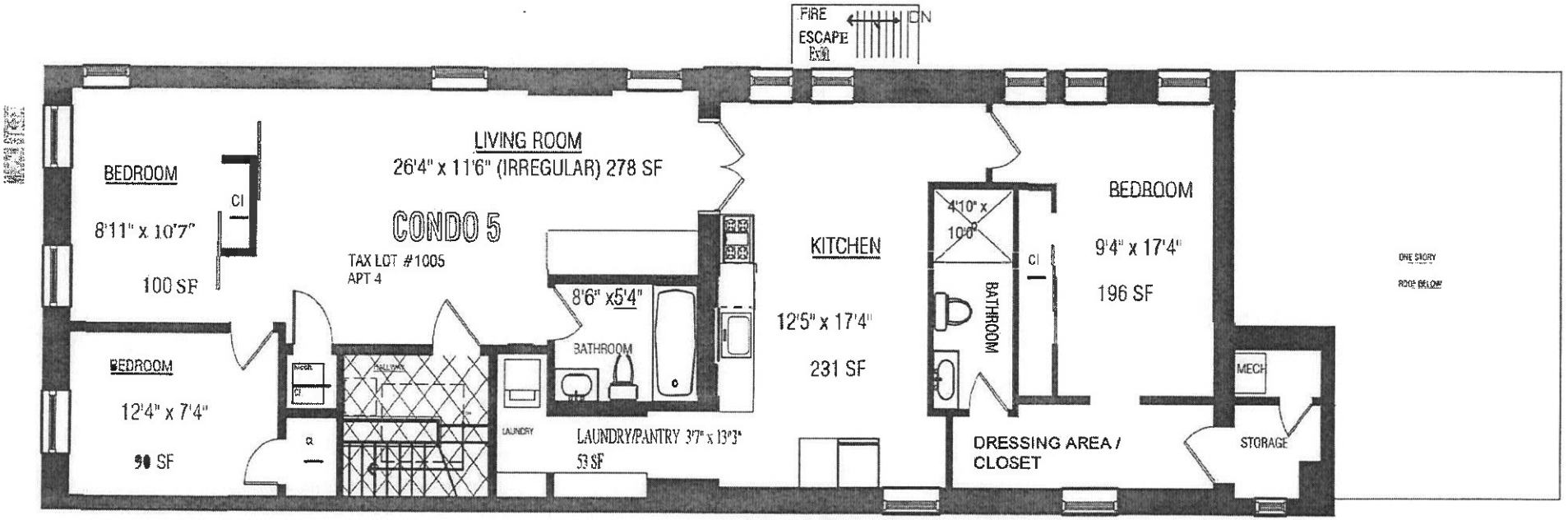
LEGEND:

GENERAL COMMON ELEMENTS

LIMITED COMMON ELEMENT

DIMENSIONS SHOWN ARE FROM INTERIOR FACE OF WALLS

MARCUS GARVEY BLVD



Lot Line Window
3'1" x 5'0" = 15.4 SF

Lot Line Window
3'1" x 5'0" = 15.4 SF

Lot Line Window
2'0" x 2'8" = 5.3 SF

1 / A-08 **FOURTH FLOOR PLAN**
not to scale

FOURTH FLOOR	(1,471 S.F. GROSS) AREA
RESIDENTIAL CONDO UNIT 5 APT 4:	1,405 S.F.
GENERAL COMMON ELEMENT:	66 S.F.

Exhibit "6"

CONDOMINIUM DECLARATION

DECLARATION
Establishing a Plan for Condominium Ownership
of the Premises known as
320 Macon Condominium
320 Macon Street
Brooklyn, New York 11216
Pursuant to Article 9-B of the Real Property
Law of the State of New York

Declarant:
320 Macon GP LLC
7 Penn Plaza, Suite 1400
New York, New York 10001

Date of Declaration: _____, 20___

The land affected by the within instrument lies in
Block 1853, formerly known as Lot 42,
now known as Lots_____
on the Tax Map of the Borough of Brooklyn, City of New York

Attorney for Declarant:

Lewis C. Taishoff, Esq.
Rm 28-047, 85 Broad Street
New York, NY 10004

This version is subject to modification and is for informational purposes only. Purchasers should rely upon the recorded Declaration and By-Laws once the offering plan is consummated.

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C — DEFINITIONS
D — BY-LAWS OF THE CONDOMINIUM
E — UNIT POWER OF ATTORNEY

DECLARATION
OF
320 MACON CONDOMINIUM
(Pursuant to Article 9-B of the Real Property Law
of the State of New York)

320 Macon GP LLC, a New York limited liability company, having an office at 7 Penn Plaza, Suite 1400, New York, New York 10001 ("Declarant"), does hereby declare as follows:

ARTICLE 1
DEFINITIONS

All capitalized terms used in this declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used will otherwise require.

ARTICLE 2
SUBMISSION OF THE PROPERTY

2.1 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 all other property, real, personal or mixed, intended for use 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 condominium to be known as "320 Macon Condominium" (the "Condominium").

2.2 Attached to this Declaration 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 (said by-laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

2.3 Excluded from the Property are any Excess Development Rights (as hereinafter defined) which shall be retained by Declarant, which Excess Development Rights may be utilized by Declarant and merged into a zoning lot pursuant to the terms a zoning lot development agreement ("ZLDA"). The Board and the Unit Owners shall be authorized to, and, upon the

request of Declarant, shall be obligated, to execute and deliver any documents or applications reasonably required in connection with a merger, ZLDA or the transfer of the Development Rights.

ARTICLE 3
THE LAND

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the County of Kings, City and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute.

ARTICLE 4
THE PROPERTY

Included in the Property described in Article 2 is a building (the "Building") consisting of 4 Residential Units and 1 Commercial Unit, in addition to the lobby, vestibules and other service, utility and mechanical areas.

ARTICLE 5
THE BUILDING

The Building is a 4-story structure above grade (including roof level), with a cellar. The Building is Class 3, non-fireproof construction. The structure of the Building consists of fireprotected wood frame floors with masonry and brick exterior walls, and stone masonry foundation walls.

ARTICLE 6
THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) approximate location in the Building; (iv) approximate square foot area; (v) number of rooms; (vi) the percentage interest in the General Common Elements appurtenant to such Unit; and (vii) type of use. The location of each Unit is shown on the Tax Lot Drawings of the Building certified by Meltzer/Costa & Associates, and intended to be approved by the New York City Department of Finance, Division of Land Records, Tax Map Unit and recorded in the City Register's Office following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for, the front entrance door and any other entrance doors to the Unit including doors (including, without limitation, all locks, peepholes, doorknobs and hardware), hallway exclusively serving such Unit, the interior walls, partitions, floors and floor coverings and ceilings affixed, attached or appurtenant to the Unit, smoke/carbon monoxide detectors, window panes, fireplace, firebox, dampers, mantel and flue, all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), all plumbing, gas and heating fixtures and equipment, including but not limited to, refrigerators, dishwashers, washers and dryers, heating, ventilating and air conditioning Units (including the fans inside the Units), heating equipment, ranges and other appliances, sinks, bathtubs, waterclosets and all other Facilities

as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shutoff valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, water spigots, and any special pipes or equipment which a Unit Owner may install within the walls, ceilings, or floors, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless such installations were made by the Unit Owner after the Unit Owner acquired title to the Unit, in which event Unit Owner shall be responsible for such installations. Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit, and any special equipment, fixtures or facilities affixed, attached or appurtenant to the Unit, to the extent located within a Residential Unit from the electrical panel (including electrical branch wiring but excluding electrical service riders) and serving or benefiting only that Unit. Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-Laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, 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 (with respect to Residential Units) 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 consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

6.3 The Commercial Unit includes, in addition to the items listed in Section 6.2 above, to the extent located in such Commercial Unit, and the Commercial Unit Owner shall be responsible for, any staircase, freight or entrance, driveway, ramp, canopy and all related Facilities servicing such Commercial Unit exclusively including, outdoor signage for such Commercial Unit, the exterior side of all windows in or opening from such Commercial Unit.

6.4 Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.5 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

6.6 Dimensions of Units. Each Unit is measured horizontally from the exterior face of the exterior walls (perimeter mechanical pipes are not deducted); to the centerline of the interior walls that separate a Unit from public corridors, stairs and other mechanical and electrical spaces or any Common or Limited Common Element; to the centerline of demising partitions separating one Unit from another. Each Unit is measured vertically from the top of the subfloor (located under the finished flooring of the Unit) to the underside of the floor framing of the Unit located on the floor above.

ARTICLE 7
THE COMMON ELEMENTS

7.1 The common elements of the Condominium (the "Common Elements") consist of the General Common Elements and the Limited Common Elements (as hereinafter defined). The "General Common Elements" include, but not are not limited to the Land all parts of the Building and improvements thereon other than the Units and the Limited Common Elements and include those rooms, areas, corridors, spaces and other parts of the Building and all Facilities (defined below) therein for the common use of the 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 that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners (in which event they are called "Residential Common Elements"), (or (b) the Commercial Unit or the Commercial Unit Owners (in which event they are called "Commercial Common Elements").

7.2 The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (except to the extent included as a Limited Common Element or part of any Unit), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include (if any):

(i) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto, except for the Excess Development Rights.

(ii) All roofs, including, without limitation, the main Building roof and the second floor setback roof.

(iii) all foundations, footings, columns, girders, floors and ceilings (except to the extent included as a Limited Common Element or part of any Unit), beams, supports, and interior load-bearing walls, together with the Building facade and other portions of the exterior walls of the Building beyond the Unit side of the concrete or brick structure of those walls.

(iv) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, television, communications, data and other mechanical and/or electrical systems, which service both the Residential Units and the Commercial Unit and/or both the Residential Common Elements and the Commercial Common Elements, to the extent that the same are not expressly included as a part of the Limited Common Elements or a Unit.

(v) Any telephone room, gas meter room or electrical room in the Building.

(vi) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

7.3 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include (if any):

(i) All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Residential Units, or part of the Commercial Unit, Commercial Common Elements, Commercial Limited Common Elements, or General Common Elements.

(ii) residential lobby, exit corridors, mail room.

(iii) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or a Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element.

(iv) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements only.

(v) all portions of the Building and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to the existence, maintenance or safety of the Property, to the extent that the same are not expressly included as part of the General Common Elements or the Commercial Limited Common Elements or a Unit.

7.4 INTENTIONALLY OMITTED.

7.5 INTENTIONALLY OMITTED

7.6 The Commercial Common Elements consist of all portions of the Land and Building (other than the Units, the General Common Elements or the Residential Common Elements) that are for the use of the Commercial Unit to the exclusion of all other Units.

7.7 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

ARTICLE 8
DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

8.1 The undivided percentage interest of each Unit in the Common Elements is based upon 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).

8.2 The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Units at the date of this Declaration bear to the then aggregate Common Interests of all of the Residential Units in the Condominium.

ARTICLE 9
USE OF UNITS

9.1 As more particularly set forth in, and subject to the provisions of, the By-Laws, the Residential Units shall be used for residential purposes only (excluding "dormitory," "bed and breakfast" or other transient hotel-type use). A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, the federal or state government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof, may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or by such individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries and partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Residential Units.

Upon the prior written consent of Sponsor (1) (with respect to Unsold Residential Units) or the Condominium Board (with respect to sold Residential Units), any Residential Unit may be used for any other lawful purposes, subject, however, to (2) the terms and conditions of the then existing Certificate of Occupancy for the Building and the By-Laws, and (3) applicable Law.

9.2 The Commercial Unit may be used for any purpose permitted by Law, subject however to the provisions of the By-Laws, except that the Commercial Unit may not be used for (i) the sale rental or exhibition of pornographic material.

9.3 Intentionally Omitted.

9.4 Notwithstanding the foregoing or anything contained in the By-Laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law, and (3) lease any

Unsold Residential Unit to third parties for either long term or short term stays, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations.

ARTICLE 10
EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Subject to the terms of this Declaration, the By-Laws and the Residential Rules and Regulations, if applicable, Sponsor, the Unit Owners, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

10.2 Subject to the terms of the By-Laws and the Residential Rules and Regulations, if applicable, Sponsor, the Residential Unit Owners, Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Residential Common Elements, and the Residential Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Residential Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

10.3 The Commercial Unit Owner and its Permitted Users shall have the right and easement (i) for ingress and egress through all Common Elements for the purpose of accessing the Commercial Unit or any portion of the Building servicing such Commercial Unit, and (ii) to erect, maintain, repair and replace, from time to time, one or more signs, of such size and content as the Commercial Unit Owner shall determine, in the storefronts and windows of such Commercial Unit for the purpose of advertising the sale or lease of all or any portion of such Commercial Unit and the operation of any business of a Permitted User of all or any portion of such Commercial Unit. Additionally, the Commercial Unit Owner, and its Permitted Users shall each have an easement to use the sidewalks adjacent to such Commercial Unit for any purposes permitted by Law, including, without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks. Subject to Sponsor's prior written consent for so long as Sponsor owns any Unsold Unit, the Commercial Unit Owner shall have the right, but not the obligation, at such Unit Owner's sole cost and expense, to alter, modify, and/or restore the exterior facade of the Building appurtenant to such Commercial Unit (including storefronts and windows of such Commercial Unit) and to create additional means of egress and ingress, provided that such alterations, modifications and/or restorations are in compliance with Article 12.2 of this Declaration.

10.4 INTENTIONALLY OMITTED.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and

upon the General Common Elements and Residential Common Elements (including but not limited to, residential lobbies, hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Residential Units including, without limitation, the right 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.

10.6 In addition to all other easements and rights granted herein, Sponsor, the Commercial Unit Owner, the Managing Agent, and the Condominium Board and each of their respective Permitted Users, shall have an easement in, through and upon the roof for the purpose of accessing, utilizing, maintaining and replacing the mechanical equipment located thereon.

ARTICLE 11
OTHER EASEMENTS

11.1 Subject to the terms of the By-Laws and to the Residential Rules and Regulations, if applicable, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including any Common Elements located therein) shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section shall be exercised by the Condominium Board on behalf of all Unit Owners. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements contained therein and appurtenant thereto to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Condominium Board and/or Sponsor, and each of their Permitted Users, as the case may be, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than two days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building). Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Condominium Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, if applicable, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.2 Sponsor for so long as it shall own any Unsold Residential Unit, the Commercial Unit Owner with respect to a Commercial Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, the Commercial Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Unit Owners and their Permitted Users, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Commercial Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business or with the use of the Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected. In addition, Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building.

11.3 Sponsor and its Permitted Users for so long as Sponsor shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements in order to make alterations, additions, or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon the Unsold Residential Units and the Common Elements.

11.4 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

11.5 Sponsor, and its Permitted Users shall have an exclusive easement for so long as Sponsor owns an Unsold Unit to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or facade of the Building and elsewhere on the Common Elements and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to Sponsor. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof and/or the facade of the Building shall be the obligation of Sponsor and not of the Condominium, and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and its Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress,

egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Sponsor and any Development Rights Owner shall have an easement for ingress and egress through all of the Common Elements for any purpose in connection with Sponsor's or Development Rights Owner's utilization, sale or transfer of any Excess Development Rights, including without limitation (i) effecting a zoning lot merger or division; or (ii) creating a Combined Zoning Lot or any enlargement or subdivision thereof; or (iii) effecting a sale or transfer of Excess Development Rights in any manner permitted by Law.

11.7 Subject to the terms of the By-Laws, the Commercial Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Commercial Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes.

11.8 The Condominium and Building shall be designated and known as the 320 Macon Condominium. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building and any intellectual property relating thereto, including without limitation, any logos, marks, websites, trademarks, copyrights or names relating to or referring to the name of the Condominium or the Building, unless otherwise prohibited by Law. Only Sponsor shall have the right to change or assign the name of the Condominium. In addition, Sponsor shall have the right to utilize other names for the Building or portions thereof for marketing and promotional purposes without the consent of the Condominium Board or the Unit Owners. Sponsor shall have an exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace, from time to time, a plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as Sponsor desires in its sole discretion. Only Sponsor shall the right to remove the Plaque, unless mandated by Law.

11.9 If (a) any portion of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachment shall hereafter occur as a result of (i) the settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, or made by Sponsor in accordance with this Declaration or the By-Laws or (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 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.

11.10 Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Reserved Spaces, and to further license the Reserved Spaces, for any

lawful purposes including, but not limited to, advertising, storage or the operation, maintenance and alteration of the Reserved Space Installations and maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the operation, maintenance or alteration thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the use of the Units for their permitted purposes or block light or air to any Unit. The aforementioned easements may be used by Sponsor for its own account or the account of any designee, assignee, tenant, licensee or other transferee of Sponsor or any purpose permitted by Law, and shall remain in effect after the Control Period and after the Sponsor no longer owns any Units in the Building. Additionally, Sponsor has and shall retain the right to collect a fee for any such sublicenses or other usage fees in connection with the use of the Reserved Spaces and the Condominium shall not be entitled to any portion of such fees, compensation or other profits received by Sponsor. Any Reserved Space Installations placed upon or in the Reserved Spaces, including, without limitation, the Roof or Facade or elsewhere on the Common Elements by Sponsor or its designee, assignee, tenant, licensee or other transferee shall be the exclusive property of Sponsor, its designee, assignee, tenant, licensee or other transferee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. The aforementioned easements will not revert to the Condominium in the future and shall remain in perpetuity for the sole use and benefit of Sponsor for its own account or the account of any designee, assignee, tenant, licensee or other transferee of Sponsor or any purpose permitted by Law. In the event Sponsor utilizes its rights described above regarding the Reserved Spaces, Sponsor will continue to benefit from use of the Reserved Spaces even after Sponsor no longer owns any Units, and the Unit Owners will not have the right to use, license, lease or collect profits from such Reserved Spaces, which would have been otherwise available to Unit Owners, if not for Sponsor's use of such Reserved Spaces.

11.11 In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 12
ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND COMMERCIAL UNIT

12.1 Except to the extent prohibited by Law, Sponsor shall have the right, without the vote or consent or approval of the Condominium Board, other Unit Owners, Selling Agent, the Managing Agent or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units;

(b) change the layout of, or number of rooms in, any Unsold Residential Units;

(c) amend the Certificate of Occupancy for the Building as it relates to the Unsold Residential Units;

(d) change the size and/or number of Unsold Residential Units by (w) subdividing one or more Unsold Residential Units into two or more separate Residential Units, (x) combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, (y) altering the boundary walls between any Unsold Residential Units, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit; and

(e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size or number pursuant to the preceding clauses their Residential Common Interests and Residential Common Interest;

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Residential Unit:

(i) no physical modifications shall be made to any other Unit and the Common Interest and Residential Common Interest (other than Unsold Residential Units), as the case may be, or interior dimensions of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) Sponsor shall comply with Law and the terms of this Declaration and the By-Laws;

(iii) Sponsor shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing, however, the aggregate amounts of both the Common Interests of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest or Residential Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest and, if applicable, Residential Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of the Condominium Board, which permission shall not be unreasonably withheld, conditioned or delayed, any other Residential Unit Owner may be given with respect to such Residential Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interests appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Residential Unit has been based upon the factors set

forth in Article 8 hereof The certification referred to in the preceding sentence shall be delivered by the Residential Unit Owner or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

12.2 Except to the extent prohibited by Law, the Commercial Unit Owner shall have the right, without the consent or approval of the Condominium Board, the Unit Owners, Selling Agent, the Managing Agent, or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Unit (including, without limitation, to the storefronts and windows in such Commercial Unit);

(b) change the use or layout of, or number of rooms in the Commercial Unit;

(c) amend the Certificate of Occupancy for the Building as it relates to the Commercial Unit;

(d) change the size of the Commercial Unit by (w) subdividing the Commercial Unit into 2 or more separate Units, (x) combining 2 or more separate Units resulting from such subdivision into 1 or more Units, (y) altering the boundary walls of 2 or more separate Units resulting from such subdivision or combination, or

(z) otherwise; and

(e) if appropriate, reapportion among the Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon the Unit:

(i) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) the Commercial Unit Owner shall comply with Law; and the terms of this Declaration and the By-Laws;

(iii) the Commercial Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event of the subdivision of the Commercial Unit into separate Commercial Units, the owner of each such newly created Commercial Unit shall have all the rights,

privileges and benefits, and shall be subject to all the obligations of the original Commercial Unit Owner, as provided in this Declaration, the By-Laws and the Residential Rules and Regulations; provided, however, that the owners of such newly created Commercial Units shall collectively continue to be entitled to designate 1 Member to the Condominium Board. Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Commercial Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at the Commercial Unit Owner's election, by the Commercial Unit Owner, Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of the Commercial Unit Owner.

ARTICLE 13
ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-Laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-Laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases, a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14
POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 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; and

(b) effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in this Declaration.

14.2 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) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Unit Owners for the reduction of the assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Unit together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Unit so acquired or to sublease any Residential Unit so leased; and

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Units.

14.3 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium 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 Exhibit E to this Declaration.

ARTICLE 15
TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as the Property is withdrawn from the provisions of the Condominium Act as authorized by the Commercial Unit Owner and 80% in number and in Residential Common Interest of all Residential Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. In the event the withdrawal is authorized as aforesaid, but only in such event, 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 sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net

proceeds all liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16
COVENANT OF FURTHER ASSURANCES

16.1 Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a Member or officer of the Condominium Board or a Permitted User of either 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 addition 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 of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

16.2 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Condominium 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, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium 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, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 If any Unit Owner, the Condominium 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 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to this Declaration at the request of Sponsor or the Commercial Unit Owner, or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights as the case may be, then Sponsor, or the Commercial Unit Owner or a Development Rights Owner solely with respect to utilization, sale or transfer of Excess Development Rights as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in this Declaration which requires the consent or approval of the Condominium Board.

ARTICLE 17
COVENANTS RUNNING WITH THE LAND

17.1 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 miming 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 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 and 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.

17.2 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 the 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 provision 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.

17.3 Subject to Section 17.2, 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 18

EXCESS DEVELOPMENT RIGHTS

18.1 Any Excess Development Rights shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights.

18.2 In connection with its utilization of Excess Development Rights, Sponsor or Development Rights Owner, among other rights, may cause the Property to be divided into two or more parcels which collectively are referred to as the "Combined Zoning Lot."

18.3 Each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have consented to and agreed that, if Sponsor or a Development Rights Owner seeks to enlarge the Combined Zoning Lot by adding other parcels of real property ("Additional Parcels") so as to create an enlarged Combined Zoning Lot, or seeks to utilize or transfer Excess Development Rights for the purposes and in accordance with the provisions of the Zoning Resolution or other applicable Law, the Condominium Board and the Unit Owner have (i) waived the right to execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air or other document or instrument and the right to appear in opposition before any community board or governmental or quasi-governmental authority to oppose in any manner the utilization, sale or transfer of Excess Development Rights or the establishment of the Combined Zoning Lot or any enlargement, division or proposed use thereof; and (ii) consented as a party in interest, to any declaration or other agreement utilizing the Excess Development Rights in any manner, including by effecting a transfer of Excess Development Rights or a merger or division of any of the parcels comprising the Combined Zoning Lot with any other tax lots in order to form a single zoning lot for the purpose of transferring all or any portion of the Excess Development Rights from Sponsor or a Development Rights Owner.

18.4 Notwithstanding the provisions of the immediately preceding paragraph, each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have granted to Sponsor and any Development Rights Owner an irrevocable power of attorney coupled with an interest, to execute, acknowledge and deliver any such declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument necessary or expedient to carry out the exercise of any rights, reserved, retained or granted to Sponsor or Development Rights Owner . Alternatively, upon demand of Sponsor or a Development Rights Owner, each Unit Owner and the Condominium Board shall execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument requested by Sponsor or Development Rights Owner in order that (i) Sponsor or Development Rights Owner may effectively utilize, sell or otherwise transfer Excess Development Rights to any Person designated by Sponsor or Development Rights Owner, and (ii) such Person may effectively utilize such Excess Development Rights.

18.5 Notwithstanding the foregoing, neither Sponsor nor any Development Rights Owner may utilize Excess Development Rights to increase the size, height, bulk or density of

any portion of the Property.

18.6 All rights and obligations of Sponsor set forth in this Declaration with respect to the Excess Development Rights shall apply equally to any Development Rights Owner.

ARTICLE 19
AMENDMENTS TO THIS DECLARATION

19.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, any provision of this Declaration affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be added to, amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential Common Interest of all Residential Unit Owners, taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, no amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives (as defined in the By-Laws), if any. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, any such amendment, modification, addition or deletion shall be executed by either the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor set forth herein, this Section 19.1 of the Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

19.2 Sponsor and a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's or a Development Rights Owner's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans of the Condominium as Sponsor or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interest of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unsold Residential Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, the By-Laws and/or Floor Plans; or

(iv) with respect to Excess Development Rights, to effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of any Excess Development Rights in any manner permitted by Law, provided that no such amendment shall enable Sponsor or Development Rights Owner to utilize Excess Development Rights to increase the size, height, bulk, configuration and/or density of the Property; or

(v) To relinquish any rights granted to Sponsor hereunder.

Provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this Section shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in (1) or (2) of this Section) or the holder of such mortgage (in the event described in (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.3 The Commercial Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record in the Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as the Commercial Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in the Commercial Unit and/or the reapportionment of the Common Interest of the Commercial Unit resulting therefrom made by the Commercial Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by the Commercial Unit Owner to make a loan secured by a mortgage on the Commercial Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Commercial Unit Owner to insure title to the Commercial Unit, as such requirements relate solely to the Commercial Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, By-Laws and/or Floor Plans.

(iv) to reflect any changes that solely affect the Commercial Unit and do not materially and adversely affect the Residential Units and/or the Residential Unit Owners;

provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this Section) or the holder of such mortgage (in the event described in subparagraph (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.4 Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor or a Development Rights Owner pursuant to the terms of Section 19.2 hereof, by Sponsor or a Development Rights Owner, (ii) if on behalf of the Commercial Unit Owner pursuant to the terms of Section 19.3 hereof, by the Commercial Unit Owner, or (iii) if on behalf of the Unit Owners or by the Condominium Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

19.5 Notwithstanding anything contained in the Condominium Documents to the contrary, if any Residential Unit Owner, with the prior approval of the Condominium Board changes the size and/or number of Residential Units owned by such Residential Unit Owner by either (w) subdividing a Residential Unit(s) into two or more separate Residential Units, (x) combining a Residential Unit into one or more Residential Units, (y) altering the boundary walls between any adjacent Residential Units owned by such Residential Unit Owner, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the owner of such Residential Unit) which exclusively benefit a Residential Unit into such Residential Unit, then the Condominium Board on behalf of such Residential Unit Owner and at the Residential Unit Owner's sole cost and expense, shall have the right to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate to reflect the changes made by the Residential Unit Owner, all without the approval of the other Unit Owners, provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender, unless the owner of such affected Unit (in the event described in (1) or (2)) or the holder of such mortgage (in the event described in (3)) shall consent thereto by joining in the execution of such amendment.

19.6 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against Sponsor or the Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization,

sale or transfer of Excess Development Rights if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit, or of Excess Development Rights, as the case may be (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor or the Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights unless Sponsor or the Commercial Unit Owner or the Development Rights Owner shall consent to such amendment in writing, or (iii) impose any discriminatory charge or fee against Sponsor or the Commercial Unit Owner or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, unless Sponsor or the Commercial Unit Owner or the Development Rights Owner shall consent to such amendment in writing.

19.7 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Commercial Unit Owner if the same relate to Sponsor or the Commercial Unit Owner.

19.8 No amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 20
CONSENTS BY SPONSOR

When the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when (i) Sponsor no longer owns any Units; and (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan.

ARTICLE 21
PERSON TO RECEIVE SERVICE

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.

ARTICLE 22
INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 23
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 24
SEVERABILITY

Subject to the provisions of Section 17.2 and 17.3 of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provisions of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 25
SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor and the Commercial Unit Owner as set forth in this Declaration and the By-Laws shall inure to the benefit of and be binding upon any successor or assignee or designee of Sponsor and the Commercial Unit Owner. Sponsor and Commercial Unit Owner shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE 26
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 this Declaration or the intent of any provision hereof.

ARTICLE 27
CERTAIN REFERENCES

27.1 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.

27.2 The terms "herein," "hereof' or "hereunder" or similar terms used 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.

27.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 28
GENERAL

Except as required by Law, neither Sponsor nor any of its principals shall be subject to any of the restrictions and/or prohibitions with regard to the Units set forth in this Declaration or the By-Laws-annexed hereto.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the _____day of_____, 20_____.

*****

SPONSOR:

(ACKNOWLEDGEMENT)

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 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 whom the individual(s) acted, executed the instrument.

_____
Notary

SCHEDULE A
DESCRIPTION OF PREMISES PAGE 2 OF 2

EXHIBIT A

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 the corner formed by the intersection of the southerly side of Macon Street with the westerly side of Sumner Avenue (a/k/a Marcus Garvey Boulevard and Marcus Garvey Avenue);

RUNNING THENCE westerly along the southerly side of Macon Street, 20 feet;

THENCE southerly parallel with Sumner Avenue (a/k/a Marcus Garvey Boulevard and Marcus Garvey Avenue) and part of the distance through a party wall, 100 feet;

THENCE easterly parallel with Macon Street, 20 feet to the westerly side of Sumner Avenue (a/k/a Marcus Garvey Boulevard and Marcus Garvey Avenue);

THENCE northerly along the westerly side of Sumner Avenue (a/k/a Marcus Garvey Boulevard and Marcus Garvey Avenue) 100 feet to the point or place of BEGINNING.

For conveyancing only, if intended to be conveyed: Together with all rights, title and interest of, in and to any streets and roads abutting the above described premises, to the center line thereof.

EXHIBIT B

Description of Units

Designation	Tx Lot No.	Approx. sq. ft.	Rms & Baths	Percentage Interest	Use
Commercial	1001	1,822	0-0	14.90%	Commercial
Unit 2A	1002	524	1-1	13.51%	Resid
Unit 2B	1003	770	2-1	19.85%	Resid
Unit 3	1004	1,380	3-2	25.64%	Resid
Unit 4	1005	1,405	3-2	26.11%	Resid

All Units have immediate access to corridors leading to front door or doors accessing the public street.

EXHIBIT C
DEFINITIONS

For convenience of presentation, general definitions of certain of the terms 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, the By-Laws and the Condominium Act. They include the following:

"Adverse Effect," or "adverse effect" shall mean any action or proposed change 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 25% or more, (ii) materially and permanently interfere with such Unit Owner's access to the Unit, (iii) materially and permanently obstruct or degrade the view from the windows and/or Terraces of the Unit (excluding the lot line windows) or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the 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 rental of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Building" shall mean the building located "Building" refers to the structure and improvements including above and below grade segments, known as 320 Macon Street, Brooklyn, New York 11216 in which the Units and Common Elements of the Condominium are located.

"Buildings Department" shall mean the office of the 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 Exhibit D to the Declaration, as the same may be amended from time to time, which, are set forth in Part II of the Plan.

"Closing" or "Closing of Title" 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.

"Closing Date" shall mean the date on which a Closing occurs.

"Commercial Unit" shall mean the Commercial Unit designated as such in the Declaration together with its Common Interest.

"Commercial Unit Owner" shall mean the Unit Owner of the Commercial Unit at the time in question.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their Schedule B allocations and as provided in the

Declaration or in the By-Laws to meet the Common Expenses.

"Common Elements" shall mean the Property, other than the Units themselves, being comprised of the General Common Elements, and the Residential Common Elements.

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the 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); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners, or Residential Common Expenses attributable to Residential Unit Owners.

"Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to the Declaration.

"Condominium" shall mean 320 Macon Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

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

"Condominium Board" shall mean the board of managers of the Condominium who will manage the affairs of the Condominium.

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Declarant" shall mean 320 Macon GP LLC, a New York limited liability company, and its successors and assigns and designees.

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

"Department of Law" shall mean the Real Estate Finance Bureau of the Department of Law of the State of New York.

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

"Development Rights Owner" shall mean Sponsor or any Person which acquires all or any portion of the Excess Development Rights from Sponsor.

"Excess Development Rights" shall mean certain rights, as determined by the Zoning Resolution of the City of New York ("Zoning Resolution"), that are available as of the date of the Declaration or

may become available thereafter by any means, and are appurtenant to a zoning lot, whereby (a) contiguous tax lots may be merged into a single zoning lot ("Combined Zoning Lot") and the Combined Zoning Lot or a portion thereof may be developed by erecting thereon one or more structures with (i) "floor area" (as such term is defined in the Zoning Resolution); (ii) any bulk and density development rights permitted under the Zoning Resolution, (iii) any so-called bonus redevelopment rights hereafter appurtenant to the Property; or (b) excess "floor area" not utilized by the Building as of the date of the Declaration may be utilized on the zoning lot or transferred to other zoning lots as permitted by the Zoning Resolution.

"Effective Date" shall mean the date upon which the Plan is declared effective.

"Equal or Better Quality" shall mean comparable or better quality as 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 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 term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, 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, playground 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" shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Residential Unit Owner who reside in such Residential Unit Owner's Residential Unit.

"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 Residential Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

"First Year of Condominium Operation" shall mean the first 12 months of operation of the Condominium beginning on 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 - First Year's Budget." The First Year's Budget is sometimes referred to as "Schedule B."

"Floor Plans" shall mean the floor plans of the Units certified by a professional engineer or licensed architect, filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental or amended floor plans thereto.

"Force Majeure" shall mean unavoidable delays due to acts of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, 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 unions, 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-e of the New York State General Business Law.

"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 the Units or 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.

"General 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 General Common Elements; or (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the General Common Elements.

"Institutional Lender" shall mean (i) 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, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Commercial Unit only, (x) without in any way limiting the scope of the foregoing and for the sake of clarity, any real estate mortgage investment conduit within the meaning of Section 860D of the Internal Revenue Code, (y) any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans, including, without limitation, a so-called "conduit lender," or (z) any group of lenders which shall include one or more of the foregoing.

"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.

"Insurance Trustee" shall mean a bank or trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 1853, Lot and more particularly described in Exhibit A to the Declaration.

"Law" shall mean the laws, ordinances and all applicable codes of any or all of the Federal, New

York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders 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 the Property and/or the Condominium and/or the direction of any public officer pursuant to Law.

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

"Majority of Unit Owners" shall mean shall mean Unit Owners of more than fifty percent (50%) in aggregate Common Interests appurtenant to all Units or Unit Owners of more than fifty percent (50%) in aggregate Common Interests 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 managing agent at the time in question.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

"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 annexed to the form of Purchase Agreement.

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws.

"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 any other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or a portion of 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 that certain Condominium Offering Plan relating to the Property, as accepted for filing by the Department of Law pursuant to the GBL and any and all amendments thereto.

"Plans and Specifications" shall mean the plans and specifications for the substantial renovation of

the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Presentation Date" shall mean the date on which the Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to Purchasers and Unit Owners following acceptance of the Plan or an amendment thereto for filing with the Department of Law.

"Property" shall mean the Land, the Building (and any structures attached thereto), the Units, all the improvements erected or to be 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.

"Purchase Agreement" shall mean the agreement to purchase a Residential Unit, the form of which is set forth in Part II of the Plan.

"Purchaser" shall mean any Person named as a 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 New York.

"Reserved Spaces" refers to the portions of the Common Elements which are not expressly reserved for specific purposes and include, without limitation, the Roof and the Façade, passages, hallways, conduits, utility lines (provided that use of the Reserved Spaces does not block light and air to any Unit), and such other areas in the Condominium which have been designated as Common Elements which are either not being utilized or which have a use which can be relocated elsewhere in the Building.

"Reserved Space Installations" refers to signage, satellite dishes, cellular equipment, computer and other information systems, furniture; wall and floor coverings and any other furnishings and Facilities to be installed on or in the Reserved Spaces.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Residential Units, as more particularly described in the Declaration and the Floor Plans.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential 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 Residential Common Elements; or (ii) the establishment and/or maintenance of an operating reserve fund for working capital, for replacements with respect to the Residential Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's

liability for such Unit Owner's share of the Residential Common Expenses.

"Residential Unit" shall mean any of the Residential Units designated as a Residential Unit in the Declaration together with its Common Interest. All such Residential Units are, collectively, referred to as the "Residential Units."

"Residential Unit Owner" shall mean any Unit Owner of a Residential Unit at the time in question. All such Residential Unit Owners are, collectively, referred to as the "Residential Unit Owners."

"Residential Rules and Regulations" shall mean the Residential Rules and Regulations of the Condominium promulgated in accordance with the By-Laws, as any of such Rules and Regulations may be amended, added to, or deleted from time to time pursuant to the terms of the By-Laws.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information.

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

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 for Individual Energy Costs.

"Selling Agent" shall mean the selling agent named in the Plan or any successor Selling Agent at the time in question.

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

"Sponsor" shall mean 320 Macon GP LLC, a New York limited liability company, and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Sponsor Control Period" shall mean until the earlier of (a) 120 days after the date by which seventy-five (75%) percent of the units have been conveyed to Unit purchasers; or (b) for a period of three (3) years after completion of the project evidenced by the first conveyance to a unit purchaser unless Sponsor voluntarily relinquishes such right prior to the expiration of the Sponsor Control Period.

"Title Company" shall mean Royal Abstract of New York LLC, having an office at 500 Fifth Avenue, Suite 1540, New York, New York 10010. Tel: (212) 376-0900, Fax: (212) 376-0911, or any successor Title Company at the time in question.

"Unit" shall mean any of the Units designated as a Unit in the Declaration together with its Common Interest. All such Units are, collectively, referred to as the "Units."

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unit Owner Property" shall mean all appliances, equipment, flooring, fixtures, improvements, furniture, equipment, appliances, furnishings, decorations, belongings, and other personal property of any kind contained in a Unit.

"Unsold Residential Unit" shall mean any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Zoning Resolution" shall mean the Zoning Resolution of the City of New York, as amended from time to time, or replacement rule, regulation or resolution pertaining to development of a zoning lot.

Exhibit "7"

CONDOMINIUM BY-LAWS

EXHIBIT D

TO THE DECLARATION

BY-LAWS

OF

320 Macon Condominium
320 Macon Street
Brooklyn, New York 11216

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BY-LAWS

ARTICLE 1

GENERAL

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 Condominium. The Condominium covers the Property consisting of approximately 2,000 square feet of the Land, which forms a part of Block 1853 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York, the Building, including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of the Condominium Act by the recording of a Declaration in the City Register's Office, together with these By-Laws. All terms used herein which are not separately defined herein, shall have the meanings given to those terms in the Declaration or in Exhibit C thereto.

Section 1.2 *Definitions*. All capitalised terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are defined in 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. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 *Applicability of By-Laws*. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 *Application of By-Laws*. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of 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 the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium*. The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 *General*. As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, 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 Section 2.4 hereof, 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 of Section 2.4 hereof, 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 statutes 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 either at 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 of the 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 in any respect, 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 complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) 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 (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws.

(iv) to 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 approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners; provided, however, that in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the General Common Elements be utilized to defray any Residential Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Residential Common Elements he utilized to defray any General Common Expenses.

(vi) to borrow money on behalf of the Condominium in accordance with Section 339-jj of the Real Property Law when required in connection with the operation,

(vii) maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least 66 2/3% of the Members of the Condominium Board shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years; (b) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Common Interest, of all Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Residential Common Elements the affirmative consent of at least 66 2/3%, in aggregate Residential Common Interest, of all Residential Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) and the Commercial Unit Owner will not be liable for the repayment of any portion of such loan; (d) 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 (e) 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 or Residential Common Interest, as applicable, bears to the aggregate Common Interests of all Unit Owners or Residential Common Interests of all Residential Unit Owners, as applicable, 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.

(viii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures.

(ix) 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.

(x) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof.

(xi) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(xii) 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.

(xiii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $100,000, for: (a) all Members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses.

(xiv) to accept the surrender of any Residential Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners.

(xv) to purchase, lease, or otherwise acquire Residential Units offered for sale, lease or assignment by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners but only with the consent of a Majority of Residential Unit Owners.

(xvi) 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 but only with the consent of a Majority of Unit Owners.

(xvii) Intentionally omitted.

(xviii) to adopt and amend the Residential Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations and these By-Laws (any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied).

(xix) 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.

(xx) 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.

(xxi) to organize corporations, and other legal entities 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.

(xxii) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) 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, and (c) any and all declarations, consents, waivers or other instruments requested by Sponsor or a Development Rights Owner, with respect to Sponsor's or a Development Rights Owner's utilization, sale or transfer of Excess Development Rights.

(xxiii) 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, modification, additions and deletions theretofore made to the same.

(xxiv) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense.

(xxv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a tenant of a Unit Owner if such authorized guest and/or tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-Laws. All costs in connection with the removal of the authorized guest and/or tenant, including attorneys' fees, costs and disbursements shall be borne by the Unit Owner.

(xxvi) to establish policies and procedures and impose fees in connection with the sale, lease or alteration of a Residential Unit or Commercial Unit.

(xxvii) to establish policies and procedures with respect to the services and facilities of the Condominium, including, without limitation, the right to impose usage fees and restrictions on hours of access and use.

(xxviii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(xxix) to adjust the First Year's Budget to reduce the Common Charges if some or all of the services or facilities are not available at the First Closing.

(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.*

(A) Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor shall continue to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by Law;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a working capital, reserve, contingency, or surplus fund;

(iii) increase or decrease the number of, or change the kind of employees from those described in the First Years Budget;

(iv) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget set forth in the Plan, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business;

(v) borrow money on behalf of the Condominium; or

(vi) exercise a right of first refusal to lease or purchase a Unit.

However, Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget and Sponsor's written consent shall not be necessary to perform any function or take any action described in clauses (i) through (vi) above, if, and only if, the performance of such function or the carrying out of such action is necessary 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.

(B) Notwithstanding anything to the contrary contained in these By-Laws, all determinations of the Condominium Board which affect only the:

(i) Residential Units and do not materially and adversely affect the use and operation of the Commercial Unit shall be made by the Members of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Commercial Unit and do not materially and adversely affect the use and operation of the Residential Units shall be made by the Member of the Condominium Board designated by such Commercial Unit Owner.

Any dispute as to whether or not a determination materially and adversely affects any Units shall be settled by arbitration in accordance with the provisions of these By-Laws. No dispute with respect to whether a determination materially and adversely affects a Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the Condominium Board within 10 business days of receipt by it of notice of such determination.

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 appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6.

(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 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers

or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 *Number, Election and Qualification of Members.* Until the First Annual Meeting held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of 3 individuals, all of whom are to be designated from time to time by Sponsor. From and after the First Annual Meeting and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall consist of 5 individuals, 4 of whom shall be elected and/or designated in accordance with the terms of these By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Commercial Unit Owner ("Commercial Member"). Except for Members designated by Sponsor and/or the Commercial Unit Owner pursuant to the terms of this Section 2.7, Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. After the Sponsor Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual 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. However, the Sponsor may not control the Board in order to veto enforcement of Sponsor's obligations pursuant to the Plan, nor to veto actions necessary to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer. However, the Sponsor may not control the Board in order to veto enforcement of Sponsor's obligations pursuant to the Plan, nor to veto actions necessary to comply with applicable laws or regulations, or to remedy any notice of violation, or to remedy any work order by an insurer. However Sponsor may exercise veto power over expenses other than those described in the immediately preceding sentence and in 13 NYCRR §20.3(u), for a period ending not more than five years after the closing of the first unit or whenever the unsold units constitute less than 25 percent of the common interest, whichever is sooner.

Section 2.8 *Term of Office of Members.* The term of office of the 3 Members of the Condominium Board designated by Sponsor prior to the First Annual Meeting shall expire when the 5 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 7 individuals elected and qualified or designated, as the case may be, at the First Annual Meeting pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each Member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be.

Section 2.9 *Removal and Resignation of Members.*

(A) Any Member of the Condominium Board who was elected thereto either by the Residential 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 a vote of a Majority of Residential Unit Owners. Any Member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any Member of the Condominium Board who was designated by the Commercial Unit Owner may be removed, with or without cause, only by such Commercial Unit Owner. If any Member of the Condominium Board, who was designated by the Commercial Unit Owner, is removed, the successor shall also be designated by such Commercial Unit Owner. Any Residential Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Residential Unit Owners shall be given prior written notice thereof 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. 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 elected thereto by the Residential Unit Owners shall be filled by an individual who is qualified to be a Member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the Members of the Condominium Board elected or designated by the Residential Unit Owners then in office. 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 thereat 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 as such or elected by Sponsor shall be filled by an individual designated by Sponsor. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a Member who was designated by the Commercial Unit Owner shall be filled by an individual designated by such Commercial Unit Owner.

(C) Each Member of the Condominium Board who is elected thereto or 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 replaced and until a successor shall be selected and qualified at the appropriate annual meeting of the Residential Unit Owners pursuant to the terms of Section 4.9 hereof. Any member of the Board may be removed for good cause shown

(D) *Organizational Meeting of the Condominium Board.* The first meeting of the Condominium Board following each annual meeting of the Residential Unit Owners shall be held within 10 days of such annual meeting, at such time and place 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, or telegram not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.11 *Regular Meetings of the Condominium Board.* Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Members thereof, provided that at least 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 5 business days prior to the day named for such meeting.

Section 2.12 *Special Meetings of the Condominium Board.* The President may call a special meeting of the Condominium Board whenever the President deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of 3 or more Members of the Condominium Board. Written notice of all special meetings shall he given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile, or e-mail at least 3 business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.13 *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 the Member 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 2.14 *Quorum of the Condominium Board.* A quorum of the Condominium Board is required to be present at a Condominium Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Condominium Board, the following majority of the Members of the Condominium Board shall be present at the Condominium Board meeting:

(A) Attendance of a majority of all of the Members of the Condominium Board will be required for any business relating to the General Common Elements, the General Common Expenses, or, all or a portion of both the Residential Units and the Commercial Unit.

(B) Attendance of a majority of the Residential Members of the Condominium Board will be required for any business relating solely to the Residential Common Expenses, the Residential Common Elements, or, all or a portion of the Residential Units.

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 2.15 *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 2.16 *Decisions by the Condominium Board*. Except as otherwise provided in the Declaration or these By-Laws:

(A) The vote of a majority of the Members attending a duly constituted meeting of the Condominium Board at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the General Common Elements; the General Common Expenses, or, all or a portion of both the Residential Units and the Commercial Unit.

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

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 tiled by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.17 *Compensation of Members*. No Member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.18 *Common or Interested Members of the Condominium Board*. Each Member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests 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 and 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; or (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.

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 2.19 *Indemnification.*

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1 To the extent permitted by Law, the Members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the Members of the Condominium Board or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the Members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board against any liability or claim except those arising out of such Member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2 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 except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Condominium Board or any Member thereof; 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.

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 the President may decide, in the President's 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 the President's 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 the Vice President 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 Qualification of Officers.* Each of the officers of the Condominium shall be elected annually by a majority vote of all Members 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, and the 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. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers.* Any officer of the Condominium Board 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, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a Member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the 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 of Officers.* No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers.* Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners.* The First Annual Meeting shall be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan of Residential Units representing at least 75% in number of all Residential Units offered for sale. At such meeting, a 5 Member Condominium Board shall be elected, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary date of the First Annual Meeting. At each such subsequent meeting, the Unit Owners (including Sponsor) shall elect successors to the Members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

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 40% of the Common Interests of all Residential Unit Owners (excluding the Common Interests appurtenant to the Commercial Unit). 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 in which the Property is located 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, or telegram addressed to the Unit Owner's address at the Property, not less than 10 nor more than 40 days prior to the day fixed for the 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 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 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 40% or more of the aggregate Common Interests appertain (excluding the Common Interests appurtenant to the Commercial Unit) 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 48 hours from the time fixed for the original meeting.

Section 4.6 *Conduct of 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 all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of Members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of Members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting*.

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(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.

(C) A fiduciary shall be the voting Member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 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 1 ballot without division, and the concurrence of all such 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 owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both

signed and dated by the designator 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; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by 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 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board.*

(A) When voting for Members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per Member to be elected. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 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 Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential 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, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, 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 Unsold Residential Units as it sees fit. However, at elections of Members to the Condominium Board held during the Sponsor Control Period, Sponsor shall have the right to designate 3 of the 4 Residential Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Residential Members of the Condominium Board. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Sponsor Control Period.

Subsequent to the Sponsor Control Period, and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Residential Units for the remaining Residential Members of

the Condominium Board. There is no restriction on the right of Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the expiration of the Sponsor Control Period, and assuming the first Annual Meeting has not yet occurred, 2 of the 3 Residential Members of the Condominium Board who were designated by Sponsor shall resign and their replacements shall be filled by a vote of the Residential Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose.

Section 4.10 *Designation of Commercial Members to the Condominium Board.* The Commercial Unit Owner (including Sponsor for so long as Sponsor shall own a Commercial Unit) shall be entitled to designate 1 Commercial Member to the Condominium Board.

Section 4.11 *Action Without a Meeting.* Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and aggregate Common Interests whenever applicable) 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 4.11 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.12 *Title to Residential Units.* Title to any Residential 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 Residential Unit to a corporation, partnership, limited partnership, trust or any other entity (including any entity or person entitled to diplomatic or sovereign immunity) shall require the delivery to the Condominium Board or its managing agent at Closing (i) any and all documents as are reasonably requested by the Condominium Board, including without limitation, a personal guaranty, a subjection to jurisdiction, occupancy agreement and escrow agreement; and (ii) an amount equal to the current Common Charges for such Residential Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Residential Unit Owner of the terms, provisions and conditions contained in these By-Laws.

Section 4.13 *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 Sections 2.20 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 the Residential Common Interest of such Residential Unit Owner in a case relating to the Residential Common Elements, and (iii) such Unit Owner's interest in the Unit and its Appurtenant Interests, unless otherwise provided by Law.

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 non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof, including, but not limited to, the interior walls, partitions, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, mechanical systems located in the Unit (including HVAC filters and parts), window panes, fireplace, firebox, dampers, mantel and flue, all entrance doors and terrace doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, heating and cooling systems, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein, shall be performed by the owner of such Unit at such Unit Owner's sole cost and expense (except for skylights, if any, located in the Unit which shall be performed by the Condominium Board at the sole cost and expense of the Unit Owner); and

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall he performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense;

(iii) in or to the Residential Common Elements (with the exception of any Residential Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense; and

(iv) INTENTIONALLY OMITTED

(v) in or to the Commercial Common Elements shall be performed by the Commercial Unit Owner at its own cost and expense; and

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 a 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, if any painting, decorating, maintenance, repairs, or replacements to the Property or

any part thereof, whether structural or non-structural, ordinary or extraordinary, are 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 as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements, and as a Residential Common Expense attributable to all Residential Unit Owners if relating to the Residential Common Elements 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 the 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 roof, Terrace, 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. The Condominium Board shall be responsible for the maintenance and repair of all sidewalks surrounding the Building (including, cleaning and snow and ice removal) as if the sidewalks were General Common Elements, except that the cost of such maintenance and repair shall be borne by the Commercial Unit Owner if the Commercial Unit Owner is utilizing such sidewalks in connection with the operation of the Commercial Unit. The exterior and interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted by the Unit Owner. All exterior and interior glass surfaces located in any Residential Unit shall be washed and cleaned by the Unit Owner at such Residential Unit Owner's sole cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Unit Owner thereof, at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed. In addition, the public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, as determined by the Condominium Board in its sole discretion, 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 surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit. The Commercial Unit Owner shall be responsible, at its sole cost and expense, for washing, cleaning and replacing because of breakage the exterior and interior glass surfaces of windows located in the Commercial Unit (unless the breakage is caused by the Condominium Board or any other Unit Owner, in which event the replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner).

(D) In the event that any Unit Owner, after receipt of written notice from the Condominium Board, fails or neglects in any way to perform any of its obligations with respect to

the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Section 5.1 (or of any Common Elements for which such Unit Owner is responsible under the Declaration or these By-Laws), the Condominium Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within 5 days after receiving notice of such default by the Condominium Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

(E) Schedule B of the Plan (First Year's Budget) includes a line item for a Capital Repair and Replacement Reserve for the sole purpose of costs and expenses related to capital repairs, replacements and improvements. For so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall maintain the Capital Repair and Replacement Reserve and any change in the amount of the Capital Repair and Replacement Reserve shall be made only with Sponsor's prior written consent, which such consent may be granted or withheld in Sponsor's sole discretion. Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises.

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 Residential Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Residential Unit without the prior written approval of the Condominium Board. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Residential Unit Owner to: (i) procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe; and (ii) execute an alteration 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 shall have the right to approve Unit Owner's contractors and materialmen. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other worker employed in the Building or otherwise cause disharmony with any Building service union. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor in connection with a Residential Unit Owner's alterations, additions, improvements or repairs to such Residential Unit. The Condominium may impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent for processing the alteration application.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor 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 Residential Unit whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of any Unsold Residential Units, all without the approval of the Condominium Board. In addition, the Commercial Unit Owner 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 the Commercial Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of the Commercial Unit, all without the approval of the Condominium Board. Notwithstanding the foregoing, all Unit Owners, including Sponsor and the Commercial Unit Owner, 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) comply with Law.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with 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 Residential Unit (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof. The Condominium Board also hereby grants the Commercial Unit Owner a power of attorney to execute such filings and applications as may be necessary or desirable in order to effectuate the Commercial Unit Owner's rights set forth in this Article 5.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit 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, materialperson, 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 making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit 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) In addition to the requirements set forth above in this Section 5.2, no Residential Unit Owner shall make any alterations in or to the Residential Unit or its appurtenant Common Elements without first notifying Sponsor in writing and complying with Sponsor's requirements with respect to the alterations. Such requirements may include, but need not be limited to, the requirements that:

(i) such work not include any change that would result in a delay in obtaining any amendment to, or extension of, the Building Certificate of Occupancy;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

(iii) such work not be commenced until the Residential Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining an amendment to, or extension of, the Building's Certificate of Occupancy as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to

resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining any amendment to, or extension of, the Building's Certificate of Occupancy, whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefor.

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 Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit Owners or the Residential Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, 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, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's issuer. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the First Closing or (ii) until such time as Sponsor no longer owns 25% in number of all Residential Units.

Section 5.4 *Insurance*.

(A) To the extent commercially reasonable, the Condominium Board shall obtain, and shall maintain in full force and effect, a commercial package policy including fire and special causes of loss, on at minimum a replacement cost valuation or replacement cost coverage and agreed valuation, insuring the entire Building (excluding each Unit and any Unit Owner Property) together with all building service machinery contained therein, and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interest may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) a cross-liability endorsement and (c) pro-rata reduction of liability if Unit Owners obtain additional coverage;

(ii) a provision that any settlement of claim 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 subsection (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 10 days' prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Evidence of insurance or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board shall also obtain and maintain, to the extent commercially reasonable:

(i) commercial general liability insurance written by companies with an A.M. Best Company rating of at least A-VII, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as named insureds (a) the Condominium Board and each member thereof, (b) Managing Agent or manager (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 such Unit Owner's own Unit 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 or Managing Agent;

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage legal liability insurance;

(vi) officers' and directors' liability insurance;

(vii) fidelity bonds;

(viii) commercial umbrella insurance in the minimum amount of $10,000,000;

(ix) real property insurance; and

(x) 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 be in an amount equal to not less than 80% of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by an insurance carrier, authorized to do business in New York, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subsection (i) of paragraph (B) hereof, such policies shall contain aggregate limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate, and commercial umbrella insurance in the minimum amount of $10,000,000; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subsection (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 Unit Owners as a General Common Expense or by the Residential Unit Owners as a Residential Common Expense, depending on the item to which the coverage relates.

(E) For so long as Sponsor owns at least 1 Unsold Residential Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types and coverage amounts of insurance set forth in the First Year's Budget.

(F) The Condominium Board is not required to obtain or maintain any insurance with respect to the Unit, or any Unit Owner Property. Each Unit Owner shall, at such Unit Owner's sole cost and expense, obtain and maintain in full force and effect such insurance, the types and amounts of which shall be determined by the Condominium Board in its sole

discretion, insuring the Units and all Unit Owner Property, as well as liability insurance with respect to acts occurring in the Units. All such policies shall contain waivers of subrogation, if commercially reasonable and provide that the liability of the carriers issuing the insurance obtained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds. For so long as Sponsor owns at least 1 Unsold Residential Unit, any change or elimination of such requirement may only be made upon Sponsor's prior 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.

Section 5.5 *Casualty or Condemnation.*

(A) In the event that either (i) the Building is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements or the Units, or any part thereof is taken in condemnation or by eminent domain ("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 be $1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $1,000,000 in the aggregate. In either instance, subject to the provision of paragraph (D) of this Section 5.5, all such monies actually received ("Trust Funds") shall be first solely and exclusively used to make repairs or replacement to any damaged or destroyed Shared Facilities, and the remainder shall be held in trust for the benefit of all Unit Owners, (with respect to the portion thereof allocated to a Casualty Loss to the Building or any part thereof or a Taking of the General Common Elements and Residential Common Elements or the Units) 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 this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof are taken in a Taking (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he 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 ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (excluding the Units and Unit Owner Property) affected by such Casualty Loss, or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. Damage or destruction to a Unit shall be promptly repaired or restored by the Unit Owner of the affected Unit. 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. If a Unit Owner fails to repair or restore the Unit, the Condominium Board may cause the Unit to be repaired or restored and all costs in connection therewith shall be charged to the defaulting Unit Owner as a Special Assessment

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (I)) 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, for Work to the General Common Elements and against all Residential Unit Owners for the amount of the such deficiency in proportion to their respective Residential Common Interests, for Work to the Residential Common Elements 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, with respect to Work to the General Common Elements, and to all Residential Unit Owners in proportion to their respective Residential Common Interests, for Work to the Residential Common Elements, 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 remaining 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, with respect to Work to the General Common Elements, and/or paid to the Residential Unit Owners so assessed in proportion to their respective Residential Common Interests, with respect to Work to the Residential Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interests, 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 Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements or shall be paid to all Residential Unit Owners in proportion to their respective Residential 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 pay off any Permitted Mortgage and other unpaid liens on the Unit Owner's Unit in the order of priority of such liens. Notwithstanding anything to the contrary set forth herein, any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the

Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. The Condominium Board shall not be required to take any action to obtain the consent of the Permitted Mortgagees or Mortgage Representatives as set forth in this Section 5.5(D) other than the requirements set forth in Section 8.7 of these By-Laws. The provisions of this Section 5.5(D) may not be amended, modified or deleted without the prior written consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(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 in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the Unit Owner of any Unit so affected thereby shall not be abated.

(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 and new Residential Common Interest, where applicable, 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 and new Residential Common Interest, where applicable, 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 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 all of the other or remaining Units together with the holders of the Permitted Mortgages.

(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 that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) 90 days after the date upon which the Insurance Trustee notifies the Condominium Board 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 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, improper, offensive, 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 sole cost and expense of the respective Unit Owners or the Condominium, 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 the prior written consent of the Condominium Board. In the event that the rate of insurance for the Property is increased as a direct result of a particular or unique use being made of the Commercial Unit, and not as a result of the typical uses for which the Commercial Unit may be occupied or for which commercial spaces in similar Building is normally occupied, the Commercial Unit Owner shall be obligated to pay the amount of such increase in the rate of insurance. 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 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) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York, as may be amended from time to time, and not more than one family may occupy a Residential Unit at any one time; and the Commercial Unit may be used for any purpose permitted by Law, subject however to the provisions of the By-Laws, except that the Commercial Unit may not be used for (i) the sale rental or exhibition of pornographic material. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity (including, but not limited to, any federal or state agency, any foreign government and any embassy, consulate or

other official representative thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or a member of such limited liability company, or by such individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Residential Units) or the Condominium (with respect to sold Residential Units) may, in their sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased. Original fireplaces in the Residential Units that were connected to masonry shafts have been sealed and shall not be utilized by Unit Owners. Unit Owners whose Units contain such sealed fireplaces will be responsible for maintenance and any alterations of same shafts, flues and chimneys and must comply with all Laws applicable thereto, including inspections, and maintaining proper insurance.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Residential 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 is permitted by, and complies with Law and does not violate the Certificate of Occupancy covering the Building. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Residential 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 Residential 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 the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Residential Units as model Units and offices for the sales promotion, rental, management and operation of the Unsold Residential Units or for any other purpose, subject only to compliance with Law.

Section 5.8 *Use of the Common Elements.*

(A) Subject to the terms of paragraphs (B) and (C) 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, or any other part of the Common Elements without the

prior written consent of the Condominium Board. The lobbies, vestibules, public halls, and stairways shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesperson to utilize exclusively the entrance designated, if any, by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owner or owners of any 2 or more Residential Units, which Residential Units are the only Units serviced or benefited by any Residential Common Element adjacent or appurtenant to such Residential Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Residential Units located on opposite sides of such .hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use such Residential Common Elements exclusively, as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such Residential Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Residential Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements chosen by Sponsor including, the area adjacent to the main entrance of the Building; (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 (such as lobbies, corridors and the like), to sell, lease, manage, or operate Unsold Residential 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 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.

(D) Sponsor, for so long as Sponsor continues to own any Unsold Unit, and the Condominium Board shall have the right, and the lease, sublease, license, sell or otherwise convey to a Unit Owner any portion of the Common Elements which either Sponsor or the Condominium Board determines is no longer needed for the furnishing of the services and facilities (including reasonable access) for which such Common Elements are reasonably intended. Any revenue received for the sale, leasing, subleasing, licensing or other conveyance of such Common Elements shall be retained solely by Sponsor or the Condominium Board, as applicable.

Section 5.9 *Intentionally omitted.*

Section 5.10 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to any other Person authorized by any of the foregoing a right of access

(including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit for the purposes 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 hereunder or under the Declaration or violations of the Residential Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit, or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the 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 replacement 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 1 day's advance notice and only in such a manner as will not unreasonably interfere with the normal conduct of business of the Commercial Unit Owner or other occupants of the Commercial Unit or with the use of the Residential Units 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 the 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.

(C) Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units and the Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

Section 5.11 *Modification of the Residential Rules and Regulations*. The Condominium Board shall have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Residential Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Residential Rules and Regulations shall be furnished to all Unit Owners not less than 30 days prior to the effective date thereof. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would materially and adversely affect Sponsor and/or the Commercial Unit Owner, without the prior written consent of Sponsor or the Commercial Unit Owner. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would adversely affect the Commercial Unit and the use thereof, without the prior written consent of the Commercial Unit Owner.

Section 5.12 *Real Estate Taxes*. Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes 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) 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 real estate taxes affecting such Owner's Unit to the date of the Closing of Title to such Unit.

Section 5.13 *Fuel*. Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and cooling) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements, (b) the Commercial Unit Owner as a General Common Expense for such portion attributable to the Commercial Unit, and (c) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or the Residential Common Elements. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a new survey to be made the cost of which shall be borne by the Unit Owners as a General Common Expense.

Section 5.14 *Water Charges and Sewer Rents*. Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or Residential Common Elements, and (b) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements. In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

Section 5.15 *Electricity.*

(A) Electricity for each Residential Unit and the Commercial Unit (including tenants occupying portions of the Commercial Unit) shall be either individually direct metered, ~~or~~ submetered, or otherwise apportioned to or for for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof) to which such Residential Unit has exclusive access.

(C) If the Residential Units or the Commercial Unit are submetered, each Unit Owner shall he required to pay bills for electricity consumed in such Unit Owner's Unit either to the Condominium Board or to the utility company or to the servicing company engaged by the Condominium Board to perform such services all at the direction of the Condominium Board. The Common Expenses shall include fees for administering and servicing the submeters. In the event that a Unit Owner fails to pay for its submetered electricity, the Condominium Board shall be responsible to pay such expense on the Unit Owner's behalf and such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner and the Condominium Board shall have a lien for non-payment of the expense as provided in Article 6.5 of these By-Laws.

(D) Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Condominium Board and will be borne by the Residential Unit Owners as Common Charges. In addition, the cost of submetering shall be Residential Common Expense if pertaining to Residential Units, an expense of the Commercial Unit if pertaining to the Commercial Unit, and/or a General Common Expense if pertaining to all Units.

(E) In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units, an expense of the Commercial Unit if pertaining to the Commercial Unit, and/or a General Common Expense if pertaining to all Units.

(F) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-Laws."

Section 5.16 *Record 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 with respect to the financial affairs of the Condominium, which 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, as well as all Permitted Mortgages having an interest in such Unit.

(B) Within 4 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 General Common Expense. The fiscal year of the Condominium shall be a calendar year.

ARTICLE 6

COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charges.*

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a 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 in accordance with allocations set forth in the First Year's Budget. The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them, not later than 10 days prior to 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 Mortgagees whenever requested in writing by such Permitted Mortgagees. The Condominium Board may, subject to paragraph (E) of this Section 6.1, 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 Sponsor Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed (or anticipated in the First Year's Budget) for the Property on the date of recording the Declaration except with Sponsor's prior written consent, or eliminate or reduce the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the Members of the Condominium Board elected by Unit Owners other than Sponsor. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least 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 respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments relative to the General Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Residential Common Elements shall be levied against all Residential Unit Owners in proportion to their Residential Common Interests. 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 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 6.5 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, General Common Element, or Residential Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable and shall be collected on behalf of the Unit Owners or Residential Unit Owners, as applicable by the Condominium Board and applied against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements, as appropriate 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 General Common Expenses attributable to the General Common Elements, or the Residential Common Expense attributable to the Residential Common Elements depending on whether the excess relates to the General Common Elements or the Residential 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, or Residential Common Interests, as appropriate and any such distributions must be made out of the Common Charges collected from Unit Owners.

(E) Common Expenses have been allocated amongst the Residential Units (in the aggregate) and the Commercial Unit, on the basis of usage or benefit rather than Common Interest. The First Year's Budget sets forth the percentage for each line item, if any, to be paid for by the Residential Units and the Commercial Unit, which percentages are deemed presumptive evidence of reasonableness. The Condominium Board may not modify these allocations without the consent of the Commercial Unit Owner Owners, and any disputes that may arise in connection therewith shall be resolved by arbitration pursuant to the terms of Article 10 of the By-Laws. Any new line items which may be added to the budget by the Condominium Board in the future shall be paid for on the same basis.

Section 6.2 *Payment of Common Charges*

(A) All Unit Owners (including Sponsor with respect to Unsold Residential Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed 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 Sponsor Control Period, the Condominium Board, in its sole discretion, shall have the right to waive all Unit Owners' obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided during such period, the basic operating costs of the Condominium (exclusive of reserves) 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. The Condominium Board shall remain obligated to update the budget in accordance with Law.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against the Unit subsequent to a sale, transfer, or other conveyance by Unit Owner of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 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 such purchaser's 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 or sale. 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. In the case of a Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Residential Unit Owner shall be deemed a Residential Common Expense, collectible from all those who are Residential Unit Owners at the time the same is levied. In the case of the Commercial Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Commercial Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Residential Unit thereafter accruing unless the aggregate Residential Common Interests then appertaining to the Unsold Residential Units constitute 15% or less of the total Residential Common Interests then appertaining to all Residential Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Residential Unit(s) being conveyed multiplied by 24.

(E) 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 the 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) 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 unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner.

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 with the Condominium Board an amount equal to two (2) times the then current annual Common Charges 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 any 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 remain unpaid for more than 10 days after the due date for the payment thereof, including, but not limited to the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including attorneys' fees, costs and disbursements) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner. 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 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-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, together with all additional sums of money collectible 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, 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, such Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), 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 unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, plus all expenses of collection including but not limited to attorneys' fees, costs and disbursements, in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, 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 shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) If the Unit Owner shall at any time lease the Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including attorneys' fees, costs and disbursements) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 *General.*

(A) Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit and (ii) lease the Residential Unit for periods of not less nor more than 1 year, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7 and the policies and procedures established by the Condominium Board. Any purported sale or rental consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or renting Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, attorneys' fees and disbursements and court costs.

(B) Prior to the initial closing of title to a Residential Unit, Purchasers are prohibited from advertising, listing, offering, promoting or publicizing the availability of the Unit for resale or rental with any broker or otherwise, without Sponsor's prior written consent, which consent may be withheld or conditioned in Sponsor's sole discretion. Subsequent to the initial closing of title, Purchasers are prohibited from advertising, listing, offering, promoting or publicizing the availability of the Unit for resale with any broker or otherwise, without Sponsor's prior written consent, which consent may be withheld or conditioned in Sponsor's sole discretion, for 18 months following the Closing Date (provided however, such limitation shall not apply from and after the date that Sponsor conveys title to all of the Residential Units offered pursuant to the

Plan). In the event that a Purchaser conveys its Residential Unit in violation of the foregoing, Sponsor shall be entitled to void the conveyance. Alternatively, Sponsor may elect, in its sole discretion, to collect from Purchaser, and Purchaser shall be obligated to pay to Sponsor, a sum equal to 25% of any profits that Purchaser receives from the conveyance.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 days (in the event of a proposed sale) and 30 days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law in connection with its exercise of its right of first refusal with respect to the sale or rental of a Unit.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the Closing of Title, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, all New York State and New York City Transfer Taxes) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the Closing date, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended

by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer.*

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 60 days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified, or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 *Termination of and Exceptions to, the Right of First Refusal.*

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing such person's affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof:

(ii) Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

(vi) Commercial Unit Owner;

(C) provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, all of the terms and conditions of this Article 7.

(D) The terms and conditions contained in Section 7.2, 7.3, 7.4 and 7.7 hereof shall not apply with respect to any sale, lease or conveyance of the Commercial Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be 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, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges and Fees.* No Unit Owner shall be permitted to convey or lease the Unit unless (i) the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit and (ii) paid in full all fees charged by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units, including, without limitation, any working capital fund contribution imposed by the Condominium Board. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale of a Unit, a sale may take place notwithstanding the foregoing. Notwithstanding the foregoing, the imposition of any fees by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units shall not apply to the sale lease, sublease, license or conveyance of a Residential Unit by the reasons set forth in subsections 7.5(B) (ii), (iii), (iv), (v) and (vi) of this Article 7.

Section 7.8 *Power of Attorney.* At the time of acquiring title to a Residential Unit and as a condition thereof, the new Residential Unit Owner shall duly execute, acknowledge and deliver to the representative of the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Unit Owner's sole cost and expense), the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 *Gifts and Devises, Etc.* Any Unit Owner shall be free to convey or transfer the Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the provisions of this Article 7.

Section 7.10 *Commencement of Time.* The period of time set forth in Section 7.2 for which the Condominium Board has to waive its right of first refusal shall not commence until such

time as the Condominium Board or its managing agent has received a completed sales or lease package, including all fees set forth therein, as the case may be, from a Residential Unit Owner. If the information provided by the Unit Owner or prospective purchaser or tenant, as the case may be, is incomplete, the Condominium Board shall have the right to request additional information and the 30 day period will commence on receipt by the Condominium Board of the additional information.

Section 7.11 *Costs and Expenses*. All costs and expenses incurred by the Condominium Board, including, without limitation, attorneys' fees and disbursements paid or incurred by the Condominium Board or by its Managing Agent in connection with any action taken by the Condominium Board with regard a violation of this Article 7, shall be borne by the Unit Owner as an Additional Common Charge.

Section 7.12 *Sale or Lease of Commercial Unit.*

(A) The Commercial Unit Owner may sell, lease or convey their respective Units without the consent of the Condominium Board, the Managing Agent, the other Unit Owners or any other Person.

(B) Any proper officer conducting the sale of the Commercial Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or any Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof in a bona fide transaction shall have the same rights as the Commercial Unit Owner to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of the Commercial Unit Owner, the Condominium Board shall deliver to such Commercial Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that such Commercial Unit Owner is current in its payment of all amounts due under the Declaration and the By-Laws, that no written notice of default has been sent to such requesting party and to the knowledge of the Condominium Board, no such default exists. Any such statement may be relied upon by any mortgagee or purchaser of the Commercial Unit. In addition, upon the written request of the Commercial Unit Owner accompanied by such documentation as is reasonably sufficient to allow the Condominium Board to proceed as hereinafter described, the Condominium Board will enter into a non-disturbance and attornment agreement ("Non-Disturbance Agreement") in a form reasonably satisfactory to such requesting Unit Owner with any tenant ("Tenant") of the Commercial Unit Owner which provides that: (i) the Tenant shall be entitled to continued undisturbed possession of such Unit or portion thereof leased by such Tenant, (ii) the Tenant's rights and privileges under the lease for such Unit or portith thereof ("Lease") shall not be diminished or interfered with by the Condominium Board for any reason whatsoever during the term of the Lease or any extensions or renewals thereof, and (iii) except as provided in the last paragraph of this paragraph (C), the Condominium Board will not join the Tenant as a party defendant in any action or proceeding to foreclose upon the Unit or to enforce any rights or remedies of the Condominium Board under the Declaration and By-Laws which would cut-off, destroy, terminate or extinguish the Lease, provided that (a) the Tenant is not in default (beyond any applicable grace periods) in the payment of rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of

the Lease, (b) the Tenant is not in default of any of the provisions of the Declaration and By-Laws, both at the time of the request and at the time of execution of the Non-Disturbance Agreement, (c) the Lease is in full force and effect, (d) the Tenant attorns to the Condominium Board and pays to the Condominium Board, all rentals and other monies due and to become due to the Commercial Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Commercial Unit Owner, equal to the percentage of the total square footage of the Commercial Unit leased by such Tenant, it being understood that without affecting the Tenant's rights and protection afforded by the Non-Disturbance Agreement, the Tenant shall not be required to pay any rentals or other monies otherwise due or to become due to the Commercial Unit

(D) Owner to the Condominium Board if such payment is prohibited by the terms of any non-disturbance agreement granted to such Tenant by the mortgagee of such Commercial Unit holding a first mortgage on such Commercial Unit. The Non-Disturbance Agreement shall be executed by the Tenant and the Condominium Board and prepared by the Condominium Board at the expense of the Unit Owner requesting the Non-Disturbance Agreement, which expense shall be limited to reasonable actual out-of-pocket expenses incurred by the Condominium Board, including attorneys' fees and disbursements.

Notwithstanding the foregoing, if it would be procedurally disadvantageous for the Condominium Board not to name or join the Tenant in a foreclosure proceeding with respect to the Commercial Unit, the Condominium Board may name or join the Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, the Tenant under this Article.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 *General.* Each Unit Owner shall have the right to mortgage the Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner, who mortgages the Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering the Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor or the Commercial Unit Owner.

Section 8.2 *Restrictions on Mortgaging*

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate the Unit unless and until such Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any 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.

(C) Any mortgage covering a Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be held by an Institutional Lender, Sponsor, or by a Unit Owner providing purchase money financing in connection with the sale of the Unit.

Section 8.3 *Notice of Unpaid Common Charges and Default*. The Condominium Board shall promptly report to Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the payment of Common Charges or Special Assessments for more than 60 days or whenever requested in writing by a Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to the Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by the mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.5 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees*. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by such Unit Owner's the Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books*. Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives*.

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein

shall be deemed to limit or affect the rights of any mortgagee against a Unit Owner's mortgage. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a "Mortgage Representative" pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

Section 8.7 *Notice to Permitted Mortgagees.*

(A) The Condominium Board shall provide timely written notice to Permitted Mortgagees of (i) any condemnation or casualty loss that affects either (x) a material portion of the Condominium or (y) a material portion of a Unit, (ii) a lapse, cancellation or material modification of any insurance policy maintained by the Condominium, and (iii) any proposed action by the Condominium Board that requires the consent of a specified percentage of Permitted Mortgagees or the approval of the majority of the Mortgage Representatives.

(B) In no event, however, shall the Condominium Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure, through oversight or negligence, in giving a Permitted Mortgagee any notice required under (A) above. Nonetheless, the Condominium Board shall give such missed notice with reasonable promptness after discovering such failure.

(C) Where the consent of the Permitted Mortgagees or Mortgage Representatives is required pursuant to the terms of the Declaration or By-Laws, if the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the required consent, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *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 pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (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 5 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 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 9.2 *Abatement and Enjoinment.*

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on 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 or the Commercial Unit Owner shall give to Sponsor or the Commercial Unit Owner 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 9.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor or the Commercial Unit Owner in this Article 9 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 or the Commercial Unit Owners, 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 9.4 *Costs and Expenses.* All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in 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 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor or the Commercial Unit Owners in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Commercial Unit Owners, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 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 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *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 1 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 10 days after such arbitrator's selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least 5 members whose principal office is located in the City of New York.

Section 10.2 *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 Section 10.1 hereof with respect to the arbitration of such dispute or may agree 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 10.3 *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 10.4 *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 witnesses.

(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 witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common Expenses, to be borne by all Residential Unit Owners if such arbitration relates solely to the Residential Units or the Residential Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential 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 Unit Owner's 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.

Any of the foregoing parties 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 Section 11.1 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 11.2 *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 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, the Commercial Unit Owner, the Commercial Unit and/or any Permitted Mortgagee, any provision of these By-Laws affecting the (i) General Common Elements or all Units may be added to, amended, modified or deleted by the affirmative vote of at least 66 2/3% in number and Common Interest of all Unit Owners; and (ii) Residential Common Elements or all Residential Units may be added to, amended, modified or deleted by affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Residential Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Residential Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Residential Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest and Residential Common Interest, if any, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof; and

(ii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless not less than 80% in number and aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 *Special Amendments.*

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may

be effected by Sponsor or the Commercial Unit Owners, without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or the Commercial Unit Owners, as the case may be, as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or the Commercial Unit Owners certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Commercial Unit Owners pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or the Commercial Unit Owners, unless and until Sponsor or the Commercial Unit Owners shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) or paragraph (C) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto. In addition, no amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. if the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of a Commercial Unit or the subdivision of or combination of, or altering of, or improvement to a Commercial Unit and it is contemplated that in connection therewith a Commercial Unit Owner will cause the Declaration, these By-Laws and the Residential Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Units and the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not materially and adversely affect the Residential Units or the Residential Unit Owners, a Commercial Unit Owner shall be the attorney-in-fact for the Residential Unit Owners (including Sponsor so long as Sponsor owns any Unsold Residential Units), coupled with an interest, for the purpose of approving, executing and recording any instrument effecting such amendment, modification, addition or deletion.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 *General.* Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a Member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 *Failure to Deliver or Act.*

(A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner 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 or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If any Unit Owner, the Condominium Board or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to these By-Laws at the request of Sponsor or a Commercial Unit Owner, or a Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, as the case may be, then Sponsor, or a Commercial Unit Owner or a Development Rights Owner solely with respect to utilization, sale or transfer of Excess Development Rights, as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-Laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 *Inspection of Documents.* Copies of the Declaration, these By-Laws, the Residential 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. Each Unit Owner shall be permitted to examine the books of account of the Condominium during reasonable business hours, but not more frequently than once a month.

Section 14.2 *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 14.3 *Conflict*. In the event that any provision of these By-Laws or of the Residential Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 *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 14.5 *Successors and Assigns*. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor. The rights and/or obligations of the Commercial Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Commercial Unit Owner.

Section 14.6 *Gender*. A reference in these By-Laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 *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.

ARTICLE 15

TAX STATUS AS A HOMEOWNERS ASSOCIATION

Section 15.1 *General*. The Condominium Board intends to act in a manner consistent with enabling the Condominium to be eligible to elect to be treated as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended.

Section 15.2 *Organization*. The Condominium is and will be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property.

Section 15.3 *Inurement*. No part of the Condominium's net earnings shall inure, and the Condominium Board will act in a manner such that no part of such earnings will inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing

management, maintenance, and care of the Property, and other than by rebate of excess membership dues, fees, or assessments).

Section 15.4 *Residential Use*. Substantially all of the Units are and will be used by individuals for residences.

* * * * *

ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units.

2. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All service and delivery persons will be required to use the entrance of the Building designated by the Condominium Board or the Managing Agent, if so designated.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. No Residential Unit may be used for the storage of any flammable materials or any other materials the storage of which may constitute a building code violation or which will increase the insurance requirements for the Building.

7. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or placed upon the window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

8. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building.

9. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building.

10. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Residential Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

11. There shall be no barbecuing in the Residential Units or in the Common Elements.

12. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its appurtenant Residential Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice of suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

13. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building or policies with respect to size or number of pets per Unit. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

14. No group tour, open house or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

15. Unless expressly authorized by the Condominium Board in each instance, not less than 80% of the total floor area of each room of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise reducing material.

16. No window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

17. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Common Elements without the prior written approval of the

Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

18. Any installations, replacements, and/or repairs in connection with legally-compliant window guards and/or window stops in any Residential Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be borne by the Residential Unit Owner. It is the responsibility of each Residential Unit Owner to (i) notify the Managing Agent in writing if any child under the age of eleven (11) years resides (even temporarily) in the Residential Unit, (ii) to make the necessary arrangements with respect to the installation, repair, replacement, operation, and/or maintenance of legally-compliant window guards and/or window stops in the Residential Unit and/or any additional equipment as required by Law, and (iii) to otherwise ensure that all operable windows located in the Residential Unit comply with Law.

19. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

20. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

21. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

22. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Common Elements in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

23. The access doors located in various portions of the ceiling of the Residential Units shall not be obstructed in any manner which would prevent access to the ceiling hung units located within such ceilings.

24. The agents of the Condominium Board or the Managing Agent, and any contractor or workperson authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 1 day prior notice to the Residential Unit Owner, for the purpose of inspecting such Residential 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 Residential Unit for its permitted purposes.

25. The Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to the Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

26. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

27. Residential Unit Owners and their respective Family Members, 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 unless such roof is part of a lawful terrace.

28. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

29. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

30. No Residential Unit Owner may place any installations or otherwise use the Building roof without the express prior permission of the Board or Managing Agent.

33. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

34. When leaving the Residential Unit for extended periods of time, Residential Unit Owners and their respective Family Members, guests, domestic employees, agents, visitors, or licensees shall keep the Residential Unit at a maximum of 80 degrees Fahrenheit from May 15 to October 15 and shall keep the Residential Unit at a minimum of 60 degrees Fahrenheit from October 15 to May 15. Any damage resulting from a Residential Unit Owner's or their respective Family Member, guests, domestic employees, agents, visitors or licensees failure to

abide by the provisions of this paragraph shall be borne solely by the owner of such Residential Unit causing the damage.

35. Residential Unit Owners and their respective Family Members, guests, domestic employees, employees, agents, visitors, or licensees shall abide by any additional rules and regulations adopted by the Condominium Board.

36. There shall be no smoking in the inside common areas. Smoking within Units is permitted to the extent permitted by Law. Anyone smoking in the front yard or at the Building entrance must pick up all smoking materials. Once 3 Units have closed, the Smoking Policy will be reviewed and revised at the discretion of the non-Sponsor members of the Board.

EXHIBIT E

TO THE DECLARATION

UNIT POWER OF ATTORNEY

UNIT POWER OF ATTORNEY

Terms used in this Unit Owner's power of attorney (this "Power of Attorney") which are used (a) in the declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as 320 Macon Condominium (the "Condominium") and by the street number 320 Macon Street, Brooklyn, New York under Article 9-B of the Real Property Law of the State of New York, dated _____, 20__, and recorded in the Office of the Register of the City of New York, County of New York on _____, 20__ as CRFN _____, as the same is amended, restated or supplemented at any time, or (b) in the By-Laws of the Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, as the same is amended, restated or supplemented at any time, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, having an address at 320 Macon Street, Brooklyn, New York 11216, the owner of condominium unit ___ (the "Unit") in the Condominium, which is designated and described in the Declaration as Tax Lot ___ in Block 1853 of Section ___ of the Borough of Brooklyn on the Tax Map of the Department of Finance of The City of New York and on the Tax Lot Drawings, does hereby nominate, constitute and appoint Sponsor and the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in Sponsor's name or in the name of Sponsor's designee (corporate or otherwise), and with respect to the Condominium Board members, in their own names, as Members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased; and

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or

any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

I hereby nominate, constitute and appoint the Declarant (a/k/a Sponsor under the Plan for the Condominium), true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the Declaration, or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Residential Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Residential Unit; or (3) shall be required to correct any inconsistencies or scriveners' errors in the Declaration, the By-Laws and/or the Floor Plans; or (4) relinquish Sponsor's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as (i) Sponsor shall cease to own any Unit in the Condominium; and (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and

(b) to effectuate Sponsor's and/or Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in the Declaration.

This Power of Attorney shall be irrevocable.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of _____, 20__.

_____

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On _____, 20__, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

Exhibit "8"

CERTIFICATION OF SPONSOR AND PRINCIPALS

CERTIFICATION BY SPONSOR

Re: 320 Macon Condominium
320 Macon Street, Brooklyn, NY
File No.: CD18-0276

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

The undersigned, being duly sworn, depose and say:

We are the sponsor and the principals of 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 I/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.

GREGORY LANE MAIDMAN

RICHARD MACK

Sworn to before me this 28th day of June, 2019.

NOTARY PUBLIC – STATE OF NEW YORK

ANGELA F. SCIANDRA
Notary Public, State of New York
Registration #01SC6294897
Qualified In Kings County
Commission Expires December 23, 2021

Exhibit "9"

CERTIFICATION OF SPONSOR'S ARCHITECT

COSTA
ARCHITECTURE + ENGINEERING, LLP

Angelo R. Costa, RA, AIA
Paul M. Antonio, PE

CERTIFICATION OF SPONSOR'S ARCHITECT

Dated: July 8, 2019

New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street
New York, New York 10005

Re: Condominium Offering Plan
320 Macon Street
Brooklyn, New York 11216

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the renovation of the property (the "Report"). We visually inspected existing portions of the renovated property on January 16, 2018, and we examined the building plans and specifications that were prepared by Davidson Christmas, RA dated December 12, 2017, and plans and specifications prepared by Victor Castillo, RA dated March 28, 2017 and prepared the Report dated June 26, 2018, last revision dated July 8, 2019, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the state in which the property is located.

We understand that 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 this Report.

We 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.

We 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 renovation, provided that renovation is in accordance with the plans and specifications that we examined;

(ii) in my/our 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 renovation, provided that renovation is in accordance with the plans and specifications that we 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; and

(vii) does 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.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our 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.

SPONSOR:

Costa Architecture & Engineering, LLP

By: _____
Name: Angelo Costa
Title: Architect

REGISTERED ARCHITECT ANGELO R. COSTA 016907 STATE OF NEW YORK

Sworn to before me on _____, 2019

Notary Public

JOHANNA LOPEZ
Notary Public, State of New York
No. 01LO6311982
Qualified in Queens County
Commission Expires Sept. 22, 2022

Exhibit "10"

CERTIFICATION OF SPONSOR'S BUDGET EXPERT CONCERNING ADEQUACY OF BUDGET AND ADEQUACY OF ELECTRICAL USAGE (SCHEDULE B-1 SUMMARY)

CERTIFICATION BY EXPERT PROJECTION OF INCOME & EXPENSES

Dated: August 1, 2019
New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street
New York, New York 10005

Re: Condominium Offering Plan File No. CD18-0276
320 Macon Street, Brooklyn, New York

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule(s) B, B-1 and C (collectively, the "Schedules") containing projections of income and expenses for the first year of condominium operation. My experience in this field includes: management of over 50 condominium, cooperative, and residential rental properties for a period in excess of 35 years.

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 the Schedules.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in the Schedules 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 certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers, and participants an adequate basis upon which to predicate their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where

(a) I 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.

I further certify that I am not owned or controlled by the sponsor. I 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 understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sworn to before me on
August 1, 2019

ELIEZER COHEN

Notary Public

AMY M. YUE
Notary Public, State of New York
No. 01YU4893590
Qualified in Queens County
Commission Expires May 20, 2024

CERTIFICATION BY EXPERT ON ADEQUACY OF SUMMARY OF ELECTRICAL USAGE (SCHEDULE B-1 SUMMARY)

Dated: August 30, 2018
New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street
New York, New York 10005

Re: Condominium Offering Plan
320 Macon Street, Brooklyn, New York

The sponsor of the condominium offering plan for the captioned property retained me to prepare the summary of electrical usage, which forms part of Schedule B-1 ("Summary") containing projections of electrical usage for the first year of condominium operation, my experience in this field includes preparing energy usage analysis for multiple NYCDEP facilities including but not limited to 26Th Ward WPCP, Newtown Creek WPCP, Tallman Island STP, Paerdegat Basin CSO facilities, Mason Avenue Pump Station, Throgs Neck Pump Station, Avenue V Pump Station, Port Jervis WPCP, Paerdegat Basin Crew Facilities, etc...

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 the Summary.

I have reviewed the Summary and investigated the facts set forth in the Summary and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the Summary appears to summarize the projections in Schedule B-1.

I certify that the Summary:

(i) set forth in the Summary summarizes the projected electrical consumption for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate summary, which, when taken together with Schedule B-1, upon which to found their judgment concerning electrical consumption for 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) do 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 representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I 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 understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sworn to before me this

30 day of August, 2018.

NOTARY PUBLIC – STATE OF NEW YORK

JOHANNA LOPEZ
Notary Public, State of New York
No. 01LO6311982
Qualified in Queens County
Commission Expires Sept. 22, 2018

Exhibit "11"

CERTIFICATION OF SPONSOR'S BUDGET EXPERT
CONCERNING COMMON CHARGES
PAYABLE BY COMMERCIAL UNIT OWNER

CERTIFICATION BY EXPERT OF COMMERCIAL SPACE COMMON CHARGES

Dated: August 1, 2019

New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street
New York, New York 10005

Re: Condominium Offering Plan File No. CD18-0276
320 Macon Street, Brooklyn, New York

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B which includes projections of income and common charges payable by the owners of the commercial unit(s). My experience in this field includes: management of over 50 condominium, cooperative, and residential rental properties for a period in excess of 35 years.

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 the commercial unit(s) listed in Schedule B.

I have reviewed the Schedule as it impacts the commercial unit(s) and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedule B for common charges payable by the owners of commercial unit(s) appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit(s) for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit(s) also reflect special or exclusive use or availability or exclusive control of particular common areas.

I certify that the estimates in Schedule B for common charges payable by the owners of commercial unit(s):

(i) set forth in detail the projected common charges for the commercial unit(s) for the first year of condominium operation;
(ii) afford potential investors, purchasers and participants an adequate basis upon which to base their judgment concerning the common charges payable by the owners of the commercial units(s);
(iii) do not omit any material fact;
(iv) do not contain any untrue statement of a material fact;
(v) do not contain any fraud, deception, concealment, or suppression;
(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
(vii) do 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 representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I 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 common charges fairly attributable to the commercial unit(s) 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 understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sworn to before me on

August 1, 2019

Notary Public

AMY M. YUE
Notary Public, State of New York
No. 01YU4893590
Qualified in Queens County
Commission Expires May 20, 2024

ELIEZER COHEN

Exhibit "12"

FORM W-9

REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION

Form **W-9**
(Rev. October 2018)
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.*

Exhibit "13"

FORM W-8BEN

CERTIFICATE OF FOREIGN STATUS OF BENEFICIAL OWNER FOR UNITED STATES TAX WITHHOLDING AND REPORTING (INDIVIDUALS)

AND

FORM W-8BEN-E

CERTIFICATE OF STATUS OF BENEFICIAL OWNER FOR UNITED STATES TAX WITHHOLDING AND REPORTING (ENTITIES)

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)

Form **W-8BEN-E**
(Rev. July 2017)
Department of the Treasury
Internal Revenue Service

Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)

▶ For use by entities. Individuals must use Form W-8BEN. ▶ Section references are to the Internal Revenue Code.
▶ Go to *www.irs.gov/FormW8BENE* 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 for: **Instead use Form:**

- U.S. entity or U.S. citizen or resident W-9
- A foreign individual . . . . . W-8BEN (Individual) or Form 8233
- A foreign individual or entity claiming that income is effectively connected with the conduct of trade or business within the U.S. (unless claiming treaty benefits) W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (unless claiming treaty benefits) (see instructions for exceptions) . . W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming that income is effectively connected U.S. income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (unless claiming treaty benefits) (see instructions for other exceptions) . . . . . W-8ECI or W-8EXP
- Any person acting as an intermediary (including a qualified intermediary acting as a qualified derivatives dealer) W-8IMY

Part I Identification of Beneficial Owner

1 Name of organization that is the beneficial owner

2 Country of incorporation or organization

3 Name of disregarded entity receiving the payment (if applicable, see instructions)

4 Chapter 3 Status (entity type) (Must check one box only):
☐ Corporation ☐ Disregarded entity ☐ Partnership
☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government
☐ Central Bank of Issue ☐ Tax-exempt organization ☐ Private foundation ☐ International organization

If you entered disregarded entity, partnership, simple trust, or grantor trust above, is the entity a hybrid making a treaty claim? If "Yes" complete Part III. ☐ Yes ☐ No

5 Chapter 4 Status (FATCA status) (See instructions for details and complete the certification below for the entity's applicable status.)

☐ Nonparticipating FFI (including an FFI related to a Reporting IGA FFI other than a deemed-compliant FFI, participating FFI, or exempt beneficial owner).
☐ Participating FFI.
☐ Reporting Model 1 FFI.
☐ Reporting Model 2 FFI.
☐ Registered deemed-compliant FFI (other than a reporting Model 1 FFI, sponsored FFI, or nonreporting IGA FFI covered in Part XII). See instructions.
☐ Sponsored FFI. Complete Part IV.
☐ Certified deemed-compliant nonregistering local bank. Complete Part V.
☐ Certified deemed-compliant FFI with only low-value accounts. Complete Part VI.
☐ Certified deemed-compliant sponsored, closely held investment vehicle. Complete Part VII.
☐ Certified deemed-compliant limited life debt investment entity. Complete Part VIII.
☐ Certain investment entities that do not maintain financial accounts. Complete Part IX.
☐ Owner-documented FFI. Complete Part X.
☐ Restricted distributor. Complete Part XI.
☐ Nonreporting IGA FFI. Complete Part XII.
☐ Foreign government, government of a U.S. possession, or foreign central bank of issue. Complete Part XIII.
☐ International organization. Complete Part XIV.
☐ Exempt retirement plans. Complete Part XV.
☐ Entity wholly owned by exempt beneficial owners. Complete Part XVI.
☐ Territory financial institution. Complete Part XVII.
☐ Excepted nonfinancial group entity. Complete Part XVIII.
☐ Excepted nonfinancial start-up company. Complete Part XIX.
☐ Excepted nonfinancial entity in liquidation or bankruptcy. Complete Part XX.
☐ 501(c) organization. Complete Part XXI.
☐ Nonprofit organization. Complete Part XXII.
☐ Publicly traded NFFE or NFFE affiliate of a publicly traded corporation. Complete Part XXIII.
☐ Excepted territory NFFE. Complete Part XXIV.
☐ Active NFFE. Complete Part XXV.
☐ Passive NFFE. Complete Part XXVI.
☐ Excepted inter-affiliate FFI. Complete Part XXVII.
☐ Direct reporting NFFE.
☐ Sponsored direct reporting NFFE. Complete Part XXVIII.
☐ Account that is not a financial account.

6 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address** (other than a registered address).

City or town, state or province. Include postal code where appropriate. | Country

7 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate. | Country

8 U.S. taxpayer identification number (TIN), if required | 9a GIIN | b Foreign TIN

10 Reference number(s) (see instructions)

Note: Please complete remainder of the form including signing the form in Part XXX.

Part II **Disregarded Entity or Branch Receiving Payment.** (Complete only if a disregarded entity with a GIIN or a branch of an FFI in a country other than the FFI's country of residence. See instructions.)

11 Chapter 4 Status (FATCA status) of disregarded entity or branch receiving payment

☐ Branch treated as nonparticipating FFI. ☐ Reporting Model 1 FFI. ☐ U.S. Branch.

☐ Participating FFI. ☐ Reporting Model 2 FFI.

12 Address of disregarded entity or branch (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address** (other than a registered address).

City or town, state or province. Include postal code where appropriate.

Country

13 GIIN (if any)

Part III **Claim of Tax Treaty Benefits** (if applicable). (For chapter 3 purposes only.)

14 I certify that (check all that apply):

a ☐ The beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

b ☐ The beneficial owner derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits. The following are types of limitation on benefits provisions that may be included in an applicable tax treaty (check only one; see instructions):

☐ Government
☐ Tax exempt pension trust or pension fund
☐ Other tax exempt organization
☐ Publicly traded corporation
☐ Subsidiary of a publicly traded corporation
☐ Company that meets the ownership and base erosion test
☐ Company that meets the derivative benefits test
☐ Company with an item of income that meets active trade or business test
☐ Favorable discretionary determination by the U.S. competent authority received
☐ Other (specify Article and paragraph): _____

c ☐ The beneficial owner is claiming treaty benefits for U.S. source dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation and meets qualified resident status (see instructions).

15 **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 14a above to claim a _____ % rate of withholding on (specify type of income): _____

Explain the additional conditions in the Article the beneficial owner meets to be eligible for the rate of withholding: _____

Part IV **Sponsored FFI**

16 Name of sponsoring entity: _____

17 **Check whichever box applies.**

☐ I certify that the entity identified in Part I:

- Is an investment entity;
- Is not a QI, WP (except to the extent permitted in the withholding foreign partnership agreement), or WT; **and**
- Has agreed with the entity identified above (that is not a nonparticipating FFI) to act as the sponsoring entity for this entity.

☐ I certify that the entity identified in Part I:

- Is a controlled foreign corporation as defined in section 957(a);
- Is not a QI, WP, or WT;
- Is wholly owned, directly or indirectly, by the U.S. financial institution identified above that agrees to act as the sponsoring entity for this entity; **and**
- Shares a common electronic account system with the sponsoring entity (identified above) that enables the sponsoring entity to identify all account holders and payees of the entity and to access all account and customer information maintained by the entity including, but not limited to, customer identification information, customer documentation, account balance, and all payments made to account holders or payees.

Part V Certified Deemed-Compliant Nonregistering Local Bank

18 ☐ I certify that the FFI identified in Part I:

- Operates and is licensed solely as a bank or credit union (or similar cooperative credit organization operated without profit) in its country of incorporation or organization;
- Engages primarily in the business of receiving deposits from and making loans to, with respect to a bank, retail customers unrelated to such bank and, with respect to a credit union or similar cooperative credit organization, members, provided that no member has a greater than 5% interest in such credit union or cooperative credit organization;
- Does not solicit account holders outside its country of organization;
- Has no fixed place of business outside such country (for this purpose, a fixed place of business does not include a location that is not advertised to the public and from which the FFI performs solely administrative support functions);
- Has no more than $175 million in assets on its balance sheet and, if it is a member of an expanded affiliated group, the group has no more than $500 million in total assets on its consolidated or combined balance sheets; **and**
- Does not have any member of its expanded affiliated group that is a foreign financial institution, other than a foreign financial institution that is incorporated or organized in the same country as the FFI identified in Part I and that meets the requirements set forth in this part.

Part VI Certified Deemed-Compliant FFI with Only Low-Value Accounts

19 ☐ I certify that the FFI identified in Part I:

- Is not engaged primarily in the business of investing, reinvesting, or trading in securities, partnership interests, commodities, notional principal contracts, insurance or annuity contracts, or any interest (including a futures or forward contract or option) in such security, partnership interest, commodity, notional principal contract, insurance contract or annuity contract;
- No financial account maintained by the FFI or any member of its expanded affiliated group, if any, has a balance or value in excess of $50,000 (as determined after applying applicable account aggregation rules); **and**
- Neither the FFI nor the entire expanded affiliated group, if any, of the FFI, have more than $50 million in assets on its consolidated or combined balance sheet as of the end of its most recent accounting year.

Part VII Certified Deemed-Compliant Sponsored, Closely Held Investment Vehicle

20 Name of sponsoring entity: _____

21 ☐ I certify that the entity identified in Part I:

- Is an FFI solely because it is an investment entity described in Regulations section 1.1471-5(e)(4);
- Is not a QI, WP, or WT;
- Will have all of its due diligence, withholding, and reporting responsibilities (determined as if the FFI were a participating FFI) fulfilled by the sponsoring entity identified on line 20; **and**
- 20 or fewer individuals own all of the debt and equity interests in the entity (disregarding debt interests owned by U.S. financial institutions, participating FFIs, registered deemed-compliant FFIs, and certified deemed-compliant FFIs and equity interests owned by an entity if that entity owns 100% of the equity interests in the FFI and is itself a sponsored FFI).

Part VIII Certified Deemed-Compliant Limited Life Debt Investment Entity

22 ☐ I certify that the entity identified in Part I:

- Was in existence as of January 17, 2013;
- Issued all classes of its debt or equity interests to investors on or before January 17, 2013, pursuant to a trust indenture or similar agreement; **and**
- Is certified deemed-compliant because it satisfies the requirements to be treated as a limited life debt investment entity (such as the restrictions with respect to its assets and other requirements under Regulations section 1.1471-5(f)(2)(iv)).

Part IX Certain Investment Entities that Do Not Maintain Financial Accounts

23 ☐ I certify that the entity identified in Part I:

- Is a financial institution solely because it is an investment entity described in Regulations section 1.1471-5(e)(4)(i)(A), **and**
- Does not maintain financial accounts.

Part X Owner-Documented FFI

Note: This status only applies if the U.S. financial institution, participating FFI, or reporting Model 1 FFI to which this form is given has agreed that it will treat the FFI as an owner-documented FFI (see instructions for eligibility requirements). In addition, the FFI must make the certifications below.

24a ☐ (All owner-documented FFIs check here) I certify that the FFI identified in Part I:

- Does not act as an intermediary;
- Does not accept deposits in the ordinary course of a banking or similar business;
- Does not hold, as a substantial portion of its business, financial assets for the account of others;
- Is not an insurance company (or the holding company of an insurance company) that issues or is obligated to make payments with respect to a financial account;
- Is not owned by or in an expanded affiliated group with an entity that accepts deposits in the ordinary course of a banking or similar business, holds, as a substantial portion of its business, financial assets for the account of others, or is an insurance company (or the holding company of an insurance company) that issues or is obligated to make payments with respect to a financial account;
- Does not maintain a financial account for any nonparticipating FFI; **and**
- Does not have any specified U.S. persons that own an equity interest or debt interest (other than a debt interest that is not a financial account or that has a balance or value not exceeding $50,000) in the FFI other than those identified on the FFI owner reporting statement.

Part X Owner-Documented FFI *(continued)*

Check box 24b or 24c, whichever applies.

b ☐ I certify that the FFI identified in Part I:

- Has provided, or will provide, an FFI owner reporting statement that contains:
  - **(i)** The name, address, TIN (if any), chapter 4 status, and type of documentation provided (if required) of every individual and specified U.S. person that owns a direct or indirect equity interest in the owner-documented FFI (looking through all entities other than specified U.S. persons);
  - **(ii)** The name, address, TIN (if any), and chapter 4 status of every individual and specified U.S. person that owns a debt interest in the owner-documented FFI (including any indirect debt interest, which includes debt interests in any entity that directly or indirectly owns the payee or any direct or indirect equity interest in a debt holder of the payee) that constitutes a financial account in excess of $50,000 (disregarding all such debt interests owned by participating FFIs, registered deemed-compliant FFIs, certified deemed-compliant FFIs, excepted NFFEs, exempt beneficial owners, or U.S. persons other than specified U.S. persons); **and**
  - **(iii)** Any additional information the withholding agent requests in order to fulfill its obligations with respect to the entity.
- Has provided, or will provide, valid documentation meeting the requirements of Regulations section 1.1471-3(d)(6)(iii) for each person identified in the FFI owner reporting statement.

c ☐ I certify that the FFI identified in Part I has provided, or will provide, an auditor's letter, signed within 4 years of the date of payment, from an independent accounting firm or legal representative with a location in the United States stating that the firm or representative has reviewed the FFI's documentation with respect to all of its owners and debt holders identified in Regulations section 1.1471-3(d)(6)(iv)(A)(2), and that the FFI meets all the requirements to be an owner-documented FFI. The FFI identified in Part I has also provided, or will provide, an FFI owner reporting statement of its owners that are specified U.S. persons and Form(s) W-9, with applicable waivers.

Check box 24d if applicable (optional, see instructions).

d ☐ I certify that the entity identified on line 1 is a trust that does not have any contingent beneficiaries or designated classes with unidentified beneficiaries.

Part XI Restricted Distributor

25a ☐ (All restricted distributors check here) I certify that the entity identified in Part I:

- Operates as a distributor with respect to debt or equity interests of the restricted fund with respect to which this form is furnished;
- Provides investment services to at least 30 customers unrelated to each other and less than half of its customers are related to each other;
- Is required to perform AML due diligence procedures under the anti-money laundering laws of its country of organization (which is an FATF-compliant jurisdiction);
- Operates solely in its country of incorporation or organization, has no fixed place of business outside of that country, and has the same country of incorporation or organization as all members of its affiliated group, if any;
- Does not solicit customers outside its country of incorporation or organization;
- Has no more than $175 million in total assets under management and no more than $7 million in gross revenue on its income statement for the most recent accounting year;
- Is not a member of an expanded affiliated group that has more than $500 million in total assets under management or more than $20 million in gross revenue for its most recent accounting year on a combined or consolidated income statement; **and**
- Does not distribute any debt or securities of the restricted fund to specified U.S. persons, passive NFFEs with one or more substantial U.S. owners, or nonparticipating FFIs.

Check box 25b or 25c, whichever applies.

I further certify that with respect to all sales of debt or equity interests in the restricted fund with respect to which this form is furnished that are made after December 31, 2011, the entity identified in Part I:

b ☐ Has been bound by a distribution agreement that contained a general prohibition on the sale of debt or securities to U.S. entities and U.S. resident individuals and is currently bound by a distribution agreement that contains a prohibition of the sale of debt or securities to any specified U.S. person, passive NFFE with one or more substantial U.S. owners, or nonparticipating FFI.

c ☐ Is currently bound by a distribution agreement that contains a prohibition on the sale of debt or securities to any specified U.S. person, passive NFFE with one or more substantial U.S. owners, or nonparticipating FFI and, for all sales made prior to the time that such a restriction was included in its distribution agreement, has reviewed all accounts related to such sales in accordance with the procedures identified in Regulations section 1.1471-4(c) applicable to preexisting accounts and has redeemed or retired any, or caused the restricted fund to transfer the securities to a distributor that is a participating FFI or reporting Model 1 FFI securities which were sold to specified U.S. persons, passive NFFEs with one or more substantial U.S. owners, or nonparticipating FFIs.

Part XII Nonreporting IGA FFI

26 ☐ I certify that the entity identified in Part I:

- Meets the requirements to be considered a nonreporting financial institution pursuant to an applicable IGA between the United States and _____. The applicable IGA is a ☐ Model 1 IGA or a ☐ Model 2 IGA; and
- is treated as a _____ under the provisions of the applicable IGA or Treasury regulations (if applicable, see instructions);
- If you are a trustee documented trust or a sponsored entity, provide the name of the trustee or sponsor _____. The trustee is: ☐ U.S. ☐ Foreign

Part XIII Foreign Government, Government of a U.S. Possession, or Foreign Central Bank of Issue

27 ☐ I certify that the entity identified in Part I is the beneficial owner of the payment, and is not engaged in commercial financial activities of a type engaged in by an insurance company, custodial institution, or depository institution with respect to the payments, accounts, or obligations for which this form is submitted (except as permitted in Regulations section 1.1471-6(h)(2)).

Part XIV International Organization

Check box 28a or 28b, whichever applies.

28a ☐ I certify that the entity identified in Part I is an international organization described in section 7701(a)(18).

b ☐ I certify that the entity identified in Part I:

- Is comprised primarily of foreign governments;
- Is recognized as an intergovernmental or supranational organization under a foreign law similar to the International Organizations Immunities Act or that has in effect a headquarters agreement with a foreign government;
- The benefit of the entity's income does not inure to any private person; **and**
- Is the beneficial owner of the payment and is not engaged in commercial financial activities of a type engaged in by an insurance company, custodial institution, or depository institution with respect to the payments, accounts, or obligations for which this form is submitted (except as permitted in Regulations section 1.1471-6(h)(2)).

Part XV Exempt Retirement Plans

Check box 29a, b, c, d, e, or f, whichever applies.

29a ☐ I certify that the entity identified in Part I:

- Is established in a country with which the United States has an income tax treaty in force (see Part III if claiming treaty benefits);
- Is operated principally to administer or provide pension or retirement benefits; **and**
- Is entitled to treaty benefits on income that the fund derives from U.S. sources (or would be entitled to benefits if it derived any such income) as a resident of the other country which satisfies any applicable limitation on benefits requirement.

b ☐ I certify that the entity identified in Part I:

- Is organized for the provision of retirement, disability, or death benefits (or any combination thereof) to beneficiaries that are former employees of one or more employers in consideration for services rendered;
- No single beneficiary has a right to more than 5% of the FFI's assets;
- Is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in the country in which the fund is established or operated; **and**
  - **(i)** Is generally exempt from tax on investment income under the laws of the country in which it is established or operates due to its status as a retirement or pension plan;
  - **(ii)** Receives at least 50% of its total contributions from sponsoring employers (disregarding transfers of assets from other plans described in this part, retirement and pension accounts described in an applicable Model 1 or Model 2 IGA, other retirement funds described in an applicable Model 1 or Model 2 IGA, or accounts described in Regulations section 1.1471-5(b)(2)(i)(A));
  - **(iii)** Either does not permit or penalizes distributions or withdrawals made before the occurrence of specified events related to retirement, disability, or death (except rollover distributions to accounts described in Regulations section 1.1471-5(b)(2)(i)(A) (referring to retirement and pension accounts), to retirement and pension accounts described in an applicable Model 1 or Model 2 IGA, or to other retirement funds described in this part or in an applicable Model 1 or Model 2 IGA); **or**
  - **(iv)** Limits contributions by employees to the fund by reference to earned income of the employee or may not exceed $50,000 annually.

c ☐ I certify that the entity identified in Part I:

- Is organized for the provision of retirement, disability, or death benefits (or any combination thereof) to beneficiaries that are former employees of one or more employers in consideration for services rendered;
- Has fewer than 50 participants;
- Is sponsored by one or more employers each of which is not an investment entity or passive NFFE;
- Employee and employer contributions to the fund (disregarding transfers of assets from other plans described in this part, retirement and pension accounts described in an applicable Model 1 or Model 2 IGA, or accounts described in Regulations section 1.1471-5(b)(2)(i)(A)) are limited by reference to earned income and compensation of the employee, respectively;
- Participants that are not residents of the country in which the fund is established or operated are not entitled to more than 20% of the fund's assets; **and**
- Is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in the country in which the fund is established or operates.

Part XV Exempt Retirement Plans *(continued)*

d ☐ I certify that the entity identified in Part I is formed pursuant to a pension plan that would meet the requirements of section 401(a), other than the requirement that the plan be funded by a trust created or organized in the United States.

e ☐ I certify that the entity identified in Part I is established exclusively to earn income for the benefit of one or more retirement funds described in this part or in an applicable Model 1 or Model 2 IGA, or accounts described in Regulations section 1.1471-5(b)(2)(i)(A) (referring to retirement and pension accounts), or retirement and pension accounts described in an applicable Model 1 or Model 2 IGA.

f ☐ I certify that the entity identified in Part I:

- Is established and sponsored by a foreign government, international organization, central bank of issue, or government of a U.S. possession (each as defined in Regulations section 1.1471-6) or an exempt beneficial owner described in an applicable Model 1 or Model 2 IGA to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees of the sponsor (or persons designated by such employees); **or**

- Is established and sponsored by a foreign government, international organization, central bank of issue, or government of a U.S. possession (each as defined in Regulations section 1.1471-6) or an exempt beneficial owner described in an applicable Model 1 or Model 2 IGA to provide retirement, disability, or death benefits to beneficiaries or participants that are not current or former employees of such sponsor, but are in consideration of personal services performed for the sponsor.

Part XVI Entity Wholly Owned by Exempt Beneficial Owners

30 ☐ I certify that the entity identified in Part I:

- Is an FFI solely because it is an investment entity;
- Each direct holder of an equity interest in the investment entity is an exempt beneficial owner described in Regulations section 1.1471-6 or in an applicable Model 1 or Model 2 IGA;
- Each direct holder of a debt interest in the investment entity is either a depository institution (with respect to a loan made to such entity) or an exempt beneficial owner described in Regulations section 1.1471-6 or an applicable Model 1 or Model 2 IGA.
- Has provided an owner reporting statement that contains the name, address, TIN (if any), chapter 4 status, and a description of the type of documentation provided to the withholding agent for every person that owns a debt interest constituting a financial account or direct equity interest in the entity; **and**
- Has provided documentation establishing that every owner of the entity is an entity described in Regulations section 1.1471-6(b), (c), (d), (e), (f) and/or (g) without regard to whether such owners are beneficial owners.

Part XVII Territory Financial Institution

31 ☐ I certify that the entity identified in Part I is a financial institution (other than an investment entity) that is incorporated or organized under the laws of a possession of the United States.

Part XVIII Excepted Nonfinancial Group Entity

32 ☐ I certify that the entity identified in Part I:

- Is a holding company, treasury center, or captive finance company and substantially all of the entity's activities are functions described in Regulations section 1.1471-5(e)(5)(i)(C) through (E);
- Is a member of a nonfinancial group described in Regulations section 1.1471-5(e)(5)(i)(B);
- Is not a depository or custodial institution (other than for members of the entity's expanded affiliated group); **and**
- Does not function (or hold itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle with an investment strategy to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes.

Part XIX Excepted Nonfinancial Start-Up Company

33 ☐ I certify that the entity identified in Part I:

- Was formed on (or, in the case of a new line of business, the date of board resolution approving the new line of business) _____ (date must be less than 24 months prior to date of payment);
- Is not yet operating a business and has no prior operating history or is investing capital in assets with the intent to operate a new line of business other than that of a financial institution or passive NFFE;
- Is investing capital into assets with the intent to operate a business other than that of a financial institution; **and**
- Does not function (or hold itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes.

Part XX Excepted Nonfinancial Entity in Liquidation or Bankruptcy

34 ☐ I certify that the entity identified in Part I:

- Filed a plan of liquidation, filed a plan of reorganization, or filed for bankruptcy on _____;
- During the past 5 years has not been engaged in business as a financial institution or acted as a passive NFFE;
- Is either liquidating or emerging from a reorganization or bankruptcy with the intent to continue or recommence operations as a nonfinancial entity; **and**
- Has, or will provide, documentary evidence such as a bankruptcy filing or other public documentation that supports its claim if it remains in bankruptcy or liquidation for more than 3 years.

Part XXI 501(c) Organization

35 ☐ I certify that the entity identified in Part I is a 501(c) organization that:

- Has been issued a determination letter from the IRS that is currently in effect concluding that the payee is a section 501(c) organization that is dated _____; **or**
- Has provided a copy of an opinion from U.S. counsel certifying that the payee is a section 501(c) organization (without regard to whether the payee is a foreign private foundation).

Part XXII Nonprofit Organization

36 ☐ I certify that the entity identified in Part I is a nonprofit organization that meets the following requirements.

- The entity is established and maintained in its country of residence exclusively for religious, charitable, scientific, artistic, cultural or educational purposes;
- The entity is exempt from income tax in its country of residence;
- The entity has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
- Neither the applicable laws of the entity's country of residence nor the entity's formation documents permit any income or assets of the entity to be distributed to, or applied for the benefit of, a private person or noncharitable entity other than pursuant to the conduct of the entity's charitable activities or as payment of reasonable compensation for services rendered or payment representing the fair market value of property which the entity has purchased; **and**
- The applicable laws of the entity's country of residence or the entity's formation documents require that, upon the entity's liquidation or dissolution, all of its assets be distributed to an entity that is a foreign government, an integral part of a foreign government, a controlled entity of a foreign government, or another organization that is described in this part or escheats to the government of the entity's country of residence or any political subdivision thereof.

Part XXIII Publicly Traded NFFE or NFFE Affiliate of a Publicly Traded Corporation

Check box 37a or 37b, whichever applies.

37a ☐ I certify that:

- The entity identified in Part I is a foreign corporation that is not a financial institution; **and**
- The stock of such corporation is regularly traded on one or more established securities markets, including _____ (name one securities exchange upon which the stock is regularly traded).

b ☐ I certify that:

- The entity identified in Part I is a foreign corporation that is not a financial institution;
- The entity identified in Part I is a member of the same expanded affiliated group as an entity the stock of which is regularly traded on an established securities market;
- The name of the entity, the stock of which is regularly traded on an established securities market, is _____; **and**
- The name of the securities market on which the stock is regularly traded is _____.

Part XXIV Excepted Territory NFFE

38 ☐ I certify that:

- The entity identified in Part I is an entity that is organized in a possession of the United States;
- The entity identified in Part I:
  - (i) Does not accept deposits in the ordinary course of a banking or similar business;
  - (ii) Does not hold, as a substantial portion of its business, financial assets for the account of others; **or**
  - (iii) Is not an insurance company (or the holding company of an insurance company) that issues or is obligated to make payments with respect to a financial account; **and**
- All of the owners of the entity identified in Part I are bona fide residents of the possession in which the NFFE is organized or incorporated.

Part XXV Active NFFE

39 ☐ I certify that:

- The entity identified in Part I is a foreign entity that is not a financial institution;
- Less than 50% of such entity's gross income for the preceding calendar year is passive income; **and**
- Less than 50% of the assets held by such entity are assets that produce or are held for the production of passive income (calculated as a weighted average of the percentage of passive assets measured quarterly) (see instructions for the definition of passive income).

Part XXVI Passive NFFE

40a ☐ I certify that the entity identified in Part I is a foreign entity that is not a financial institution (other than an investment entity organized in a possession of the United States) and is not certifying its status as a publicly traded NFFE (or affiliate), excepted territory NFFE, active NFFE, direct reporting NFFE, or sponsored direct reporting NFFE.

Check box 40b or 40c, whichever applies.

b ☐ I further certify that the entity identified in Part I has no substantial U.S. owners (or, if applicable, no controlling U.S. persons); **or**

c ☐ I further certify that the entity identified in Part I has provided the name, address, and TIN of each substantial U.S. owner (or, if applicable, controlling U.S. person) of the NFFE in Part XXIX.

Part XXVII Excepted Inter-Affiliate FFI

41 ☐ I certify that the entity identified in Part I:

- Is a member of an expanded affiliated group;
- Does not maintain financial accounts (other than accounts maintained for members of its expanded affiliated group);
- Does not make withholdable payments to any person other than to members of its expanded affiliated group;
- Does not hold an account (other than depository accounts in the country in which the entity is operating to pay for expenses) with or receive payments from any withholding agent other than a member of its expanded affiliated group; **and**
- Has not agreed to report under Regulations section 1.1471-4(d)(2)(ii)(C) or otherwise act as an agent for chapter 4 purposes on behalf of any financial institution, including a member of its expanded affiliated group.

Part XXVIII Sponsored Direct Reporting NFFE (see instructions for when this is permitted)

42 Name of sponsoring entity: _____

43 ☐ I certify that the entity identified in Part I is a direct reporting NFFE that is sponsored by the entity identified on line 42.

Part XXIX Substantial U.S. Owners of Passive NFFE

As required by Part XXVI, provide the name, address, and TIN of each substantial U.S. owner of the NFFE. Please see the instructions for a definition of substantial U.S. owner. If providing the form to an FFI treated as a reporting Model 1 FFI or reporting Model 2 FFI, an NFFE may also use this part for reporting its controlling U.S. persons under an applicable IGA.

Name	Address	TIN

Part XXX 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:

- The entity identified on line 1 of this form is the beneficial owner of all the income to which this form relates, is using this form to certify its status for chapter 4 purposes, or is a merchant submitting this form for purposes of section 6050W;
- The entity identified 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 income tax treaty, or (c) the partner's share of a partnership's effectively connected income; **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 the entity on line 1 is the beneficial owner or any withholding agent that can disburse or make payments of the income of which the entity on line 1 is the beneficial owner.

I agree that I will submit a new form within 30 days if any certification on this form becomes incorrect.

Sign Here ▶ _____ _____ _____

Signature of individual authorized to sign for beneficial owner | Print Name | Date (MM-DD-YYYY)

☐ **I certify that I have the capacity to sign for the entity identified on line 1 of this form.**

Exhibit "14"

N.Y. REAL PROPERTY LAW § 339-KK

REAL PROPERTY LAW § 339-KK

§ 339-KK. 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 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 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 Board, which must be held within 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 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.

Exhibit "15"

ALTERATION AGREEMENT

FORM ALTERATION AGREEMENT

AGREEMENT MADE AS OF _____, 20__ (this "Agreement") by and between _____, having an office at 7 Penn Plaza, Suite 1400, New York, New York 10001, (the "Sponsor"), the Board of 320 Macon Condominium, having an office at _____, New York, New York ___ (the "Board"), and _____, having an address at _____, New York, New York ___ (the "Unit Owner").

WHEREAS, pursuant to that certain condominium declaration and by-laws for the condominium known as 320 Macon Condominium (the "Condominium") dated _____, 20__ and recorded on _____, 20__ as CRFN _____ (collectively, the "Declaration") for the property having the street address 320 Macon Street, Brooklyn, New York 11216 (the "Property"), the Property was submitted to a condominium regime;

WHEREAS, pursuant to the Declaration and the by-laws of the Condominium (the "By-Laws"), Unit Owner has requested permission to install equipment and/or make alterations in Unit ____ (the "Unit") located in the building situated on the Property (the "Building");

WHEREAS, Sponsor's employees, agents, contractors, subcontractors and suppliers or any of their employees (collectively "Sponsor's Contractors") may be performing work in or delivering material to the Building;

WHEREAS, the Declaration and By-Laws provide that no equipment shall be installed and no Alterations shall be made in the Unit without the consent of the Sponsor and/or the Board, as the case may be; and

WHEREAS, Unit Owner desires to obtain such consent.

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1

Unit Owner's Submissions.

1.1 Together with this Agreement, Unit Owner is delivering to Sponsor and the Board:

1.1.1 a detailed scope of work, plans, drawings and specifications (including as required: structural, architectural, mechanical and electrical plans and specifications) for the equipment proposed to be installed and/or the alterations proposed to be made which, if so required by Sponsor and/or the Board, have been prepared by a licensed architect or engineer. Such plans, drawings and specifications include a room by room list of the equipment to be installed and the alterations to be made.

1.1.2 a list of all contractors (including their requisite contact information) that will be performing the work and a proposed work schedule including the timeframe for completion.

1.1.3 a check in the sum of $_____ payable to the Board for the security deposit required to be posted by Unit Owner as provided for in Section 13 of this Agreement (and/or such alternate form of security as may be required by the Board). This security deposit is subject to change upon the Board's review of the plans.

1.1.4 a check in the sum of $_____ payable to _____, managing agent for the Building (the "Managing Agent").

ARTICLE 2

Review of Plans, Drawings and Specifications.

2.1 The plans, drawings and specifications (collectively, the "Plans") submitted by Unit Owner shall be subject to review and approval by Sponsor and/or the Board, in their sole discretion, and may be subject to review and approval by Sponsor's and/or the Board's architect or engineer (collectively the "Designated Engineer") in the sole discretion of Sponsor and/or the Board, and Unit Owner shall make such changes in and to such plans, drawings and specifications as Sponsor, the Board or the Designated Engineer shall require in order to obtain such approval, including, without limitation, such changes as may be required to minimize noise or vibrations to surrounding portions of the Building. The term "Plans" as used in this Agreement shall refer to the plans, drawings and specifications as approved in writing by Sponsor and/or the Board and the Designated Engineer and the term "Work" shall refer to the work called for by the Plans or any other work performed by or on behalf of Unit Owner. After approval by Sponsor and/or Board and the Designated Engineer, the Plans shall not be modified without the approval of Sponsor and/or the Board and the Designated Engineer. Notwithstanding any approval of the Plans by Sponsor and/or Board or the Designated Engineer, Unit Owner shall be solely responsible for the Plans, for insuring compatibility with the systems and facilities of the Building and for compliance with applicable laws and codes.

2.2 The execution of this Agreement by Sponsor and Board does not constitute consent to the work called for by the Plans, and Sponsor and the Board retains all of its rights under this Agreement and the By-Laws to withhold consent. Only written approval of such Plans as provided for above shall constitute Sponsor's and the Board's consent to the Work called for by the Plans, and any such consent shall be subject to the terms of this Agreement.

ARTICLE 3

Pre-Conditions to Commencement of Work by Unit Owner.

3.1 Unit Owner shall not commence the Work unless and until all of the following has occurred:

3.2 Sponsor and the Board and the Designated Engineer, as same may be required, shall have approved in writing the Plans submitted by Unit Owner, and Unit Owner shall have received a copy of such approvals.

3.3 Unit Owner shall have submitted to Sponsor and the Board (i) a designation of the general contractor or construction manager (collectively the "General Contractor") which will be

principally responsible for the Work, which designation shall authorize the General Contractor to submit the information more particularly described on the letter annexed hereto as set forth on Exhibit A annexed hereto (the "Contractor's Instructions"), (ii) complete copies of all agreements entered into with the General Contractor and all other such contractors, subcontractors and suppliers pertaining to the Work (collectively the "Subcontractors"), (iii) other than the communications required to be made by the General Contractor in accordance with the terms of the Contractor's Instructions, the name of the party solely authorized to communicate with Sponsor, the Board and the Managing Agent (the "Owner's Representative") (*e.g.*, Owner, General Contractor, Owner's architect) and (iv) telephone numbers for the Owner, the General Contractor and the Owner's Representative, if different from the foregoing. Prior to the commencement of the Work, the General Contractor and the Subcontractors shall have been approved in writing by the Board. Notwithstanding the foregoing (i) Sponsor may require that Work relating to the structural electrical, mechanical, plumbing, sprinkler or HVAC systems of the Building (collectively the "Building Systems") be performed by contractors designated by Sponsor. The Board may require that Work relating to the Building Systems be performed by contractors designated by the Board.

3.4 Unit Owner shall have made all required filings with, and received all required permits, approvals, licenses and consents from, all governmental agencies having jurisdiction over the Work (collectively the "Governmental Authorities") including, but not limited to, the New York City Department of Buildings ("DOB") and the New York City Fire Department, and Unit Owner shall have furnished copies of all such filings, permits, approvals, licenses and consents to Sponsor and to the Board. The determination of the Designated Engineer as to the need for any such filing, permit, approval, license or consent shall be conclusive. As a prerequisite to its approval of the Plans, Sponsor and the Board may require Unit Owner to furnish a letter from Unit Owner's licensed architect or engineer, certifying that the electrical loads required as a result of the Work, will not adversely affect the Building's electrical service and certifying to such other matters as Sponsor and/or the Board may require. Sponsor may require that Unit Owner utilize a filing representative or expediter designated by Sponsor to file the Plans with the Governmental Authorities.

3.5 Unit Owner shall have caused each of its contractors to furnish to Sponsor and Board the insurance policies described on Exhibit B attached hereto or certificates thereof. Such policies (i) shall name the Condominium, the Board, the Board's officers and directors, the Designated Engineer, the Managing Agent, Sponsor and the other Unit Owners, as parties insured, (ii) shall be issued by companies reasonably acceptable to Sponsor and the Board and (iii) shall provide that they may not be cancelled or terminated without at least 10 days' prior written notice to Sponsor and the Board. Unit Owner shall cause all such insurance policies to be kept in full force and effect until the completion of the Work. In the event that such insurance lapses prior to the completion of the Work, Sponsor and/or the Board will have the right to suspend the Work until Sponsor and/or the Board receives evidence of appropriate insurance and approves such insurance. Sponsor and/or the Board reserves the right to revise the parameters and scope of the insurance requirements from time to time. Unit Owner and the General Contractor shall be advised, writing, of any such changes.

3.6 If requested, the Unit Owner's architect or engineer shall have provided to the Board evidence of professional liability insurance in amounts reasonably acceptable to Sponsor and Board.

3.7 The Unit Owner's architect or engineer shall have prepared and submitted to Sponsor and the Board a schedule of all Work to be performed by the General Contract and each Subcontractor, setting forth the number of weeks and days of the various trades, the anticipated number of workmen involved and affirming that the Work can be completed within the time allotted under Paragraph 5d hereof.

3.8 The General Contractor will be required to attend a start-up meeting approximately 2 weeks prior to the commencement of the Work. At this meeting the General Contractor will be introduced to Sponsor and/or the Board and other members of the project team. The agenda for the meeting will include a review of the requirements of this Agreement and the General Contractor's construction plan as well as collection of payment to Sponsor and/or Board of any charges or deposits due hereunder.

ARTICLE 4

Unit Owner to Give Notice Prior to Commencement of Work.

4.1 Prior to commencing the Work, the Owner's Representative shall give at least five days' prior written notice to the Designated Engineer and the Managing Agent of the date on which the Work will commence and the estimated duration of the Work.

ARTICLE 5

Performance of the Work.

5.1 **In General.** Unit Owner shall perform the Work strictly in accordance with the Plans in a first-class, workmanlike manner in keeping with the standards of the Building and shall not perform any Work not called for by the Plans. All materials shall be new and of high quality. In performing the Work, Unit Owner shall comply with (i) all applicable laws and codes, (ii) the requirements of all insurance policies covering the Work, the Unit and the Building, (iii) this Agreement, (iv) the By-Laws, (v) the Rules and Regulations of the Condominium, (vi) the requirements of Sponsor and the Board and (vii) any directions given by the Managing Agent, the Designated Engineer, or the resident manager or superintendent of the Building. The Work will not compromise the energy efficiency or increase the energy consumption of the Building, change the number of zoning rooms located within the Unit without the consent of Sponsor and the consent of the Board.

5.2 **Work Hours and Noise.** Unit Owner shall perform the Work diligently and in a manner so as not to disturb other residents of the Building. The Work shall be performed only on Mondays through Fridays (excluding holidays) between the hours of 8 a.m. and 5 p.m.; provided however, that any noisy work which may disturb other residents shall not be performed before 10 a.m. The Work shall not be performed on weekends or holidays. Sponsor, until there are no

remaining Unsold Units, and thereafter, the Board, shall be the sole arbiter should there be any doubt as to noise levels which may be disturbing.

5.3 **Licensing and Labor Harmony.** The General Contractor and the Subcontractors, if any, shall be duly licensed to the extent required by applicable law and Unit Owner shall cause its General Contractor and the Subcontractors, to employ only such laborers as shall not conflict with any of the trade unions employed in the Building or otherwise cause disharmony with any Building service union. Unit Owner, the General Contractor and the Subcontractors, expressly acknowledge that Sponsor's contractors and subcontractors will be engaged at the Property to finish construction of the Building (other than the Unit) (the "Sponsor's Work") and Unit Owner, the General Contractor and the Subcontractors agree (i) that Sponsor's Work shall have priority over the Work and (ii) Unit Owner, the General Contractor and the Subcontractors must coordinate the Work with Sponsor so that no disruption of Sponsor Work occurs. In the event such disruption occurs, Sponsor reserves the right to immediately close Unit Owner's job site. During all periods of construction, the General Contractor shall conduct or cause to be conducted all labor practices and relations with employees and subcontractors in such a manner as to avoid all strikes, picketing and boycotts of, on or about the Building. The General Contractor further agrees that if during the period of construction any of its employees or employees of its subcontractors strike, or if picket lines or boycotts or other visible activities objectionable to Sponsor are conducted or carried out by or against Sponsor, its contractors or subcontractors or any of their respective employees, on or about the Building or otherwise involving Sponsor, the General Contractor shall (or Sponsor may, but shall not be obligated so to do) immediately close Unit Owner's job site and remove or cause to be removed all personnel therefrom until the dispute giving rise to such strike, picket line, boycott or objectionable activity has been settled to Sponsor's satisfaction.

5.4 **Required Completion Date.** Unit Owner shall cause the Work (other than decorative work such as painting, wallpapering and carpeting) to be completed on or before the date (the "Required Completion Date") which is ___ days (excluding weekends and holidays) after the commencement of the Work. If the Work (other than decorative work as aforesaid) shall not be completed on or before the Required Completion Date, Unit Owner shall pay to the Board, as liquidated damages on account of late completion, the sum of $250.00 per day (excluding weekends and holidays) until the Work is completed. The determination of whether the Work is completed shall be made by Sponsor and the Board, and such determination shall be conclusive. The work shall diligently proceed to completion in compliance with all Plans and in conformity with all permits and licenses of any governmental authority. All time limitations set forth in this paragraph shall be subject to extension for delays caused by or attributable to acts of God, unusual weather conditions or strikes not attributable to Unit Owner or Unit Owner's General Contractor or Subcontractors or other agents bad faith, not to exceed forty-five (45) calendar days.

5.5 **Evidence of Completion.** Upon completion of the Work, Unit Owner shall obtain and deliver to Sponsor and the Board (i) a certificate from the architect or engineer who prepared the Plans certifying that the Work has been completed in accordance with all applicable laws and codes and the Plans, and (ii) all required final governmental signoffs and approvals, including if Sponsor or the Board shall require, an amended Certificate of Occupancy and a certificate from the Board of Fire Underwriters. The determination of Sponsor and the Board, as to whether the Work has been completed and/or the need for an amended Certificate of Occupancy and/or any other applicable governmental signoffs and approvals shall be conclusive.

5.6 **Security Personnel.** Sponsor and/or the Board shall have the right, at the sole cost and expense of the Unit Owner, to install or engage or require the Unit Owner to install or engage, security systems or personnel to ensure the safety and well-being of persons and property in the Condominium.

5.7 **"As-Built" Drawings.** Upon completion of the Work, the Unit Owner shall provide Sponsor and the Board with an "as-built" set of drawings for the Unit.

5.8 **Confidentiality.** Any and all knowledge, information, data, materials, trade secrets and work product regarding the Building, obtained, produced, generated or otherwise acquired by Unit Owner or the General Contractor or their agents, employees and Subcontractors shall be confidential.

5.9 **Inspection and Correction of the Work.** Sponsor and the Board shall have the right from time to time to inspect or observe the Work and to ensure compliance with the terms of this Agreement, and for this purpose Unit Owner shall provide access to the Unit to Designated Engineer, the Managing Agent, the resident manager or superintendent of the Building, or any other person Sponsor or the Board may authorize. The General Contractor shall be required to conduct a walkthrough with Sponsor and the Board for the purpose of observing the construction of the demising wall and perimeter wall assemblies. After the installation of all framing, insulation and vapor barriers General Contractor shall notify Sponsor and the Board and schedule a walkthrough to observe such portion of the Work. The General Contractor may not proceed with installation of gypsum board until written approval of Sponsor and the Board is received. Unit Owner shall promptly make all corrections required by Sponsor or the Board in order to conform to the Plans and the other requirements of this Agreement. If Sponsor or the Board so requires, such corrections shall include the removal and replacement of non-conforming work. Sponsor's or the Board's failure to inspect shall not be considered a waiver of Unit Owner's obligation to comply with this Agreement. If Unit Owner or the General Contractor observes or otherwise becomes aware that the Work or any of their contract documents are at variance with each other or applicable laws, statutes, ordinances, building codes and regulations in any respect or otherwise are inconsistent, the General Contractor shall promptly notify Sponsor and the Board. If, in the sole judgment of Sponsor or the Board, an emergency exists with respect to the Work, which in Sponsor's or Board's opinion requires immediate corrective action, then Sponsor may, without notice to Unit Owner's Contractor, perform such corrective work or cause it to be performed by others. In such case, any costs (including general conditions and fees) arising from such corrective work will be borne by Unit Owner and/or General Contractor.

ARTICLE 6

Damage or Adverse Effect Caused by the Work.

6.1 Unit Owner shall be responsible for any damage to or any other adverse effect upon the Unit or the Building (including the structure, shell, systems, equipment, fixtures and finishes of the Building) caused by or resulting from the Work, regardless of when such damage or adverse effect becomes apparent. If any such damage or adverse effect shall occur or arise, Sponsor and/or the Board may (a) require Unit Owner, at its expense, promptly to repair the damage or remedy

the condition giving rise to such adverse effect and/or (b) repair such damage or remedy such condition at Unit Owner's expense.

6.2 Unit Owner acknowledges that the performance of the Work shall in no event cause any environmental hazards in the Units or the Common Elements (as defined in the Condominium By-Laws and/or Declaration)(including, without limitation, any environmental hazards such as mold or other bacterial contamination) and that the Unit Owner is obligated at all times (both during and after the performance of the Work) to maintain the appropriate temperature and humidity in such Unit Owner's Unit in order to avoid causing damage to the Common Elements or the Units. In the event a Unit Owner fails to so maintain the Unit, such Unit Owner may be liable for any damage arising from such failure, including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

6.3 Without limiting the generality of the foregoing, Unit Owner specifically acknowledges that this Section shall be applicable to any damage to the carpeting, wall coverings or other finishes in the Building's hallways, and other common areas (including without limitation, the cost of cleaning, shampooing, painting or repairing the same if soiled or otherwise damaged).

6.4 If the Managing Agent advises Unit Owner of any damage which, in the Managing Agent's opinion, was caused by the Work, Unit Owner shall promptly submit a claim to Unit Owner's insurance carrier and to Unit Owner's contractor for submission to its insurance carrier, and Unit Owner agrees to use all reasonable efforts, and to cause its contractor to use all reasonable efforts, to cause such insurance carriers to expeditiously review and settle all such claims for which they are responsible. The provisions of this paragraph shall not limit Unit Owner's liability under this Section 7.

ARTICLE 7

Indemnification and Release by Unit Owner.

7.1 Unit Owner shall defend, indemnify and hold harmless Sponsor and Sponsor's principals, employees, agents, the Board, the Board's officers, directors and Unit Owners, the Designated Engineer, the Managing Agent, and the other Unit Owners and residents of the Building (the "Indemnified Persons") against any loss, cost, claim, damage (including damage to persons or property) or expense arising out of or related to the Work or any act or omission of Unit Owner, the General Contractor or any Subcontractors, architects, engineers or consultants, including reasonable attorney's fees and disbursements incurred by any of the Indemnified Persons in the defense of any such claim or any suit, action or proceeding based thereon. Unit Owner releases the Board, Sponsor, the Managing Agent and the agents and employees of the foregoing from any liability for damage to the portions of the Unit affected by the Work. Notwithstanding anything to the contrary contained in the By-Laws, the Unit Owner accepts sole responsibility for the work and costs in connection with the maintenance, repair, restoration or replacement of any portions of the Unit affected by the Work, and acknowledges that such responsibility shall pass to the Unit Owner's successor-in-interest in the Unit. Unit Owner shall also be responsible to deliver to the Sponsor and/or the Board a written agreement in the form of Exhibit A hereto in which Unit Owner's General Contractors agree that they will not make claims for damage within the perils of the insurance referred to in this Agreement and will defend, indemnify and hold harmless the

Board, the Board's officers, directors, Sponsor, Unit Owners, agents, partners, servants, employees, tenants, guests, licensees, invitees and their respective agents, servants, employees, tenants, guests, licensees, invitees, officers, directors, shareholders and partners (collectively, the "Indemnitees"), against any and all liability, including legal costs and expenses on account of loss of life or injury to any person or damage to property, happening in or arising out of or in any way relating to the performance of the Work unless such injury or loss of life or loss or damage to property was caused by the willful misconduct or gross negligence of the Indemnitee.

7.2 Unit Owner hereby acknowledges that it is a condition of this Agreement that no Work may be performed by, or on behalf of Unit Owner until Sponsor, in its sole discretion, determines that the commencement of the Work will not interfere with Sponsor's Work and Sponsor notifies Unit Owner of said determination in writing. At Closing, Unit Owner has accepted the Unit in its "as is" condition. Upon commencement of the Work, Unit Owner releases Sponsor and the Board from any and all obligation to perform any additional work in the Unit, including, without limitation, weather tightness of windows, the Façade or Roofs, and work of a "punch list" nature. In furtherance thereof, Unit Owner expressly agrees to release and forever discharge Sponsor and its successor and/or assigns and the Board, from all manner of actions, causes of action, suits, debts, dues, sums of money, damages, claims and demands whatsoever in law or equity, which Unit Owner, its successors and assigns ever had, now have, or may have, now or hereafter upon or by reason of any matter arising from or out of the Work to the Unit.

ARTICLE 8

Unit Owner to Bear All Costs Associated with Work.

8.1 Unit Owner shall be responsible for all costs incurred by Unit Owner, Sponsor and/or the Board in connection with the Work or this Agreement, including, without limitation, the fees and disbursements of any attorney, architect, engineer, consultant or security personnel retained by the Board, Sponsor or the Unit Owner in connection with the Work or this Agreement. Without limiting the generality of the foregoing, Unit Owner specifically agrees to reimburse Sponsor and/or the Board for all charges of the Designated Engineer for the review of the Plans submitted for inspection of the Work or otherwise related to the Work or this Agreement. Waivers of the right to lien or otherwise encumber the Building shall be obtained from the General Contractor and all Subcontractors. However, if for any reason whatsoever, any lien is filed for work done, or material alleged to have been furnished in connection with the Work, Unit Owner shall at its sole expense cause such lien to be bonded or otherwise discharged within twenty (20) days after learning of the existence of such lien. If Unit Owner fails to do so or otherwise defaults hereunder, the Board may pay or bond such lien and otherwise exercise all rights and remedies reserved to it in this Agreement and the By-laws as and for a default thereunder.

ARTICLE 9

Additional Requirements.

9.1 **No Change in Building Heating or Air-Conditioning.** Unit Owner recognizes that there will be no change in the operation of the Building's heating system or air-conditioning system to facilitate the functioning of any heating or air-conditioning units which Unit Owner may

be installing other than stoppages approved by Sponsor or the Board in order to facilitate and enable Unit Owner to hook-up to the Building's heating and air conditioning systems and or sprinkler system. The General Contractor shall submit to Sponsor and the Board a plan and anticipated schedule of any required shut downs, drain downs, etc., of the Building's existing systems prior to the commencement of their work. Failure to submit this plan shall cause the General Contractor to be accountable for all extra costs associated with delays to reschedule shut downs, drain downs, etc., should they occur.

9.2 No utility interruption will be permitted without written approval from Sponsor and/or the Board. General Contractor is required to give Sponsor and/or the Board **at least one weeks' advance notice** before any Building or utility service interruption which affects occupied and unoccupied areas. Each request for such interruption will indicate estimated downtime.

9.3 Sponsor and/or the Board will schedule the appropriate personnel to perform all drain downs and recharging of building systems. The cost of all services provided by the appropriate personnel shall be paid in advance to Sponsor and/or the Board prior to the commencement of any work. The minimum charge for each and every drain down and recharge will be $600.00.

9.4 **Prohibited Construction Methods.** Unit Owner shall not interfere with the Building's intercom, gas, electric, heating, air-conditioning or plumbing system, sprinkler system or any other Building system or service. Unit Owner shall not penetrate any exterior Building wall, attach fasteners in any manner to the exterior building facade or use any pneumatic or power tool such as hammers or other tools which cause excessive vibrations, except with the consent of Sponsor or the Board. Flammable materials are not to be stored within the Building. They must be used and removed the same day.

9.5 **Accessibility of Valves.** Unit Owner shall insure that all water, steam, gas and other valves remain accessible during the performance of and after the completion of the Work. If any valve is enclosed in violation of this Agreement, then Sponsor or the Board may (i) require Unit Owner, at its expense, promptly to remove such enclosure and/or (ii) remove such enclosure at Unit Owner's expense.

9.6 Use of Public and Common Areas During Work. Unit Owner shall not allow the halls, sidewalks, courtyards and other public areas to be used for the storage of building materials or debris. Electrical and other utility receptacles in the Common Areas may not be utilized to perform any work or power any equipment employed in connection with the Work. Unit Owner shall cause its contractor to cover with construction paper the floor of any back hall to be used in connection with the Work and shall also cause its contractor to take all precautions necessary to prevent damage to the carpeting, wall coverings or other finishes in the Building's hallways, and other common areas.

9.7 **Parking.** Parking in front of the Building or in its driveways, if any, is strictly prohibited. General Contractor must enter the Building through the designated construction entrance only. No other means of entry shall be permitted. The General Contractor will be expected to check in at the location to be designated by Sponsor or the Board and obtain the required authorization to enter the Building in compliance with the procedures and requirements

of Sponsor and the Board. In the event that employees, agents or Subcontractors of General Contractor are in the Building without proper authorization, such individuals will be asked to leave.

9.8 **Safety Precautions.** Unit Owner shall maintain functioning fire extinguishers and smoke alarms in the Unit throughout the prosecution of the Work. Unit Owner shall insure that the Work does not block access to any fire exits in the Building. Unit Owner shall install smoke detectors within 15 feet of every sleeping area on the ceiling or wall pursuant to Local Law 62 of 1981 of the City of New York, and if a child 10 years old or under lives in the Unit. Unit Owner shall install window guards pursuant to Section 131.15 of the New York City Health Code.

9.9 Hard hats must be worn by all construction personnel at all times. Only work shoes or shoes with leather soles will be permitted in the Building. No personnel wearing gym shoes or soft rubber shoes will be allowed into the Building.

9.10 The General Contractor shall abide by all other written safety policies or directives established by Sponsor or the Board. The General Contractor is required to establish a written safety program for its operations, as well as the operations of any of its Subcontractors. Such safety program shall be available at the job site for inspection by Sponsor and the Board. Any accidents or injuries that occur on the construction site, no matter how minor, must be reported to Sponsor and the Board within 24 hours of the occurrence. If an accident or injury occurs due to the existence of a dangerous condition, the General Contractor shall take immediate steps to secure the area in order to protect others from further injury.

9.11 **Unit Owner to Control Refuse, Dirt, Dust.** Unit Owner shall take all precautions to prevent dirt and dust from permeating other parts of the Building during the progress of the Work, and shall place all materials and rubbish in barrels or bags before removing the same from the Unit. All such barrels and bags and all rubbish, rubble, discarded equipment, empty packing cartons and other materials shall be removed from the Unit and taken out of the Building at Unit Owner's expense and removal of trash containers shall be scheduled for after 3:30 p.m. unless otherwise directed by Sponsor and/or the Board, but in no event shall such removal interfere with regularly scheduled Building operations. Unit Owner shall not permit any dumpster or garbage container to be left outside of the Unit without the written consent of Sponsor or the Board. Notwithstanding the foregoing, the placement of any dumpsters shall comply with all governmental regulations, including without limitation, obtaining any necessary permits. In the event that Sponsor or the Board determines that it is reasonably necessary, Sponsor or the Board shall have the option to coordinate and perform trash removal from a central location on individual floors and, in that event, General Contractor will be responsible for its share of the cost thereof, which shall be billed on a regular basis.

9.12 **Installations by Unit Owner.** Unit Owner agrees that any air conditioning units, plantings and/or structures, wherever located in the Building, may be removed by Sponsor or the Board for the purpose of repairs, upkeep or maintenance of the Building, at the sole expense of Unit Owner.

9.13 **Deliveries to the Property.** Under no circumstances will deliveries be allowed to the Building unless General Contractor has secured the prior written consent of Sponsor. In

addition, all materials must be delivered to the area of the Building as designated by Sponsor or the Board to the Unit Owner.

9.14 The General Contractor must be at the Property at the scheduled time of delivery. The delivery vehicle will be allowed to remain at the Property for the time allotted by the prior written consent. No materials will be accepted or unloaded by any person other than those associated with the General Contractor. Under no circumstances can materials be stored for any length of time at the Property. Delivery vehicles will not be allowed at any time to park, stand, stage, load or unload on any of the streets or alleys adjoining the Building.

9.15 If the General Contractor fails to appear at the Property and/or completely unload the delivery within the allotted time, the delivery truck driver will be instructed to leave the Property and the General Contractor will be responsible for any re-delivery charges. Sponsor and the Board reserves the right to amend and revise the delivery procedures at any time and from time to time.

9.16 **Intentionally Omitted.**

9.17 **On-Site Supervision.** The General Contractor shall maintain supervisory personnel on-site at all times when the General Contractor has work in progress on-site. Such personnel shall be (i) fully empowered to coordinate and direct the work of its forces and subcontractors, (ii) trained as safety officers and (iii) in numbers sufficient to properly supervise all work.

9.18 **Adjacent Premises.** Sponsor or Board may require that Unit Owner give not less than 14 days' written notice, setting forth the date the Unit Owner plans to commence the Work and the duration of the Work, to residents in the Units that are adjacent to, above and below the Unit (the "Adjacent Premises") in the form of Exhibit "D" hereto, a copy of which shall be delivered to the Managing Agent or such other form then adopted by Sponsor or Board.

9.19 **Unit Owner to Comply with Laws, etc.** Unit Owner shall not do or permit any act or thing to be done contrary to law, or which will invalidate or be in conflict with any provision of any liability, casualty or other insurance policies carried by Unit Owner or for Unit Owner's benefit. Unit Owner shall comply with all federal, state and local laws, rules and regulations pertaining to the Work, including any such laws, rules and regulations pertaining to lead-based paint, asbestos and other hazardous material.

9.20 **Maintenance and Repair of the Work.** Notwithstanding anything to the contrary contained in the By-Laws, Unit Owner shall be responsible for the maintenance, repair and replacement of the Work and any portions of the Unit affected by the Work, and for all costs incurred by Sponsor and/or the Board or Unit Owner in connection therewith. Furthermore, Unit Owner releases the Board, the Managing Agent, Sponsor, Sponsor's agents and employees and the Board's agents and employees from any liability for damage to the Work or any portion of the Unit affected by the Work however arising.

9.21 **Unit Owner's Security Deposit.** As security for the faithful performance and observance by Unit Owner of the terms and conditions of this Agreement, Unit Owner has deposited the sum indicated in Section 1(b) with the Board and/or provided payment and

performance bonds and maintenance bonds in an amount established by the Board. Unit Owner agrees that the Board may use, apply or retain the whole or any part of the security so deposited and the interest earned thereon, if any, to the extent required for the payment of any sums due to the Board under this Agreement as determined in the discretion of the Board. If the deposit is diminished by one-half of the original amount, Unit Owner shall replenish it to the full amount within 3 days after written demand. Unit Owner's failure to so replenish the security deposit shall be a material breach of this Agreement and shall entitle Sponsor or the Board to stop the Work, and/or exercise any remedies it has hereunder. If Unit Owner shall comply with all of the terms and conditions of this Agreement, the security deposit and interest or remaining balance thereof, if any, shall be returned to Unit Owner after completion of the Work. The Board's release of the security deposit shall not constitute acceptance of the Work by Sponsor or the Board or a waiver of any of Sponsor or the Board's rights under this Agreement. Any sums due to the Board under this Agreement and not recovered by application of the security deposit shall be deemed obligations chargeable and collectable as additional common charges to Unit due by Unit Owner to the Board pursuant to the By-Laws.

9.22 **Security; Construction Locks.** It shall be the General Contractor's responsibility to safeguard its own materials, tools and equipment at all times and to bear the risk of loss and/or damage thereto, and General Contractor hereby waives any claims against any property damage insurance coverage of the Building, Sponsor or the Board. Construction locks will be required and must be provided by the General Contractor. One key to the Unit must be provided to Sponsor and /or the Board for access to the Unit.

9.23 **Miscellaneous.** This Agreement represents the only agreements between Sponsor, the Board and Unit Owner relative to the subject matter hereto. Sponsor and the Board reserve the right to update and amend the requirements governing the Work from time to time. Any changes will be provided to Unit Owner and General Contractor and General Contractor will be required to acknowledge receipt of such update(s). This Agreement may not be changed orally. None of Sponsor, the Board, Manager or Managing Agent or any of their principals, agents, employees, contractors or subcontractors, will be responsible for failure or inefficient performance of Building Services to the Unit resulting from the Work. Unit Owner acknowledges that it has not relied upon any representations, warranties, architect's plans or statements of any nature whatsoever, whether written or oral, made by Sponsor, Sponsor's selling agent, the Managing Agent, or otherwise, including, without limitation, any representations, warranties, architect's plans, statements or estimates relating to the cost, feasibility, safety or compliance with all legal requirements pertaining to the Work, it being understood that approval of the Plans by Sponsor or the Board is not an express or implied warranty as to any such matter. This Agreement shall be binding on legal representatives, successors and authorized assigns. Captions are for the purposes of convenience of reference only and are not to be considered in interpreting this Agreement. SPONSOR, THE BOARD, UNIT OWNER AND GENERAL CONTRACTOR WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS AGREEMENT.

9.24 **Notices, Assignment.** Any notice, request, consent or other communication hereunder shall begin in writing and sent by registered mail or certified mail, to Unit Owner at the address given at the beginning of this Agreement and to Sponsor and Board at the respective address given at the beginning of this Agreement, with a copy, in each case to Gregory L. Maidman, Esq., 7 Penn Plaza, Suite 1400, New York, NY 10001, or to such other address as either

party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. If, at any time, Unit Owner shall require the consent or approval of Sponsor or the Board to any proposed action hereunder, Unit Owner shall make a written request therefor, requesting such consent or approval. In no event whatsoever may Unit Owner rely on any consents, approvals, communications, statements or notices given by any person (including, without limitation, the Managing Agent or the resident manager or superintendent of the Building or any representative of either) who is not a member of Sponsor or the Board or which are not in writing. This Agreement may not be assigned by Unit Owner.

9.25 **Amendment to Condominium Documents.** If the Work involves the combination or further division of a Unit or Units, upon completion of the Work and upon receipt of all applicable certifications and approvals, Sponsor or Board agrees to amend the Declaration of the Condominium ("Declaration") and the Condominium tax lot drawings ("Floor Plans") to reflect the modifications to the Unit. Unit Owner agrees to provide Sponsor or Board with all information and execute all documentation required to amend the aforesaid documents and to pay all costs incurred by Sponsor or the Board or otherwise associated with the amendment of the Declaration and Floor Plans.

ARTICLE 10

Assumption by Purchaser.

10.1 The Unit Owner (a) shall advise the person or persons to whom it transfers the Unit ("Purchaser") of the Work undertaken by the Unit Owner pursuant to this Agreement; (b) shall provide copies of the Plans and this Agreement to the Purchaser; and (c) shall cause the Purchaser to execute and deliver to the Board an agreement substantially in the form of Exhibit C hereto pursuant to which the Purchaser shall assume all of the obligations of Unit Owner under this Agreement, including the obligation under this Section with respect to any transfer of the Unit by the Purchaser.

10.2 The Unit Owner hereby waives any claim against the Board on account of (a) the Board advising a potential Purchaser of the provisions of this Agreement, including this Section and/or (b) refusing to accept the sales package with respect to its waiver of its right of first refusal unless and until such potential Purchaser shall execute and deliver to the Board an agreement in the form of Exhibit C hereto.

ARTICLE 11

Unit Owner's Breach and Board's and Sponsor's Remedies.

11.1 Any breach by Unit Owner of any of the provisions of this Agreement shall constitute a breach of the Declaration and By-Laws and shall entitle Sponsor and/or the Board to exercise all of the rights and remedies therein provided. In addition, Sponsor and/or the Board shall also have the right (a) to suspend the Work and prevent workers from entering the Unit for any purpose other than to remove their tools, and/or (b) to revoke its consent to the Work, and/or (c) to complete or remove all or any part of such Work and restore the Unit to its condition prior

to the commencement of the Work at Unit Owner's sole cost and expense, and/or (d) to exercise any of the rights and remedies provided for herein. The remedies provided for herein and in the By-Laws shall not be exclusive and Sponsor and/or the Board shall also be entitled to exercise any of the remedies provided by applicable law.

11.2 The Board and Unit Owner acknowledge that Sponsor is Sponsor of the offering plan for the Property, pursuant to which Sponsor has certain obligations to complete the Building and that a breach by Unit Owner of any of the provisions of this Agreement could adversely affect Sponsor's ability to perform its obligations. Accordingly, the Board hereby assigns to Sponsor all of the rights of the Board pursuant to the Declaration and the By-Laws as may be asserted with respect to the Work and this Agreement. The Board shall not consent to any request hereunder which would have the effect of delaying or interfering with or increasing the cost to perform Sponsor's Work.

11.3 Notwithstanding anything to the contrary set forth herein, to the extent notices or documents are required to be delivered to Sponsor or the consent or approval of Sponsor is required hereunder, such delivery, consent or approval shall not be required after such time as Sponsor no longer owns any Unsold Units in the Building. Sponsor, in its sole discretion, may waive its right, in writing, to receive notices, or give approvals or consents hereunder.

IN WITNESS WHEREOF, Unit Owner, Sponsor, and the Board have executed this Agreement.

The Board of Managers of
320 Macon Condominium

By:_____
Name:
Title:

SPONSOR

By:_____
Name:
Title:

UNIT OWNER

By:_____
Name:
Title:

EXHIBIT A TO ALTERATION AGREEMENT

Date: _____, 20__

The Board of Managers of 320 Macon Condominium
c/o_____
_____
New York, New York _____

Re: Unit ___ (the "Unit")
_____ (the "Unit Owner")
Brooklyn, New York 11216 (the "Property")

Gentlemen:

The undersigned acknowledges being the general contractor for the Work to be performed in the referenced Unit ("Contractor") pursuant to the Plans, as such terms are defined in the alteration agreement (the "Alteration Agreement") entered into between The Board of Managers of the Condominium (the "Board"), the above referenced Unit Owner and 320 Macon GP LLC ("Sponsor"). Contractor acknowledges that it has received a copy of the Alteration Agreement (including. without limitation, the Contractor's Instructions annexed thereto), the Declaration, By-Laws and rules and regulations of the Condominium (collectively, the "Requirements") and has reviewed the Requirements, understands them and will in all cases abide by all of the terms, conditions and requirements contained herein while completing the Work at the Building on behalf of Unit Owner. Contractor will be responsible for conveying these Requirements to any of its employees, suppliers and subcontractors who will be bound by these Requirements. Contractor will incorporate by reference the terms hereof into any contract or agreement with any Subcontractor employed by or retained by Contractor in connection with the Work and will deliver copies of all such subcontracts to the Board and/or Sponsor upon request. In all cases, Contractor will be solely responsible for the compliance by its employees, suppliers and subcontractors with the Requirements.

Contractor agrees that it will not make any claim against, or seek to recover against the Board, the Board's officers, directors, Sponsor, other unit owners, servants, agents, partners, guests, licensees, invitees, tenants or employees or any of their respective agents, servants, employees, tenants, guests, licensees, invitees, officers, directors, shareholders and partners of the foregoing (collectively, the "Indemnitees") for any damage to persons or property by the perils within the scope of the policies described in the Alteration Agreement, unless the loss or damage is due to the gross negligence or willful misconduct of the Indemnitees. Contractor further agrees to defend, indemnify and hold harmless the Indemnitees against any and all liability, including legal costs and expenses on account of loss of life or injury to any person or damage to property, happening in or arising out of or in any way relating to the performance of the Work, unless such injury or loss of life or loss or damage to property is caused by the gross negligence or willful misconduct of the Indemnitees.

Contractor agrees:

(A) Contractor will, prior to the commencement of the Work, shall have submitted to the Board a list containing the names of all contractors, subcontractors and suppliers (collectively the "Subcontractors') which will be performing the Work or providing materials and supplies with respect thereto. Such list (the "Subcontractor's List") must be updated within forty-eight hours after any additional Subcontractors are engaged or retained. The General Contractor must submit notification to the Managing Agent (each a "Notice") containing the name of any Subcontractor requiring access to the Property in furtherance of the Work, no less than forty-eight (48) hours in advance of the time that such access is required. The Notice shall include the list of the individuals employed by the Subcontractor (the "Subcontractor's Employees"). No Subcontractor will be permitted access to the Building unless the name of such Subcontractor is on the Subcontractor's list and a copy of the subcontract for such Subcontractor has been provided to the Board.

(B) Each Subcontractor's Employee identified in the Notice will be given an access pass. Such pass must be worn by the Subcontractor's Employees whenever they are in the Building and must be returned at the end of each work day. All persons gaining access to the work site must wear hard hats and such other safety gear as may be required by Sponsor or the Board.

(c) The party to whom communications are required to be made hereunder and under the Alteration Agreement, including, without limitation, the submission of the Subcontractor's List and the Notices is _____. The Managing Agent reserves the right to change the aforementioned individual upon written notice to the General Contractor and Unit Owner.

Any terms not otherwise defined in this letter will have the meaning ascribed thereto in the Alteration Agreement. By execution of this letter below, the General Contractor hereby acknowledges and agrees to the foregoing and agrees to comply with those provisions of the Alteration Agreement which are the obligation of the General Contractor to perform.

GENERAL CONTRACTOR

By:_____
Name:
Title:

EXHIBIT B TO ALTERATION AGREEMENT

Each of Unit Owner's contractors shall provide insurance of the types and in not less than the limits set forth below with a company or companies satisfactory to Sponsor and/or the Board, licensed to do business in the State of New York, and all such policies shall name the Board, the Board's officers, directors and Unit Owners, the Designated Engineer, Sponsor and the Managing Agent as additional insureds. No diminution of limits of insurance will be permitted.

(i) **WORKER'S COMPENSATION** as required by law together with Employer's Liability Insurance and Disability Benefits Insurance as required by the State of New York.

(ii) **COMMERCIAL GENERAL LIABILITY** including Contractor's Liability and Blanket Contractual Liability (oral or written), all on an occurrence basis with Personal Injury Coverage, which shall include mental anguish as well as standard conditions, and Broad Form Property Damage, Completed Operations without any exclusion relating to Explosion, Collapse and Underground Property Damage and without exclusion or exception for any New York Labor Law claims.

a. The policy will contain the "Broad Form Comprehensive General Liability" endorsement in Section 1 in such form; the exclusion pertaining to liability assumed by the Contractor under any contract or agreement (Section II Section B(l) is to be deleted). The Completed Operations Coverage is to extend for a period of one year following termination of the Work and Contractual Indemnity Coverage is also to extend for one year following termination of the Work. The policy is also to include (a) the Unit owners, the Condominium Managing Agent, and the Board, (b) Knowledge of Occurrence and Notice of Occurrence endorsements; (c) Unintentional Errors and Omissions clause; (d) a primary and non-contributory endorsement; (e) waiver of subrogation endorsement; and (f) an additional insured endorsement. The policy shall also include coverage with respect to asbestos exposure if the Work involves any asbestos-containing material, and shall not include a sunset clause without the Board's consent.

b. The limits of coverage shall be no less than $1,000,000.00 each occurrence, $2,000,000.00 per project general aggregate, $1,000,000.00 products/completed operations aggregate.

c. The Contractor's insurance policy shall also contain in substance the following endorsement:

This insurance shall not be invalidated should the insured waive, in writing, prior to a loss, any or all right of recovery against any party for the loss occurring to the property described herein.

Nothing in this Exhibit B shall constitute a waiver of or limitation of any other rights or remedies the Board may have for consequential damages or otherwise.

(iii) **COMPREHENSIVE AUTOMOBILE LIABILITY**, including non-ownership and hired car coverage, as well as owned vehicles:

$1,000,000.00 BODILY INJURY & PROPERTY DAMAGE
(combined single limit)

(iv) **UMBRELLA LIABILITY, BODILY INJURY, PERSONAL INJURY AND PROPERTY DAMAGE** If umbrellas are written in more than one company any layers above the first one shall follow the form of the primary umbrella.

$5,000,000.00 COMBINED[1]
(combined single limit)

Prior to the commencement of any work hereunder, detailed certificates of insurance shall be furnished to the Board showing that such insurance is in full force and the premiums due thereunder have been paid. Such certificates shall provide that the said insurance may not be canceled, terminated or modified without 10 days' written advance notice thereof to the Board. The Contractor shall promptly furnish the Board with copies of any endorsements subsequently issued amending insurance coverage or limits.

In the event of the failure of the Contractor to furnish and maintain such insurance, the Board shall have the right, at its option, at any time:

(a) to revoke permission to perform the work and to deny entry into the Building of all workers, except that if such workers are escorted by a member of the Building's staff, they shall be permitted to remove their tools and supplies, or

(b) to take out and maintain the said insurance for and in the name of the Board, the Contractor or Unit Owner and, in such a case, Unit Owner agrees to pay the cost thereof and to furnish all information and consents necessary to permit the Board to take out and maintain such insurance for and in the name of the Board, the Contractor or Unit Owner.

Compliance with the foregoing requirements to carry insurance and furnish certificates shall not relieve Unit Owner from liability assumed under any provisions of this Agreement.

Receipt and review by Sponsor and/or the Board, or their agents of any copies of insurance policies or insurance certificates, or failure to request such evidence of insurance, shall not relieve the Contractor and/or the Unit Owner of its obligation to strictly comply with the insurance provisions of this Agreement. Contractor and/or Unit Owner's failure to strictly comply with the insurance provisions of this Agreement, unless otherwise agreed by Sponsor and/or the Board, shall be deemed a default by the Unit Owner and/or the Contractor of the terms of this Agreement.

[1]Amounts of insurance required may be higher for major renovations as designated by Sponsor and/or the Board.

EXHIBIT C TO ALTERATION AGREEMENT

ASSUMPTION OF ALTERATION AGREEMENT

WHEREAS, simultaneously with its execution and delivery of this Assumption of Alteration Agreement the undersigned is becoming the owner of Unit ____ in the building known as 320 Macon Condominium and located at 320 Macon Street, Brooklyn, New York 11216; and

WHEREAS, a prior owner of the Unit and the Board entered into an Alteration Agreement dated _____, ____ ("Alteration Agreement"), a copy of which is attached hereto,

WHEREAS, the Alteration Agreement (1) provides that any person acquiring the Unit shall assume the obligations of the Unit Owner under the Agreement and (2) authorizes the Board not to accept the sales package in connection with its waiver of its right of first refusal unless and until such person assumes the obligations of the Unit Owner under the Agreement,

NOW, THEREFORE, in order to induce the Board to accept the sales package and waive its right of first refusal, the undersigned hereby ASSUMES AND AGREES TO PERFORM AND OBSERVE all the terms, covenants and conditions of the Alteration Agreement to be performed or observed by the Unit Owner thereunder (including the provisions of Section 18 thereof pertain to future transfers).

Henceforth, the term "Unit Owner" as used in the Alterations Agreement shall include the undersigned. Any breach of this Assumption of Alterations Agreement or of the Alterations Agreement shall constitute a breach of the By-Laws of the Condominium. This Assumption of Alteration Agreement shall be binding on the undersigned and the undersigned's estate, heirs, executors, administrators, personal representatives, successors and assigns.

New York, New York
Date: _____

_____

_____

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On _____, 20__, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT D TO ALTERATION AGREEMENT

TO: [Addressed to the Unit Owners
or residents of the units
adjacent to, above and below,
the Unit Owner's unit]

DEAR _____:

In accordance with the Alteration Agreement between me and the Board of Managers (the "Board") of the _____ (the "Condominium") covering the alterations to be performed in unit ___, you are advised as follows:

1. Alterations will be performed in unit ___ commencing on or about _____. The alteration agreement with the Board permits me an aggregate of ___ days to complete the alterations.

2. I hereby agree to indemnify you for any damage whatsoever to your unit caused by the alterations performed in my apartment as determined by the Condominium's architect. I agree to pay the reasonable cost of repair of such damage. At your option, such repair may be performed, at my expense, by contractors of your choice or by my contractors.

3. In order to take advantage of the foregoing indemnification, you must permit my designated representatives to inspect your apartment prior to the commencement of my alterations. Please call me at _____ to arrange the inspection. You must also permit my designated representative to inspect any damage you claim my alterations have caused.

Very truly yours,

_____
Unit Owner

Unit No.:_____

Date: _____

Exhibit "16"

FORM OF INTERIM LICENSE AGREEMENT

FORM INTERIM LICENSE AGREEMENT

INTERIM LICENSE AGREEMENT dated as of _____, 20__, by and between 320 Macon GP LLC, a New York limited liability company, having an office at 7 Penn Plaza, Suite 1400, New York, New York 10001 ("Seller"), and _____, having an address at _____ ("Purchaser").

WHEREAS, Seller is the sponsor of a condominium offering plan ("Plan") for 320 Macon Condominium (the "Condominium"), located at 320 Macon Street, Brooklyn, New York 11216 (the "Property") accepted for filing by the New York State Department of Law on _____, as amended (the "Plan"); and

WHEREAS, in connection herewith, Seller and Purchaser have entered into that certain Agreement and Rider to Agreement (collectively, the "Agreement") for unit __ (the "Unit") at the Condominium; and

WHEREAS, Seller has agreed to permit Purchaser to obtain possession of the Unit, subject to the terms of this Interim License Agreement; and

WHEREAS, Purchaser is desirous of taking possession of the Unit and moving certain furniture, boxes, clothing and other personal belongings of Purchaser ("Purchaser's Belongings") into the Unit, and occupying the Unit prior to the Closing thereof (the "Closing"); and

WHEREAS, the parties wish to set forth their agreement with respect to the Purchaser's use and occupancy of the Unit.

NOW, THEREFORE, in consideration of ten ($10.00) dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

1. This is an interim (non-rent regulated or rent stabilized) license agreement (the "Interim License Agreement") entered into by Seller solely in consideration of Purchaser having entered into the Agreement. Purchaser agrees and acknowledges that an uncured default by the Purchaser under the Agreement will constitute a default under the Interim License Agreement entitling Seller, at its option, to terminate the Interim License Agreement in accordance with applicable Law. In addition, the parties agree that an uncured default by the Purchaser under the Interim License Agreement will constitute a default or under the Agreement entitling Seller, at its option, to terminate the Agreement and to exercise any remedies therein provided; provided however, that before Seller utilizes the default under the Interim License Agreement to declare a default under the Agreement, Seller will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against Purchaser unless Purchaser has vacated the Unit. Purchaser will have 30 days to vacate the Unit after a default under the Agreement. The provisions of this Paragraph are hereby deemed incorporated into the Agreement.

2. Purchaser shall be given possession of the Unit on _____, 20__ (the "Possession Date") provided however that this Interim License Agreement is executed by both Seller and Purchaser.

3. Purchaser shall remain in possession of the Unit pursuant to this Interim License Agreement until the earlier to occur of: (i) 30 calendar days after the date an Amendment abandoning the Plan has been accepted for filing by the New York Department of Law (ii) the Closing, (iii) 5 Business Days after Seller sends written notice to Purchaser that Purchaser has defaulted under this Interim License Agreement or there is a default under the Agreement, provided that such default remains uncured, (iv) a court order or judgment directing Purchaser to vacate the Unit and/or permitting Seller to recover possession of same, including, but not limited to the issuance of a final judgment of possession or warrant of eviction, (v) 30 calendar days after Purchaser exercises a right of under the Agreement, should such rescission right exist (collectively, the "Lease Termination Date") or (vi) as set forth in Paragraph 18 below.

4. Commencing on the Possession Date and from and after the first day of each month thereafter, Purchaser shall pay to Seller in advance a monthly installment in the amount of $_____ representing the Interim License Agreement fee ("Interim License Fee"). Purchaser acknowledges that the Interim License Fee paid under this Interim License Agreement shall belong to Seller as payment for use and occupancy of the Unit prior to the Closing and that no portion of the Interim License Fee paid shall be credited to or applied to the Purchase Price of the Unit. In the event that possession is terminated in accordance with Section 3(ii) of this Interim License Agreement, any adjustments with respect to the Interim License Fee paid or due pursuant to this Interim License Agreement shall be apportioned as of midnight of the date prior to the Closing, subject to any contrary provisions of the Agreement. Notwithstanding the foregoing, the first month of the Interim License Fee shall be pro-rated from the date occupancy is granted to the Purchaser and shall be pro-rated for the last month, which will be the closing date, or such adjourned closing date.

5. Purchaser agrees to abide by and follow all of the rules and regulations of the Condominium, including without limitation all of the rules and regulations set forth in the Declaration and By-Laws which are contained in the Plan and which Purchaser hereby acknowledges having received a copy thereof. Purchaser further acknowledges and agrees that this Interim License Agreement is subject and subordinate to the Plan and the Condominium Declaration and By-Laws.

6. Purchaser shall indemnify and hold harmless the Seller, the Selling Agent, the Managing Agent and the Board, its Managers and members, officers and directors from any claims, causes of action, damage or liability (including attorneys' fees) arising from or out of Purchaser's breach or failure to observe any covenant required to be observed by Purchaser under this Lease or the Plan and occurring during the term of this Interim License Agreement, whether by Purchaser or of Purchaser's invitees.

7. Prior to taking possession to the Unit, Purchaser shall, at Purchaser's expense; obtain insurance for the Unit, covering the Purchaser's Belongings and personal liability insurance (such liability insurance shall be in an amount of not less than $1,000,000.00. Such insurance policy shall name the Seller as well as all entities listed in the Condominium By-Laws as an additional insured if Purchaser is able to obtain insurance naming the other entities. The insurance required above shall be written in a form reasonably satisfactory to Seller by good and solvent insurance companies with an A.M. Best rating of A-, VIII or better of recognized

standing, authorized to do business in the State of New York. The insurance required under this Paragraph shall remain in effect during the term of this Interim License Agreement.

8. During the term of this Interim License Agreement, Purchaser acknowledges and agrees that Purchaser may not build in, add to, change or alter the Unit, or the Unit's fixtures and installations, in any way, including the Unit's building systems without first obtaining the prior written consent of Seller, in its sole and absolute discretion.

9. Upon any termination of this Interim License Agreement, other than as a result of Purchaser closing title to the Unit, Purchaser shall (i) return the Unit in the condition received on the Possession Date, normal wear and tear excepted, which may include, but not be limited to: (a) repainting the Unit, (b) polishing the floors and repairing and/or replacing any damaged flooring, if reasonably necessary, and (c) fine cleaning the appliances, (ii) reimburse Seller for any actual and reasonable repairs to the Unit Seller may incur as a result of Purchaser's use of the Unit while Purchaser is in possession of the Unit and (iii) vacate and surrender the Unit. Purchaser shall in any and all events remain liable for any damage caused by Purchaser or Purchaser's invitees to the Unit during the period of Purchaser's occupancy and/or to the Unit or the Building during Purchaser's moving in or out of the Unit on the date required by a termination notice under this Interim License Agreement.

10. If Purchaser fails to vacate the Unit when required by this Interim License Agreement, (i) Seller may commence a holdover summary proceeding or any other appropriate action to remove the Purchaser from possession, (ii) Purchaser shall be liable to Seller for all actual damages sustained by Seller as a result of Purchaser's failure to vacate in accordance with the provisions of this Interim License Agreement, (iii) Purchaser shall pay Seller's costs and reasonable attorneys' fees and/or marshal's fees or other costs and expenses in connection with Seller's enforcement of its rights under this Interim License Agreement, including the right to cause any person(s) to vacate the Unit, and (iv) the Interim License Fee shall increase to $_____ per month, or partial month that Purchaser has been and/or continues to be in possession of the Unit (the "Holdover Lease Fee"). Purchaser shall be responsible for the Holdover Lease Fee for the period of time commencing on the Lease Termination Date through and including the date that Purchaser vacates the Unit. Nothing contained herein shall be construed to mean that Seller consents to the Purchaser's occupancy of the Unit beyond the Lease Termination Date.

11. Subject to Purchaser's rights set forth in the Agreement, Purchaser acknowledges and agrees that Purchaser has inspected the Unit and Purchaser agrees that Purchaser is accepting the Unit in its "as-is" condition as of the date of this Interim License Agreement, and has waived the right to (a) inspect the Unit prior to the Closing Date and (b) to generate a "punch list" prior to the Closing Date, and that nothing contained in this Interim License Agreement or the Agreement shall provide the Purchaser a basis to delay or postpone the Closing Date. Purchaser further agrees that any damages in and to the Unit after Purchaser has access to the Unit under this Interim License Agreement shall not be a basis for Purchaser to delay or postpone the Closing Date, except for damage to the Unit caused by fire or other casualty as described in article 20 of the Agreement, nor shall Purchaser make any claim against Seller or the Board arising from any damages in and to the Unit after Purchaser takes possession thereof except for damage to the Unit caused by fire or other casualty as described in the Agreement. Purchaser

hereby releases and forever discharges Seller and its successors and/or assigns, from all manner of actions, and waives any claims, causes of action, suits, debts, dues, sums of money, damages, claims and demands whatsoever in law or equity, which Purchaser, its successors and assigns ever had, now have, or may have, now or hereafter upon or by reason of any matter arising from or out any items of a "punch list" nature in the Unit.

12. Seller shall have no liability for the care and safety of Purchaser's Belongings maintained in the Unit or the Building under this Interim License Agreement.

13. It is expressly understood and agreed that Seller is under no obligation to provide Purchaser with any utility, other than utilities, if any, included in the common charges, and/or service including, but not limited to: electric, telephone service, internet service, and/or cable television/satellite service. Therefore, in the event that Purchaser wishes to obtain any such services (telephone, cable, etc.) Purchaser must contract directly with the providers of such service in order to receive such services, at Purchaser's sole cost and expense.

14. Purchaser and Seller represent to each other that they have not dealt with any real estate broker (other than the Selling Agent and co-broker named in the Agreement) in connection with the leasing of the Unit. Purchaser and Seller agree to indemnify, defend and hold harmless each other from and against any loss, liability, cost or expense incurred by each other and each other's successors and/or assigns, as a result of a breach of the foregoing representations. The provisions of this Paragraph shall expressly survive the termination of this Interim License Agreement.

15. Purchaser shall complete and deliver to the Seller, when requested, a notice with respect to the installation of window guards in the Unit in the form required by the City of New York. Purchaser acknowledges that it is a violation of law to refuse, interfere with installation or remove window guards where required.

16. The use and occupancy of the Unit under this Interim License Agreement shall be limited to Purchaser and immediate family members of Purchaser only, or, if an entity, to a principal of Purchaser and said principal's immediate family members.

17. If any of the provisions of this Interim License Agreement or any part hereof shall be judged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of any portion of this Interim License Agreement or part hereof.

18. Purchaser shall be in default under the Interim License Agreement if (i) Purchaser fails to comply with any agreement or provision of this Interim License Agreement, including but not limited to that which is set forth in Paragraph 3, (ii) Purchaser or another occupant of the Unit behaves in an objectionable manner or (iii) Purchaser and other legal occupants of the Unit move out permanently before this Interim License Agreement ends.

19. If Purchaser defaults as set forth above, other than a default in the agreement to pay the Interim License Fee in which case no notice shall be required, Seller may serve Purchaser with a written notice to correct the specified default within 10 days. Purchaser must then correct the default within 10 days, or, if Purchaser needs more than 10 days, Purchaser must begin to

correct the default within 10 days and continue to do all that is necessary to correct the default as soon as possible. If Purchaser does not correct or begin to correct a default within ten 10 days, as set forth above, Seller may give Purchaser a second written notice that this Interim License Agreement will end 5 days after the date the second written notice is sent to Purchaser. At the end of the 5-day period, this Interim License Agreement will end and Purchaser then must move out of the Unit.

20. Any notice from Seller's or Seller's agent or attorney will be considered properly given to Purchaser if it (i) is in writing; (ii) is signed by or in the name of Seller or Seller's agent; and (3) is either delivered to Purchaser personally or sent by registered or certified mail to Purchaser at the Unit. The date of service of any written notice by Seller to Purchaser under this Interim License Agreement is the date of delivery or mailing of such notice. If Purchaser wishes to give a notice to Seller, it must be in writing and served by registered or certified mail to Seller at the address noted on page 1 of this Interim License Agreement or at another address of which Seller or Agent has given Purchaser written notice.

21. Purchaser waives the right to a trial by jury in any court action or proceeding concerning this Interim License Agreement or Purchaser's use or occupancy of the Apartment. If Seller commences any court action or proceeding against Purchaser concerning this Interim License Agreement, Purchaser will not counterclaim or seek any damages as a set-off or abatement.

22. This Interim License Agreement shall be construed in accordance with the laws of the State of New York. Any action or proceeding commenced in connection with this Agreement or the subject thereof shall be in a Court of competent jurisdiction in the State, County and City of New York. If any of the provisions of this Interim License Agreement or any part hereof shall be judged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of any portion of this Interim License Agreement or part hereof.

23. The delivery of executed counterparts of this Interim License Agreement by a party hereto or their attorney by facsimile, PDF, or other similar electronic means shall be given the same force and effect as delivery of an original executed counterpart of this Interim License Agreement.

24. Any inconsistencies between the form of this Interim License Agreement and the Plan shall be resolved in favor of the Plan.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Interim License Agreement as of the day and year first above written.

SELLER:

320 Macon GP LLC

By:_____
Name:
Title:

PURCHASER:

For purposes of this Agreement, it is acknowledged and agreed that the undersigned is the controlling individual of the Purchaser and shall remain personally liable for Purchaser's obligations under this Agreement:

_____
[INSERT NAME]

_____

Telephone Number: _____

_____

Telephone Number: _____

Exhibit "17"

LIEN LAW § 71-a(3)

3. (a) The initial advance pursuant to a contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of residential condominium unit or any structure designed solely for residential occupancy of not more than two families living separately, on property to be purchased shall, at the vendee's option, be deposited within five Business Days thereafter by the recipient in an interest bearing escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in this state. Such deposit, together with the interest accumulated thereon, shall remain the property of the vendee except as otherwise provided herein. The recipient shall advise the vendee in writing of the name of the depositary where the funds have been placed within 10 Business Days after such deposit has been made.

(b) In lieu of making the deposit of such moneys in an escrow account as provided in paragraph (a) of this subdivision, the recipient may post with the vendee a bond or contract of indemnity, issued by a surety company licensed to execute such an instrument in this state, guaranteeing the return of the moneys which otherwise would be required to be deposited in such escrow account, in which case the recipient shall not be required to deposit such money in an escrow account. Said bond or contract of indemnity shall be delivered to the vendee within 10 Business Days after receipt of the initial advance.

(c) At any time after making the deposit of such moneys in the escrow account, the recipient may post with the vendee a bond or contract of indemnity issued by a surety company licensed to execute such an instrument in this state guaranteeing the return of such moneys, in which case the recipient shall not be required to maintain the deposit of such moneys in such account.

(d) Such advance shall be retained in the escrow account or such bond or contract of indemnity continued in effect until the trust is terminated (i) by the recipient's performance of the terms of the contract of sale, or (ii) by default of the vendee excusing the recipient's performance of the terms of the contract of sale, or (iii) by release or discharge of the recipient's liability to refund such advance to the vendee, or (iv) upon transfer of title of the real property to the vendee.

(e) Every contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of a residential condominium unit or a structure designed solely for the residential occupancy by not more than two families living apart, shall contain a statement advising the vendee of the provisions of this subdivision. Such statement shall be printed in bold type which is at least two points larger than any other printing contained thereon and shall read as follows:

> "YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE."

Exhibit "18"

PROTECTING YOUR FAMILY FROM LEAD IN YOUR HOME







Protect Your Family From Lead in Your Home

United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

September 2013

Are You Planning to Buy or Rent a Home Built Before 1978?

Did you know that many homes built before 1978 have **lead-based paint**? Lead from paint, chips, and dust can pose serious health hazards.

Read this entire brochure to learn:

- How lead gets into the body
- About health effects of lead
- What you can do to protect your family
- Where to go for more information

Before renting or buying a pre-1978 home or apartment, federal law requires:

- Sellers must disclose known information on lead-based paint or lead-based paint hazards before selling a house.
- Real estate sales contracts must include a specific warning statement about lead-based paint. Buyers have up to 10 days to check for lead.
- Landlords must disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a specific warning statement about lead-based paint.

If undertaking renovations, repairs, or painting (RRP) projects in your pre-1978 home or apartment:

- Read EPA's pamphlet, *The Lead-Safe Certified Guide to Renovate Right,* to learn about the lead-safe work practices that contractors are required to follow when working in your home (see page 12).



Simple Steps to Protect Your Family from Lead Hazards

If you think your home has lead-based paint:

- Don't try to remove lead-based paint yourself.
- Always keep painted surfaces in good condition to minimize deterioration.
- Get your home checked for lead hazards. Find a certified inspector or risk assessor at epa.gov/lead.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Regularly clean floors, window sills, and other surfaces.
- Take precautions to avoid exposure to lead dust when remodeling.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe certified renovation firms.
- Before buying, renting, or renovating your home, have it checked for lead-based paint.
- Consult your health care provider about testing your children for lead. Your pediatrician can check for lead with a simple blood test.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children avoid fatty (or high fat) foods and eat nutritious meals high in iron and calcium.
- Remove shoes or wipe soil off shoes before entering your house.

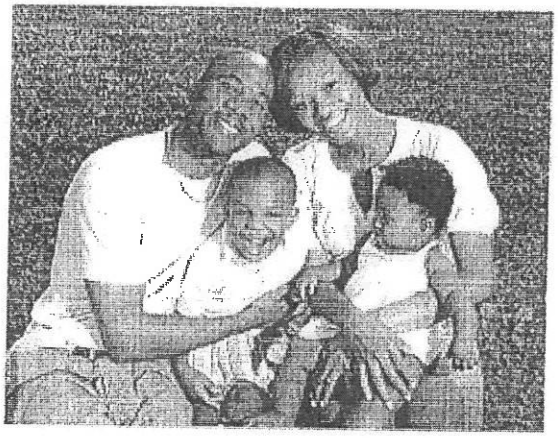
Lead Gets into the Body in Many Ways

Adults and children can get lead into their bodies if they:

- Breathe in lead dust (especially during activities such as renovations, repairs, or painting that disturb painted surfaces).
- Swallow lead dust that has settled on food, food preparation surfaces, and other places.
- Eat paint chips or soil that contains lead.

Lead is especially dangerous to children under the age of 6.

- At this age, children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



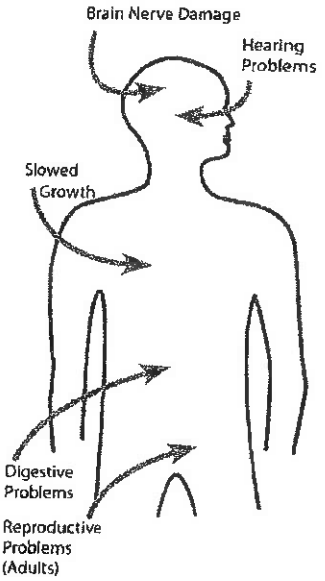
Women of childbearing age should know that lead is dangerous to a developing fetus.

- Women with a high lead level in their system before or during pregnancy risk exposing the fetus to lead through the placenta during fetal development.

Health Effects of Lead

Lead affects the body in many ways. It is important to know that even exposure to low levels of lead can severely harm children.

In children, exposure to lead can cause:



- Nervous system and kidney damage
- Learning disabilities, attention deficit disorder, and decreased intelligence
- Speech, language, and behavior problems
- Poor muscle coordination
- Decreased muscle and bone growth
- Hearing damage

While low-lead exposure is most common, exposure to high amounts of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults, too.

In adults, exposure to lead can cause:

- Harm to a developing fetus
- Increased chance of high blood pressure during pregnancy
- Fertility problems (in men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain

Check Your Family for Lead

Get your children and home tested if you think your home has lead.

Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect lead. Blood lead tests are usually recommended for:

- Children at ages 1 and 2
- Children or other family members who have been exposed to high levels of lead
- Children who should be tested under your state or local health screening plan

Your doctor can explain what the test results mean and if more testing will be needed.

Where Lead-Based Paint Is Found

In general, the older your home or childcare facility, the more likely it has lead-based paint.[1]

Many homes, including private, federally-assisted, federally-owned housing, and childcare facilities built before 1978 have lead-based paint. In 1978, the federal government banned consumer uses of lead-containing paint.[2]

Learn how to determine if paint is lead-based paint on page 7.

Lead can be found:

- In homes and childcare facilities in the city, country, or suburbs,
- In private and public single-family homes and apartments,
- On surfaces inside and outside of the house, and
- In soil around a home. (Soil can pick up lead from exterior paint or other sources, such as past use of leaded gas in cars.)

Learn more about where lead is found at epa.gov/lead.

[1] "Lead-based paint" is currently defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter (mg/cm), or more than 0.5% by weight.

[2] "Lead-containing paint" is currently defined by the federal government as lead in new dried paint in excess of 90 parts per million (ppm) by weight.

Identifying Lead-Based Paint and Lead-Based Paint Hazards

Deteriorating lead-based paint (peeling, chipping, chalking, cracking, or damaged paint) is a hazard and needs immediate attention. **Lead-based paint** may also be a hazard when found on surfaces that children can chew or that get a lot of wear and tear, such as:

- On windows and window sills
- Doors and door frames
- Stairs, railings, banisters, and porches

Lead-based paint is usually not a hazard if it is in good condition and if it is not on an impact or friction surface like a window.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Lead dust also forms when painted surfaces containing lead bump or rub together. Lead paint chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when the home is vacuumed or swept, or when people walk through it. EPA currently defines the following levels of lead in dust as hazardous:

- 40 micrograms per square foot ($\mu g/ft^2$) and higher for floors, including carpeted floors
- 250 $\mu g/ft^2$ and higher for interior window sills

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. EPA currently defines the following levels of lead in soil as hazardous:

- 400 parts per million (ppm) and higher in play areas of bare soil
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard

Remember, lead from paint chips—which you can see—and lead dust—which you may not be able to see—both can be hazards.

The only way to find out if paint, dust, or soil lead hazards exist is to test for them. The next page describes how to do this.

Checking Your Home for Lead

You can get your home tested for lead in several different ways:

- A lead-based paint **inspection** tells you if your home has lead-based paint and where it is located. It won't tell you whether your home currently has lead hazards. A trained and certified testing professional, called a lead-based paint inspector, will conduct a paint inspection using methods, such as:
  - Portable x-ray fluorescence (XRF) machine
  - Lab tests of paint samples



- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards. A trained and certified testing professional, called a risk assessor, will:
  - Sample paint that is deteriorated on doors, windows, floors, stairs, and walls
  - Sample dust near painted surfaces and sample bare soil in the yard
  - Get lab tests of paint, dust, and soil samples
- A combination inspection and risk assessment tells you if your home has any lead-based paint and if your home has any lead hazards, and where both are located.

Be sure to read the report provided to you after your inspection or risk assessment is completed, and ask questions about anything you do not understand.

Checking Your Home for Lead, continued

In preparing for renovation, repair, or painting work in a pre-1978 home, Lead-Safe Certified renovators (see page 12) may:

- Take paint chip samples to determine if lead-based paint is present in the area planned for renovation and send them to an EPA-recognized lead lab for analysis. In housing receiving federal assistance, the person collecting these samples must be a certified lead-based paint inspector or risk assessor
- Use EPA-recognized tests kits to determine if lead-based paint is absent (but not in housing receiving federal assistance)
- Presume that lead-based paint is present and use lead-safe work practices

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency for more information, visit epa.gov/lead, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.[3]

[3] Hearing- or speech-challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8399.

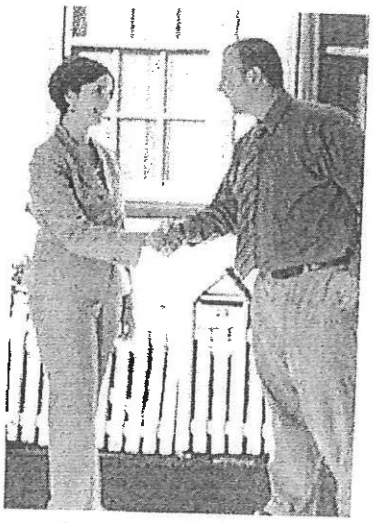
What You Can Do Now to Protect Your Family

If you suspect that your house has lead-based paint hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Keep painted surfaces clean and free of dust. Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner. (Remember: never mix ammonia and bleach products together because they can form a dangerous gas.)
- Carefully clean up paint chips immediately without creating dust.
- Thoroughly rinse sponges and mop heads often during cleaning of dirty or dusty areas, and again afterward.
- Wash your hands and your children's hands often, especially before they eat and before nap time and bed time.
- Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- Keep children from chewing window sills or other painted surfaces, or eating soil.
- When renovating, repairing, or painting, hire only EPA- or state-approved Lead-Safe Certified renovation firms (see page 12).
- Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- Make sure children avoid fatty (or high fat) foods and eat nutritious meals high in iron and calcium. Children with good diets absorb less lead.

Reducing Lead Hazards

Disturbing lead-based paint or removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.



- In addition to day-to-day cleaning and good nutrition, you can **temporarily** reduce lead-based paint hazards by taking actions, such as repairing damaged painted surfaces and planting grass to cover lead-contaminated soil. These actions are not permanent solutions and will need ongoing attention.
- You can minimize exposure to lead when renovating, repairing, or painting by hiring an EPA- or state-certified renovator who is trained in the use of lead-safe work practices. If you are a do-it-yourselfer, learn how to use lead–safe work practices in your home.
- To remove lead hazards permanently, you should hire a certified lead abatement contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent control.

Always use a certified contractor who is trained to address lead hazards safely.

- Hire a Lead-Safe Certified firm (see page 12) to perform renovation, repair, or painting (RRP) projects that disturb painted surfaces.
- To correct lead hazards permanently, hire a certified lead abatement professional. This will ensure your contractor knows how to work safely and has the proper equipment to clean up thoroughly.

Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Reducing Lead Hazards, continued

If your home has had lead abatement work done or if the housing is receiving federal assistance, once the work is completed, dust cleanup activities must be conducted until clearance testing indicates that lead dust levels are below the following levels:

- 40 micrograms per square foot ($\mu g/ft^2$) for floors, including carpeted floors
- 250 $\mu g/ft^2$ for interior windows sills
- 400 $\mu g/ft^2$ for window troughs

For help in locating certified lead abatement professionals in your area, call your state or local agency (see pages 14 and 15), or visit epa.gov/lead, or call 1-800-424-LEAD.

Exhibit "19"

RESERVE FUND STUDY

STRATEGIC INSPECTIONS

RESERVE FUND STUDY



320 Macon Condominiums
320 Macon Street
Brooklyn, New York 11216

Prepared by:
Strategic Inspections
45 West 34th Street, Suite 1001
New York, New York 10001

February 26, 2018
Revised November 21, 2018

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DAVID A. PERTUIT, JR., P.E. 27
CHRISTOPHER M. BEVIS, E.P. 29

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1.0 EXECUTIVE SUMMARY

Strategic Inspections, LLC (SI) performed a full reserve study for the 320 Macon Condominium (hereinafter "property") located at 320 Macon Street, New York 11216. The property has 4 total units and multiple model types. The reserve study is for the fiscal year starting January 1, 2018 and ending December 31, 2018.

The building is a four-story building plus basement level. The building was constructed in 1931 as an apartment building. The subject property was recently updated and consists of four (4) residential units and commercial spaces. At the current configuration, the second floor contains two residential units and the third and fourth floors each contain a single tenant. The first-floor commercial space is currently configured for several tenants; however, according to the site escort, this space is to be reconfigured for use as a single tenant. Finishes, equipment, and features associated with the commercial tenant space are outside of the scope of this reserve study. The scope of this report is limited to assessing the common elements for the condominium, only.

Building amenities include mailboxes, an entry intercom system, security camera system, laundry closet, and a front yard.

There are currently no ASTM, Fannie Mae, or FHA reserve study standards. The closest standards to review are: ASTM E 2018-15 property condition assessment (PCA), and property condition report (PCR) standards, or Fannie Mae Physical Needs Assessment Guidance to the Property Evaluator. Additionally, currently there are two national organizations with a set of reserve study guidelines, the Association of Professional Reserve Analysts (APRA) and the Community Association Institute (CAI). All of these sources, along with the experience and knowledge of industry experts and professional engineers, were used to create SI's guidelines for reserve studies.

SI guidelines require that a Reserve Study include a component inventory, a condition assessment, life valuation estimates, fund status, and a funding plan. The guideline also requires that a reserve study include recommended reserve contributions for a minimum of thirty years, projected expenses for a minimum of thirty years, and projected ending reserve fund expenses for a minimum of thirty years.

This report will project the capital repair and replacement reserve for thirty years, as required by SI guidelines. As such, some items with an estimated useful life greater than thirty years are not included in this report at this time. Updating of the reserve study should be performed every two years to ensure proper funding is provided as the longer life items move within the 30-year evaluation period as the property ages.

The annual contribution for the initial year of this reserve study is $7,275, or $606 on a monthly basis, with an annual increase of 10.0% per year until year 2023, then remain constant for the remainder of the 30-year term.

As of January 1, 2018, the current replacement cost of the reserve items is $108,784. With an annual compounded inflation rate of 2.33% the future one-time replacement cost is $157,753.

The operating budget should be adjusted to include a line item to cover the 1st year's recommended reserve amount of $7,275.

A Community Association typically has two major budgetary requirements: the general operating reserve and the capital repair and replacement reserve. The scope of this report is limited to the capital repair and replacement reserve criteria. It is assumed that the general operating reserve is accounted for in the general maintenance budget. This report will project the capital repair and replacement reserve for thirty years. It should be noted that the projection for the first ten years is the most reliable and it is recommended that this study be updated every two years.

The calculations, projections and reports in this reserve study were generated using the Property Reserve Analysis System (hereinafter "PRA"). PRA has received a Quality Assurance Evaluation from a Certified Public Accounting firm verifying the system for accuracy and compliance with the AICPA's Audit and Accounting Guide for Common Interest Realty Associations, cash flow projections, and tax calculations consistent with IRS guidelines for 1120c and 1120h corporations. PRA provides for complete, flexible reserve study assumptions while allowing for either current cost or future cost projections in calculating interest and projecting cash flows on a monthly and annual basis.

This report is intended to be used as a tool to determine reserve fund allocation requirements for the community, to manage future Association obligations, and to inform the community of future financial needs. The reserve plan, based on all the assumptions, assures that funds for major repairs and replacements will be available when needed. It also provides an equitable method for charging current owners, rather than future owners, the cost of current use.

2.0 PURPOSE AND SCOPE

The purpose of this reserve study is to produce a reserve funding plan that will project future contributions and expenditures to assure that reserve funds are available as needed. A reserve study helps Community Associations anticipate large expenditures over an extended period of time. By using this structured process and analysis, the Association is able to meet financial requirements without increasing service fees above permitted maximums, borrowing funds, and/or levying special financial assessments to the property owners.

The scope of this report is limited to the following:

- Developing component inventories based upon the site inspection only
- Developing life and valuation estimates
- Providing a current funding status evaluation
- Providing a model for a funding plan

This report forecasts Community obligations for thirty (30) years into the future. Due to this forecast, it should be noted that events might occur that affect the cost and useful life assumptions used in this study. Specifically, inevitable market fluctuations and unexpected

wear on materials can occur. Therefore, this study should be updated every two years in order to accurately reflect the needs and obligations of the community.

No items that have an estimated useful life of less than two years or a total cost less than $1,000.00 have been reserved.

3.0 DEFINITIONS AND METHODS

Relevant definitions include:

Reserve Study - The art and science of anticipating and preparing for major common area repair and replacement expenses. It is a budgetary planning tool that identifies the current status of the reserve fund and recommends a stable, equitable funding plan to offset the major anticipated common area expenditures.

Repair/Replacement Reserves - Non-annual maintenance items that will require significant expenditure over the life of the building. Included are items that will reach the end of their estimated useful life during the course of this forecast, or, in the opinion of the investigator, will require attention during that time.

Remaining Life - The expected useful life of a system or component as per Fannie Mae guidance or industry experience.

Funding Plan - An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

Life and Valuation Estimates - The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

The cash flow method was utilized in preparing the reserve plan with the intention that reserve funds would be available as needed. The following describes how the cash flow was produced:

- Reserve Fund Balance – projected from the date of the reserve study to the beginning of the fiscal year above;
- Reserve Item Data - for each reserve item the following was determined: description, category, basis cost, cost, quantity, estimated useful life and estimated remaining life;
- Expenditures - the reserve item data above was used to project when the initial and recurring expenditures will be incurred over the next 30 years (the projection excludes taxes on interest earned);
- Interest – calculated on the available funds;
- Contribution – determined based on the following: annual contribution increases, interest earned with related taxes and inflation on reserve items.

4.0 PROVIDED INFORMATION AND DOCUMENTS

This study has been performed according to the scope as generally defined and agreed upon by Strategic Inspections, LLC, and 320 Macon Street Development, which includes an on-site assessment.

The following documents were made available for our review:

- Interior Renovation Issued For Approval drawings for 320 Macon Street, Brooklyn, New York, prepared by Meltzer/Costa and Associates, dated January 15, 2018

5.0 BUILDING EVALUATION

A site inspection of the subject property was performed on November 27, 2017 by David A. Pertuit, Jr., P.E. Mr. Gary Hidalgo accompanied Mr. Pertuit during the site inspection.

The common areas of the building were visually inspected including the exterior, the rooftop, and the basement level including the electrical and mechanical equipment. In additional, the interiors of all units were also observed.

Structure

The description of the structural and foundation systems is based on the site inspection only.

The building's construction is typical for a low-rise building of this age and in this area. The building foundation is assumed to be poured reinforced concrete with brick and stone foundation walls. The structure is wood frame floors with brick walls. The building's foundation and structural systems are typical for a low-rise building of this age in this area.

The structural and foundation systems of the building are in good condition for a building of this age and type. There are no issues of concern regarding capital expenditures for the structural or foundation systems of the building at the time of the site inspection.

Exterior and Roof

The exterior of the building is brick masonry. The windows are aluminum-framed double hung windows with two panes of glass. The main entrance door is a metal door with glass panel. Commercial tenant spaces are accessed via metal storefront windows and doors and are equipped with roll down security gates. These windows and entrances are covered by steel framed, fabric covered, awnings. The commercial space is currently configured for several tenants; however, according to the site escort, this space will be renovated for a single tenant. Exterior windows, security gates and finishes of the commercial space are outside the scope of this project and therefore no costs are associated with those features. The residential windows are new and in good condition. Based on expected useful life, replacement of the windows is anticipated during the study. The door was observed to be in good to fair condition with evidence of dents. It was reported that the entrance door will

be replaced during planned interior renovations. Based on expected useful life, future replacement of the door is anticipated during the reserve period. The canopies appeared to be approximately five years old and were observed to be in good condition. The front elevation facade appears to have been painted within the last five years and appeared to be in good condition. The exterior brick walls showed multiple areas of previous repairs and areas of more recent mortar cracking. Based on the age of the building, we have included an allowance for periodic caulking, sealing, painting, and tuck pointing the exterior of the building in the reserve study. These repairs appear to be warranted earlier in the reserve and schedules have been adjusted accordingly.

The roof area on the building is covered with a multi-ply modified bitumen cap sheet that has been silver coated. The roof appears to be 15 to 20 years old and was in fair to poor condition. The parapet walls are masonry with some areas covered with roof membrane. Based on the expected useful life of 20 years for this type of roofing system, replacement of the roof surface is anticipated during the reserve period.

There is one (1) frosted skylight above the stairs of the building. The skylight framing appears to be original to the building; however, the glass may have been replaced. The sky light appeared to be in fair condition. Based on expected useful life, replacement of the skylight has been included in this study.

The entrance to the building is concrete steps with wrought iron railings. There is a concrete front yard with a park bench and several planters. The front yard is enclosed with wrought iron fencing and a gate. The concrete yard showed signs of cracking and spalling, and previous attempt to repair broken concrete do not appear to have been effective. The wrought iron railing and fencing were observed to be in good to fair condition. Based on expected useful life, we anticipate repairs/replacement of the concrete steps and yard during the reserve period. Based on the expected useful life, repainting/replacement of the railing and fencing is anticipated during the reserve period.

There is one (1) fire escape on the right side of the building. The fire escape appears to be attached to the building with steel channels cantilevered from the building. Where visible the fire escape and attachments appear to be in fair condition, however, multiple areas of rust were observed. Based on expected useful life, we anticipate the fire escape will require repainting and re-securing during the reserve period.

Mechanical, Electrical and Plumbing

The residential units are currently heated and cooled by air cooled split systems ranging in size and radiators via a GSA 300 MBH gas-fired boiler. It was reported that the boiler will be removed, and the split systems will be removed and replaced by split-system heat pump units. The residential split systems will be owned and maintained by the individual condominium owner. Therefore, no costs for replacement of these units have been included in this study.

There will be no common central air conditioning systems in the building. The common hallways will not be cooled.

Potable water is provided to the buildings by municipal pressure. Sewage and surface water drain via municipal drainage.

The domestic water distribution system piping observed in the buildings is copper piping and the vent and drain piping observed is cast iron. Based on the age of the building and observed condition, the vertical and horizontal pipes will require replacements later in the reserve. Where visible, the piping appeared to be in good condition.

Domestic hot water is provided by an American 75,100 BTU gas-fired water heater with a 75-gallon capacity. The serial number indicates that the water heater was manufactured in 2003, however, was observed to be in good condition for its age. Regardless, the water heater has exceeded its expected useful life. Replacement of the water heater is anticipated during the first five years of the reserve period.

The electrical service to the building comes into the cellar of the building. The building appears to have a 400 amp, three-phase service at 120/240 volts. It was reported that the electrical equipment is new and was observed to be in good condition. Based on expected useful life, routine maintenance is anticipated during the reserve period.

The common area lighting on the interior and exterior of the building is in good condition. Based on expected useful life, replacement of the light fixtures is anticipated during the reserve period.

Interior

The vestibule floor and corridors are ceramic tile, the walls and ceiling are painted. It was reported that the interior of the building will be upgraded by the sponsor. Based on expected useful life, future replacement of the tile and repainting of the walls and ceiling will be required during the reserve period.

The stairs in the building are constructed of steel pan with concrete treads. The railings are wood handrails with steel side railings. The walls in the stairways will be painted during the aforementioned interior renovations. Based on expected useful life, future repainting of the walls and ceilings and the stairway components is anticipated during the reserve period. Therefore, an allowance to replace these finishes is included in this reserve study.

Amenities

There is an entry intercom system installed on the exterior of the building. The intercom system appears to be approximately five to ten years old and was observed to be in good condition. Based on an expected useful life of 15 years, replacement of this system is anticipated during the reserve period.

There is a laundry closet on the first floor of the building with a washer and dryer. Based on expected useful life, replacement of the washer and dryer is anticipated during the reserve period.

There is a security camera system installed on the exterior of the building. Based on an expected useful life, replacement of this system is anticipated during the reserve period.

6.0 ASSUMPTIONS

The study is based upon the following financial assumptions:

- Annual Contribution Increase - 10.00% until Year 2023, then constant
- Interest Earned - 1.00%
- Inflation on Reserve Items - 2.33%

7.0 SUMMARY OF RESULTS

The annual contribution for the initial year of this reserve study is $7,275, or $606 on a monthly basis, with an annual increase of 10.0% per year until year 2023, then remain constant for the remainder of the 30-year term.

As of January 1, 2018, the current replacement cost of the reserve items is $108,784. With an annual compounded inflation rate of 2.33% the future one-time replacement cost is $157,753.

8.0 FUNDING PLAN

The operating budget should be adjusted to include a line item to cover the 1st year's recommended reserve amount of $7,275.

9.0 LIMITATIONS

The observations described in this study are valid as to the date of the investigation and have been made under the conditions noted in the report. This study is limited to the documentation provided to us and the site visit performed. This reserve study is a budgetary tool and no implication is made as to its uses as an engineering study.

This report does not render an opinion on un-evaluated portions of the project. We did not evaluate the following areas, and this report makes no representations or conclusions regarding:

- Unit interior finishes
- Interior unit systems and equipment
- All non-common elements

We did not include reserve funding for any items with an expected life beyond 30 years such as structural components. Some of these replacement costs are high dollar items and may need to be replaced between year 30 and year 40. Updating of the reserve study should be performed every two years to ensure proper funding is provided as the longer life items move within the 30-year evaluation period as the property ages.

We did not perform any computations or other engineering analysis as part of this evaluation, nor did we conduct a comprehensive code compliance investigation. This report should not be construed as providing any engineering or code compliance information. The appendices are an integral part of this report and must be included in any review.

In our Reserve Fund Analysis, we have provided estimated costs. These costs are based on our general knowledge of building systems as well as the contracting and construction industry. When appropriate, we have relied on standard sources, such as RSMeans Building Construction Cost Data, to develop estimates. However, for some items for which we have developed costs (e.g.: structural repairs), no standard guide for estimating such costs exists. Actual cost can vary significantly, based on availability of qualified contractors to do the work as well as other variables. It should be noted that unit costs for the roof replacement and intercom system were provided by representatives of the building. We assume no liability and make no warranties, expressed or implied, as to the specific cost estimates provided.

We have performed no design work as a part of this study, nor have we obtained competitive quotations or estimates from contractors, as this is beyond the scope of this project. The actual cost to replace components and maintain items that we have identified may vary significantly from estimates and competitive quotations from contractors.

Attached please find a projected reserve fund analysis for non-annual repair/replacement items. This projection takes into consideration a reasonable return on invested money and inflation. Please review this thoroughly and advise us of any changes that may be necessary.

If you have any questions about this study or the reserve fund analysis, please feel free to contact us. Thank you for the opportunity to provide this service to you.

Respectfully submitted,

David A. Pertuit, Jr., P.E.
Director of Technical Services

Christopher M. Bevis, E.P.
Project Manager
Strategic Inspections, LLC

Appendix A: RESERVE FUND ANALYSIS

Property - Definition

Property Information

Property	320 Macon Condominium	Initial Date		January 1, 2017
Address	320 Macon Street	Analysis Date		January 1, 2018
City	Brooklyn	Number of Phases		1
State	New York	Number of Units		4
Zip	11216	Number of Models		1
Phone		Current Cost	$	108,784.20

Item Parameters

Common Area	17
Unit Parameters	0
Unit Expanded	0

Financial Parameters

Rate of Inflation		2.33 %	Loan/Special Assessment	No
Rate of Investment		1.00 %	Deferred Expenditures	No
Contribution Factor		10.00 %	Tax Rate	N/A
Adjustment Factor		-14.00 %		
Contingency Factor		0.00 %		
Contingency Time		0:00 YY:MM		
Contingency Amount	$	0.00		

Property Criteria

Inflation Compounded	Monthly
Ownership Format	Wholly Owned
Minimum Life	2:00 YY:MM
Analysis Format	Analysis
Cash Flow Schedule	30 Years
Allocation Format	Proportional
Contribution Method	Future Cost
Measurement Basis	N/A

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Financial - Analysis Summary

Global Factors		
Rate of Inflation		2.33 %
Net Rate of Investment		1.00 %
Weighted Average Life		17:01 YY:MM
Contribution Factor		10.00 %
Adjustment Factor		-14.00 %
Contingency Factor		0.00 %
Contingency Time		0:00 YY:MM
Replacement Costs		
Current Cost	$	108,784.20
Future Cost	$	157,753.26
Fund Balances		
Current Balance	$	0.00
Future Balance	$	0.00
Funds Required		
Funds Required	$	157,753.26
Monthly Contribution	$	606.21

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0.00 CalcMeth:Future

Item Parameters - Summary

Category Reserve Item	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Amenities								
Common Washer and Dryer	1/2027	$ 1,600.00	1 Pair	$ 1,600	10:00	10:00	9:00	$ 1,972
				$ 1,600				$ 1,972
Building Exterior								
Concrete Repair	6/2018	$ 11.00	300 SF	$ 3,300	40:00	40:00	0:05	$ 3,332
Entrance Doors	12/2047	6,200.00	1 LS	6,200	30:00	30:00	29:11	12,440
Exterior Caulking and Sealants	1/2020	500.00	4 Unit	2,000	10:00	10:00	2:00	2,095
Facade Repairs	1/2020	2,500.00	4 Unit	10,000	5:00	5:00	2:00	10,476
Multi-ply Modified Bit Roof Surface	1/2023	6.50	2,000 SF	13,000	20:00	20:00	5:00	14,604
Resecure, Scrape, and Paint Fire Escape	6/2018	500.00	4 Floor	2,000	10:00	10:00	0:05	2,019
Seal and Paint Exterior	1/2020	2.00	1,600 SF	3,200	10:00	10:00	2:00	3,352
Skylight	1/2023	1,500.00	1 EA	1,500	20:00	20:00	5:00	1,685
				$ 41,200				$ 50,005
Building Interior								
Intercom System	1/2033	$ 4,050.00	1 EA	$ 4,050	15:00	15:00	15:00	$ 5,742
Interior and Exterior Common Lighting	1/2043	900.00	4 Floor	3,600	25:00	25:00	25:00	6,442
Paint Stairs and Common Halls	1/2028	1.26	4,670 SF	5,884	10:00	10:00	10:00	7,426
Tile Flooring	1/2032	15.00	410 SF	6,150	15:00	15:00	14:00	8,519
Windows	1/2042	650.00	42 EA	27,300	25:00	25:00	24:00	47,729
				$ 46,984				$ 75,859
Mechanical								
Gas Water Heater 75,100 BTU	1/2021	$ 3,500.00	1 EA	$ 3,500	15:00	17:00	3:00	$ 3,753
Replace Horiz. Piping & Valves	1/2042	3,500.00	4 Unit	14,000	40:00	40:00	24:00	24,476
				$ 17,500				$ 28,229
Site								
Wrought Iron Fence & Railing-Repair/Paint	1/2023	$ 25.00	60 LF	$ 1,500	10:00	10:00	5:00	$ 1,685
				$ 1,500				$ 1,685

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.60% Contingency:0.00%,0:00 CalcMeth:Future

Item Parameters - Summary

Category / Reserve Item	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
				$ 108,784				$ 157,753

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Item Parameters - Detail

Reserve Item Location	Desc.	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Common Washer and Dryer									
		01/01/2027	$ 1,600.00	1 Pair	$ 1,600	10:00	10:00	9:00	$ 1,972
					$ 1,600				$ 1,972
Concrete Repair									
		06/15/2018	$ 11.00	300 SF	$ 3,300	40:00	40:00	0:05	$ 3,332
					$ 3,300				$ 3,332
Entrance Doors									
		12/01/2047	$ 6,200.00	1 LS	$ 6,200	30:00	30:00	29:11	$ 12,440
					$ 6,200				$ 12,440
Exterior Caulking and Sealants									
		01/01/2020	$ 500.00	4 Unit	$ 2,000	10:00	10:00	2:00	$ 2,095
					$ 2,000				$ 2,095
Facade Repairs									
		01/01/2020	$ 2,500.00	4 Unit	$ 10,000	5:00	5:00	2:00	$ 10,476
					$ 10,000				$ 10,476
Gas Water Heater 75,100 BTU									
		01/01/2021	$ 3,500.00	1 EA	$ 3,500	15:00	17:00	3:00	$ 3,753
					$ 3,500				$ 3,753
Intercom System									
		01/01/2033	$ 4,050.00	1 EA	$ 4,050	15:00	15:00	15:00	$ 5,742
					$ 4,050				$ 5,742
Interior and Exterior Common Lighting									
		01/01/2043	$ 900.00	4 Floor	$ 3,600	25:00	25:00	25:00	$ 6,442
					$ 3,600				$ 6,442
Multi-ply Modified Bit Roof Surface									
		01/01/2023	$ 6.50	2,000 SF	$ 13,000	20:00	20:00	5:00	$ 14,604

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Item Parameters - Detail

Reserve Item Location	Desc.	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Paint Stairs and Common Halls									
					$ 13,000				$ 14,604
		01/01/2028	$ 1.26	4,670 SF	$ 5,884	10:00	10:00	10:00	$ 7,426
					$ 5,884				$ 7,426
Replace Horiz. Piping & Valves									
		01/01/2042	$ 3,500.00	4 Unit	$ 14,000	40:00	40:00	24:00	$ 24,476
					$ 14,000				$ 24,476
Resecure, Scrape, and Paint Fire Escape									
		06/01/2018	$ 500.00	4 Floor	$ 2,000	10:00	10:00	0:05	$ 2,019
					$ 2,000				$ 2,019
Seal and Paint Exterior									
		01/01/2020	$ 2.00	1,600 SF	$ 3,200	10:00	10:00	2:00	$ 3,352
					$ 3,200				$ 3,352
Skylight									
		01/01/2023	$ 1,500.00	1 EA	$ 1,500	20:00	20:00	5:00	$ 1,685
					$ 1,500				$ 1,685
Tile Flooring									
		01/01/2032	$ 15.00	410 SF	$ 6,150	15:00	15:00	14:00	$ 8,519
					$ 6,150				$ 8,519
Windows									
		01/01/2042	$ 650.00	42 EA	$ 27,300	25:00	25:00	24:00	$ 47,729
					$ 27,300				$ 47,729
Wrought Iron Fence & Railing-Repair/Paint									
		01/01/2023	$ 25.00	60 LF	$ 1,500	10:00	10:00	5:00	$ 1,685
					$ 1,500				$ 1,685

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Con.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Item Parameters - Detail

Reserve Item Location	Desc.	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
					$ 108,784				$ 157,753

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Expenditures

Reserve Item	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Common Washer and Dryer										
Concrete Repair	3,332									$ 1,972
Entrance Doors										
Exterior Caulking and Sealants			2,095							
Facade Repairs			10,476							
Gas Water Heater 75,100 BTU								11,769		
Intercom System				3,753						
Interior and Exterior Common Lighting										
Multi-ply Modified Bit Roof Surface										
Paint Stairs and Common Halls						14,604				
Replace Horiz. Piping & Valves										
Resecure, Scrape, and Paint Fire Escap	2,019									
Seal and Paint Exterior										
Skylight			3,352							
Tile Flooring						1,685				
Windows										
Wrought Iron Fence & Railing-Repair/P						1,685				
	$ 5,351	$ 0	$ 15,924	$ 3,753	$ 0	$ 17,974	$ 0	$ 11,769	$ 0	$ 1,972

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.80% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Expenditures

Reserve Item	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Common Washer and Dryer										$ 2,489
Concrete Repair										
Entrance Doors			2,644							
Exterior Caulking and Sealants			13,222					14,854		
Facade Repairs									5,321	
Gas Water Heater 75,100 BTU						5,742				
Intercom System										
Interior and Exterior Common Lighting										
Multi-ply Modified Bit Roof Surface	7,426									
Paint Stairs and Common Halls										
Replace Horiz. Piping & Valves	2,548									
Resecure, Scrape, and Paint Fire Escap			4,231							
Seal and Paint Exterior										
Skylight					8,519					
Tile Flooring										
Windows						2,126				
Wrought Iron Fence & Railing-Repair/P	$ 9,975	$ 0	$ 20,098	$ 0	$ 8,519	$ 7,869	$ 0	$ 14,854	$ 5,321	$ 2,489

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Expenditures

Reserve Item	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Common Washer and Dryer										$ 3,142
Concrete Repair										
Entrance Doors										12,440
Exterior Caulking and Sealants			3,337							
Facade Repairs			16,687					18,747		
Gas Water Heater 75,100 BTU										
Intercom System										
Interior and Exterior Common Lighting						6,442				
Multi-ply Modified Bit Roof Surface						23,263				
Paint Stairs and Common Halls	9,372									
Replace Horiz. Piping & Valves					24,476					
Resecure, Scrape, and Paint Fire Escap	3,216									
Seal and Paint Exterior			5,340							
Skylight						2,684				
Tile Flooring										12,079
Windows					47,729					
Wrought Iron Fence & Railing-Repair/P						2,684				
	$ 12,589	$ 0	$ 25,365	$ 0	$ 72,205	$ 35,074	$ 0	$ 18,747	$ 0	$ 27,662

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/18 - 12/18	$ 0.00	$ 7,274.52	$ 9.43	$ 5,351.65	$ 1,932.30
01/19 - 12/19	1,932.30	8,001.96	59.54	0.00	9,993.80
01/20 - 12/20	9,993.80	8,802.12	6.70	15,924.37	2,878.25
01/21 - 12/21	2,878.25	9,682.32	41.33	3,753.15	8,848.75
01/22 - 12/22	8,848.75	10,650.60	142.29	0.00	19,641.64
01/23 - 12/23	19,641.64	11,715.72	83.05	17,974.90	13,465.51
01/24 - 12/24	13,465.51	11,715.72	194.03	0.00	25,375.26
01/25 - 12/25	25,375.26	11,715.72	200.38	11,769.68	25,521.68
01/26 - 12/26	25,521.68	11,715.72	315.14	0.00	37,552.54
01/27 - 12/27	37,552.54	11,715.72	417.04	1,972.89	47,712.41
	$ 0.00	$ 102,990.12	$ 1,468.93	$ 56,746.64	$ 47,712.41

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/28 - 12/28	$ 47,712.41	$ 11,715.72	$ 452.75	$ 9,975.22	$ 49,905.66
01/29 - 12/29	49,905.66	11,715.72	560.08	0.00	62,181.46
01/30 - 12/30	62,181.46	11,715.72	489.98	20,098.07	54,289.09
01/31 - 12/31	54,289.09	11,715.72	604.13	0.00	66,608.94
01/32 - 12/32	66,608.94	11,715.72	645.88	8,519.31	70,451.23
01/33 - 12/33	70,451.23	11,715.72	690.78	7,869.22	74,988.51
01/34 - 12/34	74,988.51	11,715.72	812.08	0.00	87,516.31
01/35 - 12/35	87,516.31	11,715.72	794.96	14,854.47	85,172.52
01/36 - 12/36	85,172.52	11,715.72	863.17	5,321.51	92,429.90
01/37 - 12/37	92,429.90	11,715.72	963.33	2,489.98	102,618.97
	$ 47,712.41	$ 117,157.20	$ 6,877.14	$ 69,127.78	$ 102,618.97

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/38 - 12/38	$ 102,618.97	$ 11,715.72	$ 981.97	$ 12,589.69	$ 102,726.97
01/39 - 12/39	102,726.97	11,715.72	1,090.76	0.00	115,533.45
01/40 - 12/40	115,533.45	11,715.72	975.26	25,365.71	102,858.72
01/41 - 12/41	102,858.72	11,715.72	1,092.08	0.00	115,666.52
01/42 - 12/42	115,666.52	11,715.72	525.70	72,205.79	55,702.15
01/43 - 12/43	55,702.15	11,715.72	280.74	35,074.17	32,624.44
01/44 - 12/44	32,624.44	11,715.72	386.48	0.00	44,726.64
01/45 - 12/45	44,726.64	11,715.72	327.61	18,747.78	38,022.19
01/46 - 12/46	38,022.19	11,715.72	440.71	0.00	50,178.62
01/47 - 12/47	50,178.62	11,715.72	411.14	27,662.11	34,643.37
	$ 102,618.97	$ 117,157.20	$ 6,512.45	$ 191,645.25	$ 34,643.37

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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Cash Flow - Matrix

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Begin Balance	$ 0	$ 1,932	$ 9,993	$ 2,878	$ 8,848	$ 19,641	$ 13,465	$ 25,375	$ 25,521	$ 37,552
Contribution	7,274	8,001	8,802	9,682	10,650	11,715	11,715	11,715	11,715	11,715
Average Per Unit	1,818	2,000	2,200	2,420	2,662	2,928	2,928	2,928	2,928	2,928
Percent Change	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	0.00%	0.00%	0.00%	0.00%
Interest	9	59	6	41	142	83	194	200	315	417
Less Expenditures	5,351	0	15,924	3,753	0	17,974	0	11,769	0	1,972
Ending Balance	$ 1,932	$ 9,993	$ 2,878	$ 8,848	$ 19,641	$ 13,465	$ 25,375	$ 25,521	$ 37,552	$ 47,712

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Begin Balance	$ 47,712	$ 49,905	$ 62,181	$ 54,289	$ 66,608	$ 70,451	$ 74,988	$ 87,516	$ 85,172	$ 92,429
Contribution	11,715	11,715	11,715	11,715	11,715	11,715	11,715	11,715	11,715	11,715
Average Per Unit	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest	452	560	489	604	645	690	812	794	863	963
Less Expenditures	9,975	0	20,098	0	8,519	7,869	0	14,854	5,321	2,489
Ending Balance	$ 49,905	$ 62,181	$ 54,289	$ 66,608	$ 70,451	$ 74,988	$ 87,516	$ 85,172	$ 92,429	$ 102,618

	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Begin Balance	$ 102,618	$ 102,726	$ 115,533	$ 102,858	$ 115,666	$ 55,702	$ 32,624	$ 44,726	$ 38,022	$ 50,178
Contribution	11,715	11,715	11,715	11,715	11,715	11,715	11,715	11,715	11,715	11,715
Average Per Unit	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest	981	1,090	975	1,092	525	280	386	327	440	411
Less Expenditures	12,589	0	25,365	0	72,205	35,074	0	18,747	0	27,662
Ending Balance	$ 102,726	$ 115,533	$ 102,858	$ 115,666	$ 55,702	$ 32,624	$ 44,726	$ 38,022	$ 50,178	$ 34,643

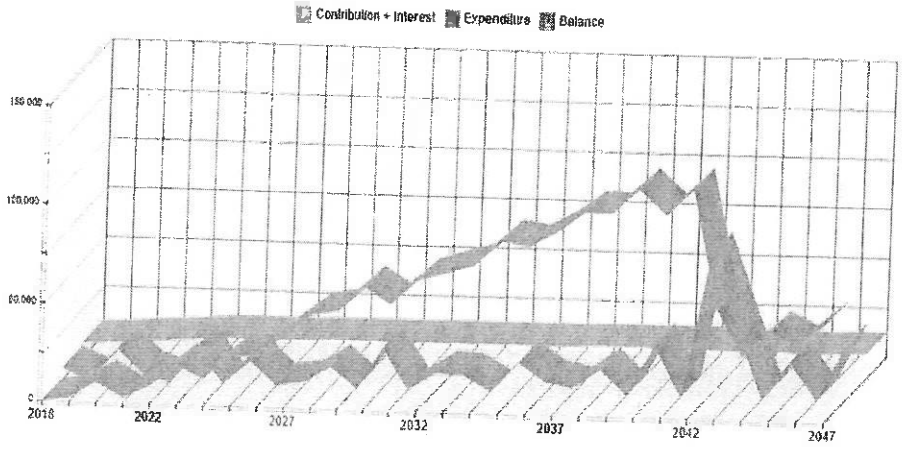
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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cost.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Cash Flow - Chart



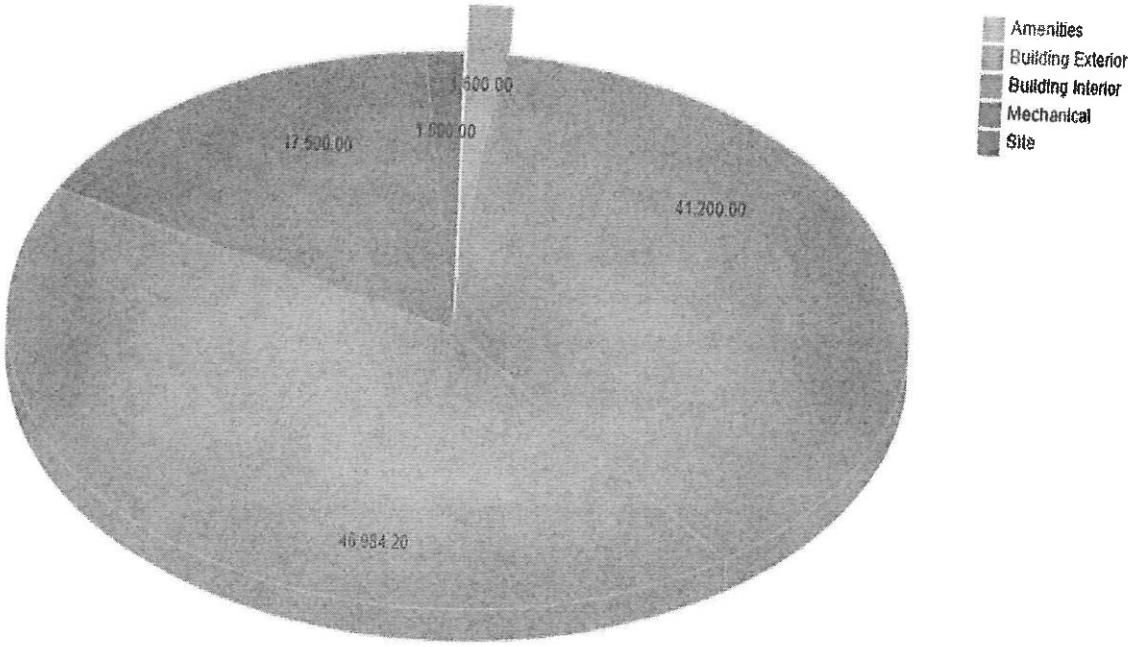
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320 Macon Condominium

Analysis Date - January 1, 2018

Inflation:2.33% Investment:1.00% Cont.Factor:10.00% Adjust.Factor:-14.00% Contingency:0.00%,0:00 CalcMeth:Future

Item Parameter - Category - Chart



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Appendix B: PROFESSIONAL QUALIFICATIONS

DAVID A. PERTUIT, JR., P.E.
CIVIL/STRUCTURAL ENGINEER

SUMMARY Professional engineer with over fifteen years of engineering and management experience in the design and analysis for a large array of private engineering projects, specifications preparation, structural computer analysis, cost estimates, bid preparation and evaluation, supervision, consulting and forensic engineering.

EDUCATION B.S.C.E., Washington University in St. Louis, 1998

REGISTRATION
Registered Professional Engineer in Louisiana – Civil Engineering
Registration No. 30989
Registered Professional Engineer in Mississippi
Registration No. 19674
Registered Professional Engineer in New York
Registration No. 088530
Registered Professional Engineer in Texas
Registration No. 114099

PROFESSIONAL EXPERIENCE

Strategic Inspections, LLC
Director of Technical Operations

03/2010 – Present

- Conduct quality control reviews of all reserve studies, property condition assessments, and transition studies.
- Conduct reserve studies, property condition assessments, and transition studies.
- Manage all internal and subcontract staff.
- Create scopes of services, proposals, and project bids.
- Deliver final product to client as well as follow up with quality control calls.
- Consult on conference calls and meetings regarding the current reserve status of developments.
- Active participant / speaker in industry associations.
- Conducted reserve study presentations for national lending institutions.
- Created internal reserve study guidelines and quality control systems.
- Performed more than one hundred reserve studies on high profile developments for FHA and Fannie Mae reviews.
- Conducted quality control and reviews for all reserve study funding plans.
- Assisted with the development process and database for a proprietary system that provides clients reserve study predeterminations.

Audubon Engineering, Metairie, LA
Senior Structural Engineer

11/2008 – 10/2010

- Managed and designed the installation of multiple modules and deck extensions.
- Designed various appurtenances for multiple offshore platforms in the Gulf of Mexico.
- Designed various steel structures and reinforced concrete foundations for chemical and petrochemical plants.

Quick & Associates, Inc., Mandeville, LA
Engineering Manager

2/2004– 11/2008

- Managed multi-discipline engineering and architect staff. Performed performance reviews, approved expenses and time, reviewed and edited reports prepared by technical staff, and mentored and oversaw performance of technical staff.
- Performed forensic engineering, failure analysis consulting and remedial design preparation associated with structures and foundations. Special expertise in construction induced vibration damage analysis, concrete failure

analysis, construction method and contract performance disputes, storm damage, building code compliance and damage analysis resulting from natural disasters such as hurricanes, tornados, hail storms and earthquakes.
- Managed multi-discipline forensic investigations, including boiler explosions, fire cause and origins, and mechanical equipment failures.
- Evaluated and analyzed over one thousand property damage claims, including catastrophe claims associated with hurricanes, tornados, and hail.

L Ray McDermott Engineering - New Orleans, LA
Structural Engineer

11/2001 – 2/2004

- Designed winch support structure, turning sheave support structure, and other miscellaneous Structures for replacing four (4) 1050'-0" mooring chain for ChevronTexaco's Genesis Spar located in 2592' of water.
- Project/Field Engineer for mooring chain replacement for ChevronTexaco's Genesis Spar. Wrote chain replacement procedures and supervised the chain replacement offshore. Worked closely with rigging and welding crews to ensure chain replacement was performed as per written procedures and industry standards.
- Project/Field Engineer for installation of 4-Leg, 8 Skirt pile, 15 Well Drilling Platform and launched jacket located in 665'-0" of water. Created installation manual and reviewed all structural and installation designs.
- Assisted in the design engineering for the TotalFinaElf Carina/Aries platforms. Responsible for the helidecks design, blast walls design, Vent booms design, crane fatigue analysis, and miscellaneous connection details.

Albert-Garaudy and Associates, Inc., Metairie, LA
Civil/Structural Engineer

6/1998 –11/ 2001

- Designed various appurtenances such as pipe and cable tray racks, stair landings, and various equipment supports and performed load out analysis on deck and jacket for a 3,600-ton six-legged deck for Mobil Chinook project.
- Designed four piled jacket in 58 feet of water for in place, lift, fatigue and transportation conditions and a 144-ft bridge connecting two offshore platforms for Exxon in Galveston Block 209. Supervised installation during GA-209C offshore construction.
- Project Manager and lead Structural Engineer of a multi-discipline Brine Degasifier project for OxyChem Corporation.
- Designed various steel structures and reinforced concrete pile foundations, spread footings, and building foundations for chemical and petrochemical plants.
- Developed cost estimates and proposals and coordinated drafting for projects in the structural department

Manhattan/Gibbs Construction Joint Venture, New Orleans, LA
Field Engineer

5/1997 – 8/1997

- Assisted in the construction and setting of concrete forms for grade beams and columns for the New Orleans Sports Arena.
- Coordinated with carpenters for laying out grade beams, footings and columns for The Arena.
- Utilized an engineer's level, transit and total station to layout and place grades in grade beams, columns, footings and piles.

STRATEGIC INSPECTIONS

Christopher Bevis, E.P.

Project Manager

Education

- *University of South Dakota, 2002 – B.S. Earth Science with minors in Chemistry and Physics*
- *Dakota County Technical, 2007 – A.S. Architectural Technology with emphasis in 3D modeling and Documentation Set Preparation*

Work Experience

Coastal Ecology Group, LLC - Director of Technical Services - October 2010-Present

- Develop and implement Property Condition Assessment training
- Perform on site investigations for ASTM standard ESA and PCA studies as well as Reserve Studies
- Cooperate with regulatory agencies in over 30 states to ensure environmental compliance
- Manage multiple simultaneous projects on truncated schedules from a mobile work environment
- Research historic regulatory compliance to gauge previous environmental liability

Station 19 Architects - Architectural Drafter - September 2006 - October 2009

- Completed both Design Development & Construction Document drawing sets for 50+ buildings.
- Coordinated with other project contractors on structural, mechanical, electrical and civil documentation
- Used mass modeling for initial Schematic Design concept and display delivery
- Used BIM (Building Information Model) to create live wall & building sections, plan details, and 3D Representations

ProTec Environmental Consultants - Senior Phase I Project Manager - June 2004 - September 2006

- Wrote and edited MPCA ASTM Standard Phase I Environmental Assessment reports
- Historical research and phone correspondence with regulatory agency officials
- Performed site visit investigations
- Supervised and performed soil classification and analytical sampling for Phase II limited subsurface investigations

Consultech Environmental, Inc. - Staff Geologist - November 2002 - April 2004

- Wrote and edited South Carolina DHEC (Department of Health and Environmental Concerns) Tier II and quarterly reports
- Coordinated the collection of access agreements from owners of property surrounding contaminated sites
- Performed soil classification and analytical water sampling

Industry Tenure

- ENV: 2002
- ENG: 2006
- CEG: 2010

Related Experience

- Building architectural documents sets for large scale commercial construction

Industry Experience

- Office
- Industrial
- Warehouse
- Housing/Multi-family
- Hospitality
- Retail/Wholesale
- Mobile Home
- Assisted Living and Senior Care
- Medical

Special Skills & Training

- Property Condition Assessment Training and Development Coordinator
- Phase I Environmental Site Assessment Training
- HUD Training
- EDR Training
- Parcel Training
- Google Application Proficiency
- Numerous online report formating and process training

Regional Location

- Minneapolis, MN

Appendix C: PHOTOGRAPHS



Photo #1:	Building Exterior

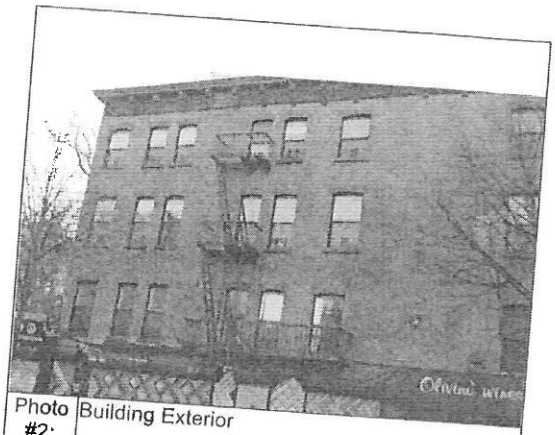


Photo #2:	Building Exterior

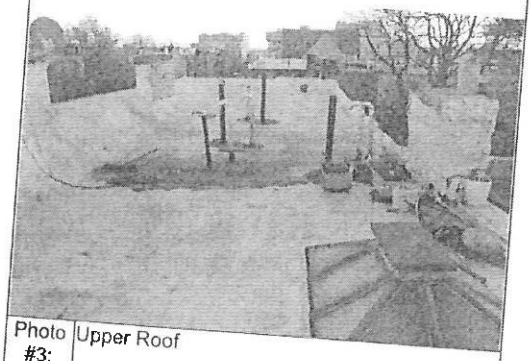


Photo #3:	Upper Roof

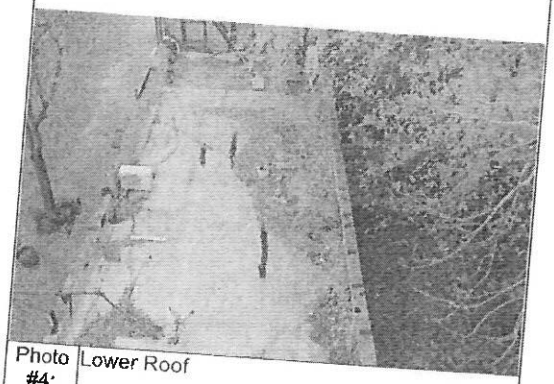


Photo #4:	Lower Roof

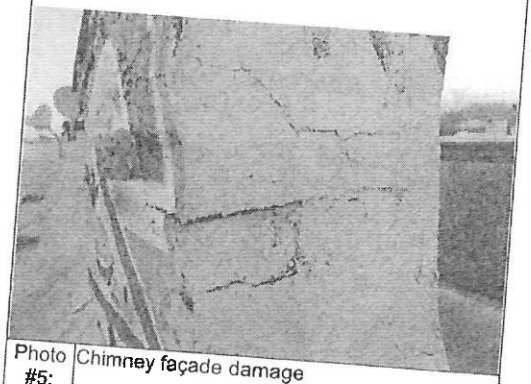


Photo #5:	Chimney façade damage

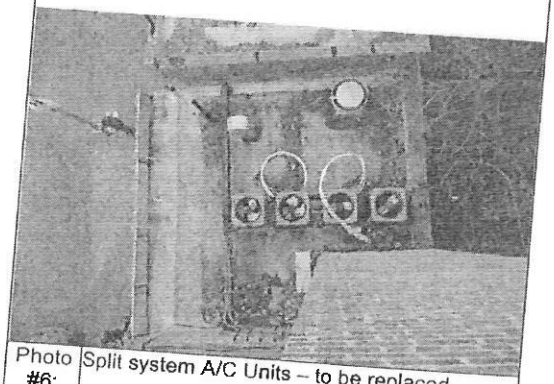


Photo #6:	Split system A/C Units – to be replaced

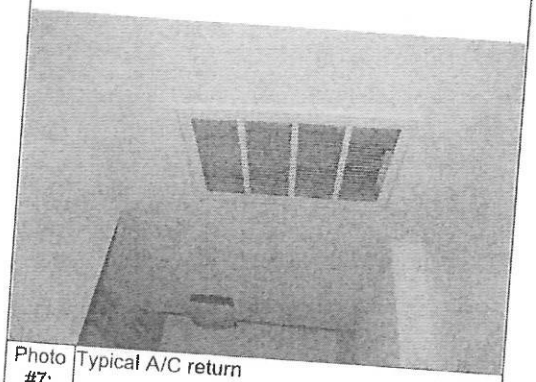


Photo #7:	Typical A/C return



Photo #9:	A/C window unit

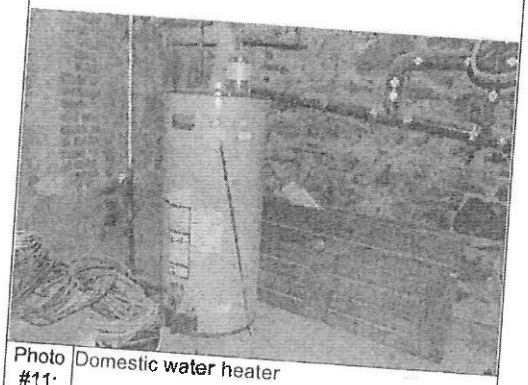


Photo #11:	Domestic water heater

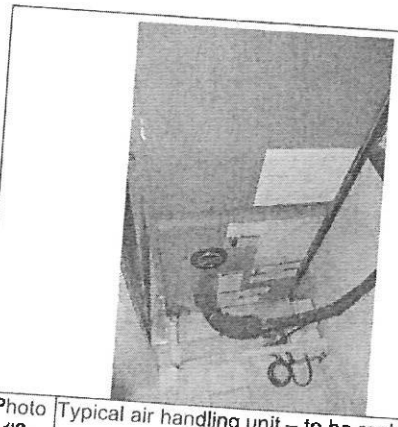


Photo #8:	Typical air handling unit – to be replaced

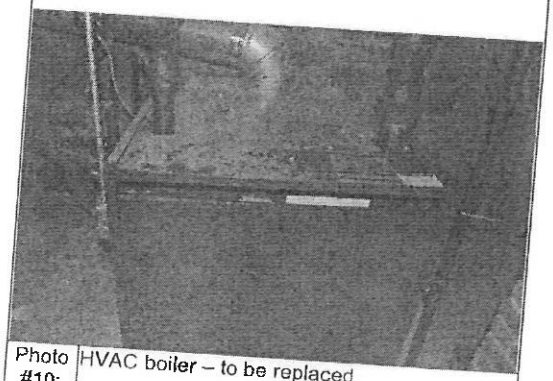


Photo #10:	HVAC boiler – to be replaced

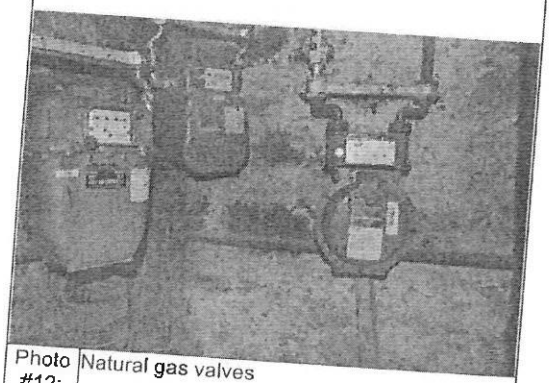


Photo #12:	Natural gas valves

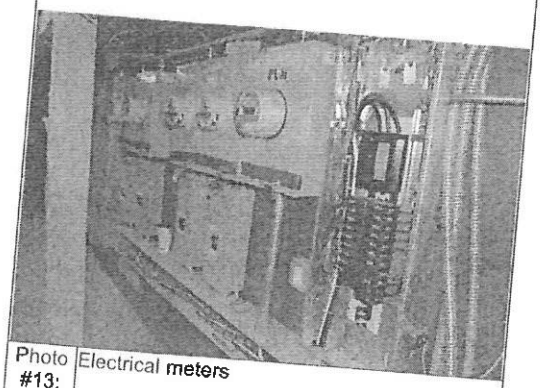


Photo #13:	Electrical meters

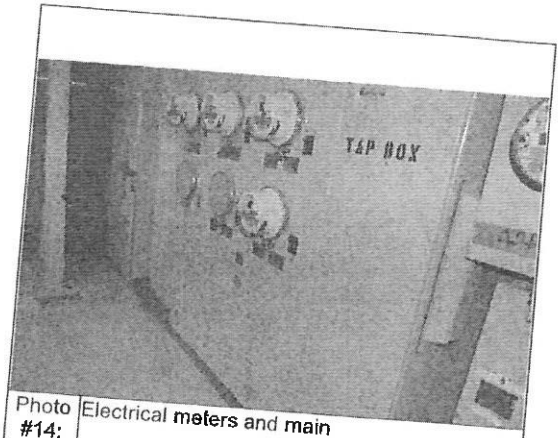


Photo #14:	Electrical meters and main

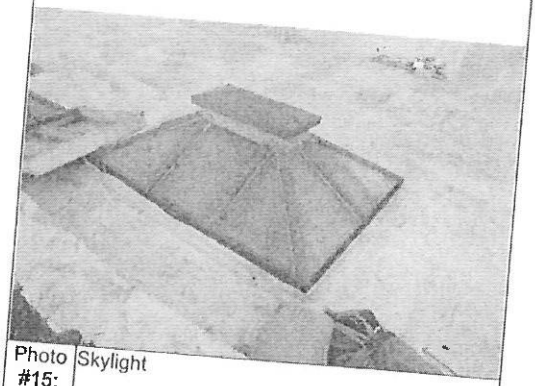


Photo #15:	Skylight

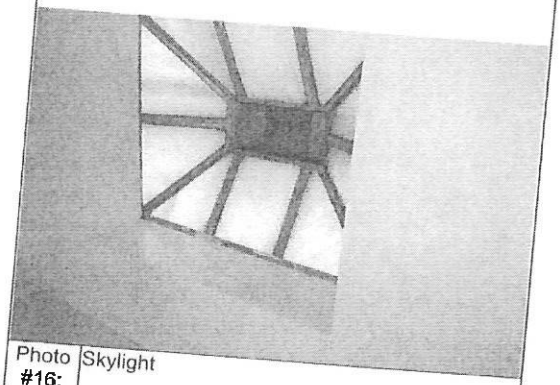


Photo #16:	Skylight



Photo #17:	Wrought iron fencing



Photo #18:	Prior concrete repair



Photo #19:	Front door and tile flooring

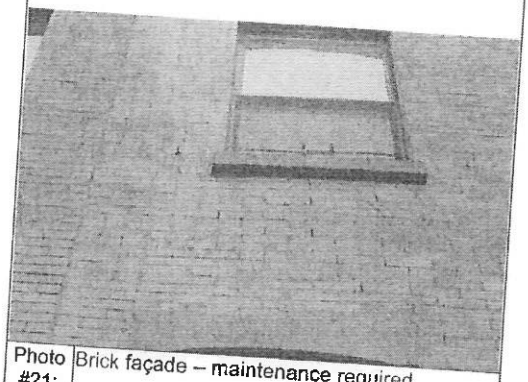


Photo #21:	Brick façade – maintenance required

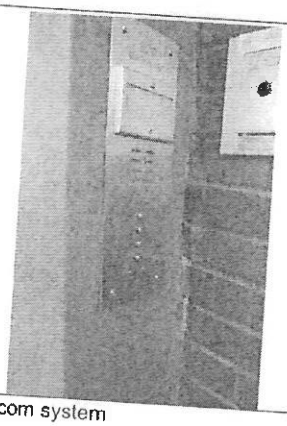


Photo #23:	Intercom system



Photo #20:	Brick façade – repairs/cleaning required



Photo #22:	Fire escape – note rust

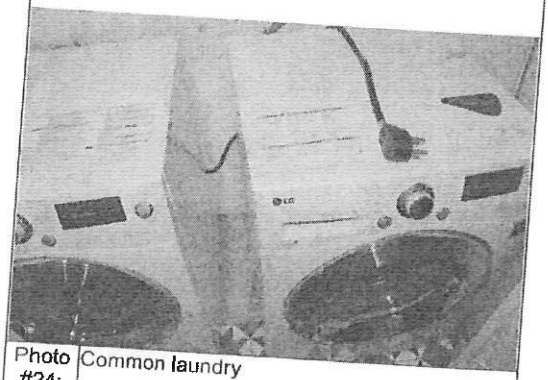


Photo #24:	Common laundry

Exhibit "20"

CERTIFICATE OF OCCUPANCY

B Form: 5a (Rev. 4/85)

THE CITY OF NEW YORK

DEPARTMENT OF BUILDINGS
CERTIFICATE OF OCCUPANCY

BOROUGH Brooklyn DATE: SEP 18 1987 NO. 228549

This certificate supersedes C.O. No. 97509 ZONING DISTRICT ~~R-3~~ in R-5

THIS CERTIFIES that the new–altered–existing–building–premises located at 320 Macon Street Block 1853 Lot 42

CONFORMS SUBSTANTIALLY TO THE APPROVED PLANS AND SPECIFICATIONS AND TO THE REQUIREMENTS OF ALL APPLICABLE LAWS, RULES, AND REGULATIONS FOR THE ~~USES~~ AND OCCUPANCIES SPECIFIED HEREIN

PERMISSIBLE USE AND OCCUPANCY

STORY	LIVE LOAD LBS. PER SQ. FT.	MAXIMUM NO. OF PERSONS PERMITTED	ZONING: DWELLING OR ROOMING UNITS	BUILDING CODE HABITABLE ROOMS	ZONING USE GROUP	BUILDING CODE OCCUPANCY GROUP	DESCRIPTION OF USE
Cellar	Ground						Ordinary
First	100				6		Doctors Office and Stores
Second	40		2	6	2		Two (2) Apartments
Third	40		1	5	2		One (1) Apartment
Fourth	40		1	5	2		One (1) Apartment

TOTAL: Four (4) Apartments, Doctors Office and Stores

Old Code

Old Law Tenement

Class "A" Multiple Dwelling

OPEN SPACE USES _____
(SPECIFY–PARKING SPACES, LOADING BERTHS, OTHER USES, NONE)

NO CHANGES OF USE OR OCCUPANCY SHALL BE MADE UNLESS A NEW AMENDED CERTIFICATE OF OCCUPANCY IS OBTAINED

THIS CERTIFICATE OF OCCUPANCY IS ISSUED SUBJECT TO FURTHER LIMITATIONS, CONDITIONS AND SPECIFICATIONS NOTED ON THE REVERSE SIDE.

Stanley Klein
BOROUGH SUPERINTENDENT

Frank M. Williams
COMMISSIONER

☐ ORIGINAL ☐ OFFICE COPY–DEPARTMENT OF BUILDINGS ☐ COPY

B Form 54 (Back) (Rev. 8/82)

228549

THAT THE ZONING LOT ON WHICH THE PREMISES IS LOCATED IS BOUNDED AS FOLLOWS:

BEGINNING at a point on the Southwest corner formed by the intersection of Macon Street and Sumner Avenue

running thence South 100' feet; thence West 20' feet;

thence North 100' feet; thence East 20' feet;

thence ____ feet; thence ____ feet;

thence ____ feet; thence ____ feet;

to the point or place of beginning.

Alteration #2065/86

DATE OF COMPLETION 8/31/87 CONSTRUCTION CLASSIFICATION Class-3

BUILDING OCCUPANCY GROUP CLASSIFICATION HEIGHT Three STORIES, 30' FEET

THE FOLLOWING FIRE DETECTION AND EXTINGUISHING SYSTEMS ARE REQUIRED AND WERE INSTALLED IN COMPLIANCE WITH APPLICABLE LAWS.

	YES	NO		YES	NO
STANDPIPE SYSTEM			AUTOMATIC SPRINKLER SYSTEM		
YARD HYDRANT SYSTEM					
STANDPIPE FIRE TELEPHONE AND SIGNALLING SYSTEM					
SMOKE DETECTOR	X				
FIRE ALARM AND SIGNAL SYSTEM					

STORM DRAINAGE DISCHARGES INTO:

A) STORM SEWER ☐ B) COMBINED SEWER ☐ C) PRIVATE SEWAGE DISPOSAL SYSTEM ☐

SANITARY DRAINAGE DISCHARGES INTO:

A) SANITARY SEWER ☐ B) COMBINED SEWER ☐ C) PRIVATE SEWAGE DISPOSAL SYSTEM ☐

LIMITATIONS OR RESTRICTIONS:

BOARD OF STANDARDS AND APPEALS CAL. NO. ____

CITY PLANNING COMMISSION CAL. NO. ____

OTHERS:

