THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP.

CONDOMINIUM OFFERING PLAN FOR

THE 350 EAST 81ST STREET CONDOMINIUM

350 EAST 81ST STREET
NEW YORK, NEW YORK 10028

TOTAL OFFERING PRICE FOR 3 RESIDENTIAL UNITS $13,965,000
RESERVE FUND (ESTIMATED MINIMUM) ..... $ 418,950*

***This is the minimum amount required under the "first alternative method" under the "Reserve Fund Law" of the City of New York, and is only an estimate; the actual amount cannot be determined until the Plan is declared effective, based on the prices for which the Units are sold. See section of the Plan entitled "Working Capital Fund/Reserve Fund" for additional information.**

SPONSOR:	SELLING AGENT:	CONDOMINIUM:
HADRAMANT LLC c/o NYC Management 381 Park Avenue South New York, New York 10016	ONE MANHATTAN REAL ESTATE 177 East 87th Street New York, New York 10128	THE 350 EAST 81ST STREET CONDOMINIUM c/o New York City Management 381 Park Avenue South New York, New York 10016 (Managing agent)

DATE OF ACCEPTANCE FOR FILING: MARCH 6, 2020

THIS OFFERING PLAN MAY NOT BE USED AFTER MARCH 5, 2021, UNLESS THIS OFFERING PLAN IS EXTENDED BY AMENDMENT.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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

THIS OFFERING PLAN IS THE ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

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SPECIAL RISKS

The special risks summarized below are explained more fully in other Sections of this Plan. Prospective Purchasers should therefore read the entire Plan to completely understand these and other material aspects of this offering. See the Section of the Plan entitled "Definitions" for the meanings of the capitalized words used in this Section and not defined herein.

1. Sponsor control

See the Sections of the Plan entitled **"Control by Sponsor"** and **"Rights and Obligations of Condominium Board/Summary of By-Laws."**

All Unit Owners shall be free to vote for the members of the Board of Managers of their choosing, commencing with the first meeting of Unit Owners, which shall occur approximately one year following the First Unit Closing. Sponsor cannot exercise voting control of the Board of Managers for more than five years from the first Unit Closing, or whenever the Unsold Units constitute less than fifty percent (50%) of the Common Interests, whichever is earlier. However, to the extent that any Units shall be owned by individual members of Sponsor, such individual members shall also have the right to vote, in their individual capacities, for members of the Board of Managers. Depending on the number of Units owned by individual members of Sponsor, it is conceivable that such individual members of Sponsor may be able to elect a majority of the members of the Condominium's Board of Managers.

For the period ending not more than five years after the First Unit Closing, or whenever the Unsold Units constitute less than 25% of the aggregate Common Interest, whichever is sooner, the Condominium Board will not be permitted, without the prior written consent of Sponsor or any Sponsor Successor to:

1. make any addition, alteration or improvement to the Common Elements or to any Unit, unless required by Applicable Law;

2. assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of the lesser of (i) five percent in the aggregate of the estimated

Common Expenses for any one fiscal year of operation, or (ii) the maximum assessment permitted under Applicable Law;

3. increase the number or change the type of employees from that described in the First Year Budget;

4. enter into any service or maintenance contracts for Work not covered in the First Year Budget;

5. borrow money on behalf of the Condominium; or

6. exercise a right of first refusal to purchase a Unit.

Notwithstanding the foregoing, neither Sponsor nor any Sponsor Successor may exercise a veto over expenditures which: (i) are a category included in the First Year Budget, conform to the First Year Budget and are for the period covered by the First Year Budget; (ii) are required to comply with Applicable Law, including expenditures required to cure any notices of violations; or (iii) are necessary to remedy any work order by an insurer which is the responsibility of the Condominium Board to remedy. See the Sections of the Plan entitled **"Control by Sponsor"** and **"Rights and Obligations of Condominium Board/Summary of By-Laws."**

2. Occupancy of Units by renters

Sponsor intends to sell the Units to Purchasers who are buying for their or their family's personal occupancy. However, Sponsor reserves the right to sell Units to investors who intend to rent and not to occupy their Units personally. In addition, Sponsor and any Sponsor Successor may from time to time freely rent any Unsold Units in accordance with Applicable Law, without charge or limitation whatsoever and without the consent of the Condominium Board or any other Unit Owner.

The Property is currently not encumbered by a mortgage. No mortgage contains any provision which would obligate Sponsor to market Units for sale as they become vacant. Therefore, no mortgage contains any minimum sales requirement higher than as required by Applicable Law in order to declare the Plan effective. No mortgage places any limit on Sponsor's right to rent rather than sell Units.

Sponsor does not currently contemplate limiting its right to rent rather than sell based on objective, articulable

criteria such as a significant decline in market prices of a specific percentage. Depending on market conditions, it is conceivable that the Sponsor may find it more desirable to continue to rent one or more Units rather than to sell them, even if they are vacant.

As a result, there is no commitment by Sponsor to, and it is conceivable that Sponsor will not, sell more than the minimum 15% of the Units necessary to declare the Plan effective, and that owner occupants may never gain effective control and management of the Condominium.

As a result of the foregoing, some (and possibly most) of the Units may be occupied by renters and not Unit Owners. The occupancy of Units by renters instead of Unit Owners may limit or impair a Purchaser's ability to obtain financing or refinancing (see paragraph 1 above in this Section), depending on the number of owner-occupied Units and the requirements of lenders at the time. A Purchaser's ability to resell his Unit may similarly be limited or impaired if at such time many lenders have a higher minimum requirement of owner-occupied Units than may then exist in the Building.

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.

INDEED, THE SMALL SIZE OF THE CONDOMINIUM ALONE COULD ACT TO DETER PURCHASERS FROM PURCHASING FROM UNIT OWNERS WHO WISH TO RESELL THEIR UNITS, AND/OR MAKE IT DIFFICULT FOR ANY PURCHASER OR UNIT OWNER TO OBTAIN A MORTGAGE AGAINST A UNIT.

The By-Laws of the Condominium do not include a provision that, after the Initial Control Period, a majority of

the Condominium's Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and non-resident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed, due to their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment).

See the Sections of the Plan entitled **"Control by Sponsor"** and **"Rights and Obligations of Condominium Board/Summary of By-Laws"**.

3. Financing contingency and availability

Each Purchaser is free to seek financing from any lender of the Purchaser's choice. However, a Purchaser's obligations under the Purchase Agreement will **NOT BE CONDITIONED** upon his obtaining financing.

Thus, the failure to obtain financing will not relieve Purchaser from his obligations under the Purchase Agreement, and if such Purchaser fails to pay the balance of the Purchase Price to Sponsor on or prior to the Closing Date and any such default is not cured within a thirty (30) day period after written notice thereof with **TIME BEING OF THE ESSENCE**, Sponsor may cancel the Purchase Agreement and retain as liquidated damages the Down Payment, together with any interest earned thereon, plus the cost of any special work in the Unit ordered by the Purchaser.

This means that, should a Purchaser fail to close on the date required in his Purchase Agreement because the Purchaser cannot obtain financing, the Purchaser may forfeit his Down Payment to the Sponsor.

Any payments received in excess of such sums together with any interest earned on such excess, will be refunded to Purchaser within a reasonable time after cancellation. Please consult the Sections of the Plan entitled **"Procedure to Purchase"** and **"Closing of Title to Units and Terms of Sale"** and the form of Purchase Agreement set forth in Part II of the Plan.

Sponsor cannot and does not represent, assure or guarantee that any Purchaser will be able to obtain mortgage financing or the terms or costs of such financing. It is noted that most lenders currently require a specified minimum percentage of units in a condominium be sold to purchasers for

owner-occupancy as one of their loan prerequisites; in addition, some lenders often refuse to extend mortgages in buildings as small as the Property. Sponsor cannot and does not represent, assure or guarantee the percentage of Units that will be owner-occupied at any given time or that such percentage will meet the requirements of Institutional Lenders or other lenders at any time or whether a Purchaser will succeed in arranging such financing. Please consult the Sections of the Plan entitled **"Procedure to Purchase"** and **"Closing of Title to Units and Terms of Sale"** and the form of Purchase Agreement set forth in Part II of the Plan.

4. Sponsor's remedies on Purchaser's default under the Purchase Agreement; "Time of the essence"

Any Purchaser who defaults under his Purchase Agreement must be given written notice and the opportunity to cure such default within **thirty (30)** days from the sending of the default notice. If a defaulting Purchaser does not remedy the default within such **thirty (30)** day period, with **TIME BEING OF THE ESSENCE,** Sponsor will have the right to cancel such defaulting Purchaser's Purchase Agreement and retain as liquidated damages the Down Payment, together with any interest earned thereon, plus the cost of any special work in the Unit ordered by Purchaser. This means that, should a Purchaser fail to close on the date required in his Purchase Agreement, and fails to close within **thirty (30)** days after the Sponsor sends a default notice to such Purchaser, the Purchaser may forfeit to the Sponsor his Down Payment, plus any interest earned on the Down Payment, plus the costs incurred by the Sponsor of doing any special work in the Unit requested by the Purchaser to the Sponsor. Purchaser and Sponsor will thereupon be relieved of all further liabilities and obligations thereunder and under the Plan. If the Purchase Agreement is cancelled, Sponsor has the right to sell the Unit to others as if the Purchase Agreement had never been made, without accounting to the Purchaser for the proceeds of such sale. See the Sections of the Plan entitled **"Closing of Title to Units and Terms of Sale"**, **"Procedure to Purchase"** and **"Closing of Title to Units and Terms of Sale"** and the form of Purchase Agreement set forth in Part II of the Plan.

5. Purchaser's delinquency Closing costs

If through no fault of Sponsor, a Purchaser shall fail to close on the date fixed by Sponsor for closing of title to Purchaser's Unit, then Purchaser will: (a) pay (among other closing costs) a late fee equal to 0.04% multiplied by the

unpaid balance of the Purchase Price for each day's delay, beginning with the date originally scheduled for the closing to and including the day immediately preceding the actual Closing Date, (b) reimburse Sponsor for the Unit's carrying charges (that is, Common Charges and real estate taxes) during the period of delay, and (c) pay the service fees of Sponsor's attorneys of $500 for each default letter sent to such Purchaser and an additional $500 for each notice sent to such Purchaser to reschedule the closing. All of these and other closing costs to be paid by a Purchaser are described in the Section of the Plan entitled **"Unit Closing Costs and Adjustments."**

6. Purchaser's payment of transfer taxes and other Closing costs

At the closing of title to his Unit, each Purchaser will be required to pay New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax, as well as all recording charges, in addition to the New York State "Mansion Tax" (if the purchase price is $1 million or more), and all other Closing costs. Purchasers should note that payment of City and State transfer taxes is generally a seller's obligation; however, as is common in such condominium offerings, the obligation is being transferred to the Purchaser from the Sponsor pursuant to this Plan.

The New York City Real Property Transfer Tax is currently imposed at a rate of 1.00% of the Purchase Price for an individual residential condominium unit if the Purchase Price is $500,000 or less, and 1.425% if the Purchase Price is more than $500,000, and at the rate of 1.425% of the Purchase Price for an individual non-residential condominium unit (or a bulk purchase of two or more residential condominium units) if the Purchase Price is $500,000 or less, and 2.625% if the Purchase Price is more than $500,000.

The New York State Real Estate Transfer Tax is currently imposed at a rate equal to the amount of 0.4% of the Purchase Price if the Purchase Price is $3 million or less, and at a rate equal to the amount of 0.65% of the Purchase Price if the Purchase Price exceeds $3 million.

Prospective Purchasers are advised that both New York State and New York City have taken the position that where a Purchaser pays either or both of these taxes on behalf of a seller, such as will be required on behalf of Sponsor in connection with the purchase of any Unit hereunder, such payment

itself constitutes additional consideration to the seller and must be considered in computing the tax due.

In addition to the foregoing, each Purchaser shall also pay $4,000 per Unit to Sponsor's Counsel as Sponsor's legal fee, and, if the Purchaser wishes to assign the Purchase Agreement, an additional $500 assignment fee to Sponsor's Counsel. If, at the Purchaser's request, the Closing takes place out of the office designated by Sponsor, Purchaser shall pay an additional $500 fee to Sponsor's Counsel. If the Closing does not occur as scheduled at the Purchaser's request, Purchaser shall pay to Sponsor's Counsel additional default-based fees totaling $600. Please see the Section of the Plan entitled **"Unit Closing Costs and Adjustments"**, as well as the form of Purchase Agreement set forth in Part II of the Plan.

7. Bank account for Down Payment is federally insured to $250,000 only

Each Down Payment will be kept in a segregated attorney's special escrow account at Sterling National Bank, 25 West 45th Street, New York, New York 10036 (the **"Bank"**). The Bank is covered by Federal Bank Insurance Deposit insurance to a maximum of $250,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts. If a Purchaser's Down Payment, together with any other funds of such Purchaser in deposit accounts at the Bank, exceed $250,000, the excess above $250,000 will not be federally insured. Neither Sponsor, the Selling Agent nor the Escrow Agent holding the Down Payment will be liable for any losses resulting from the failure of the Bank. See the Section of the Plan entitled **"Procedure to Purchase"** and the form of Purchase Agreement set forth in Part II of the Plan.

8. Sponsor's inability to convey title

Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense in excess of its obligations under the Plan to cure any inability to deliver title to a Unit in accordance with the Plan and the terms of the Purchase Agreement for such Unit. If Sponsor shall notify a Purchaser of its inability to deliver title to a Unit in accordance with the Plan and the terms of the Purchase Agreement for such Unit, then such Purchaser shall be entitled to rescind his/her Purchase Agreement and receive a refund of his/her Down Payment and any interest earned thereon. Purchaser shall also be free to accept such title as Sponsor is able to deliver

without abatement in or credit against the Purchase Price for the Unit and without any claim or right of action against Sponsor for damages or otherwise, if Purchaser so chooses. A Purchaser must notify Sponsor which option such Purchaser elects within **fifteen (15)** days after the giving of Sponsor's notice of refusal to cure such inability, with **TIME BEING OF THE ESSENCE.** If a Purchaser fails to timely deliver such notice, it will be conclusively deemed that such Purchaser has elected to acquire title to the Unit subject to such inability. See the Section of the Plan entitled **"Closing of Title to Units and Terms of Sale"** and the form of Purchase Agreement set forth in Part II of the Plan.

9. Management fee for tenant-occupied Units

The Unit Owner of any Unit occupied by a Non-Purchasing Tenant will be responsible for the due performance of all of the obligations of the landlord under the Non-Purchasing Tenant's existing lease or month-to-month tenancy. The actual performance of such obligations will, however, in the first instance, be by or at the direction of the Managing Agent for the account of the Unit Owner. Each Purchaser of a Unit occupied by a Non-Purchasing Tenant (except for Unsold Units retained by Sponsor) will be required to deposit with the Managing Agent at closing an amount equal to not less than two months' Common Charges and estimated real estate taxes to be used as working capital to furnish services required under such Non-Purchasing Tenant's existing lease or month-to-month tenancy for the Unit and by Applicable Law. Such fund must thereafter be replenished by the Purchaser of the Unit within thirty (30) days after notice from the Managing Agent that such fund has been diminished. See the Sections of the Plan entitled **"Procedure to Purchase," "Closing Costs and Adjustments"** and **"Rights and Obligations of Unit Owners."**

10. No security for performance

As discussed more fully in the Section of the Plan entitled **"Rights and Obligations of Sponsor"**, at pages 113-117 of the Plan, Sponsor has various obligations with regard to consummation of the Plan, creation of the Condominium, and operation of the Condominium. Sponsor has not furnished any bond or other security for the performance of its obligations under this Plan. In the event that Sponsor shall fail to comply with its obligations under the Plan or under Applicable Law, a Purchaser would have the right to: (i) seek judicial relief against the Sponsor to compel the Sponsor to comply with its

obligations, (ii) seek monetary damages for such non-compliance, (iii) rescind his/her Purchase Agreement, and (iv) notify the Department of Law and request that the Department of Law commence an enforcement action against the Sponsor to compel such compliance. See the Sections of the Plan entitled **"Control by Sponsor"** and **"Rights and Obligations of Condominium Board/Summary of By-Laws."**

11. Restrictions on sale and leasing of Units

EACH UNIT OWNER MAY SELL OR LEASE HIS UNIT, BUT ONLY AFTER THE UNIT OWNER GIVES THE CONDOMINIUM BOARD PRIOR WRITTEN NOTICE OF HIS INTENTION TO DO SO, ACCOMPANIED BY A FULLY EXECUTED COPY OF THE CONTRACT OF SALE OR LEASE, CONTAINING ALL OF THE TERMS OFFERED IN GOOD FAITH BY THE PROSPECTIVE PURCHASER OR LESSEE. WITH REGARD TO A PROPOSED SALE, THE CONDOMINIUM BOARD, ON BEHALF OF ALL UNIT OWNERS, WILL HAVE THE EXCLUSIVE RIGHT TO ELECT, WITHIN TWENTY (20) DAYS AFTER RECEIPT OF THE NOTICE OF SALE, TO PURCHASE THE UNIT ON THE SAME TERMS SET FORTH IN THE CONTRACT OF SALE, AS MORE SPECIFICALLY SET FORTH IN THE BY-LAWS. (WITH REGARD TO A PROPOSED LEASE, THE CONDOMINIUM BOARD, ON BEHALF OF ALL UNIT OWNERS, WILL HAVE THE RIGHT TO CONSENT OR TO DECLINE CONSENT TO SUCH PROPOSED LEASE.) If the Condominium Board does not notify the Unit Owner of its election to purchase the Unit within the aforementioned time period, the Unit Owner will have ninety (90) days after the expiration of the twenty-day period to consummate the sale in accordance with the terms stated in the contract of sale appended to the notice. After the expiration of such ninety (90) day period, the Unit Owner will again be required to offer the Unit to the Condominium Board as provided above. The foregoing restrictions upon the sale of Units will not apply to any conveyance of a Unit (i) by gift, will or intestacy; (ii) by Sponsor or any Sponsor Successor; or (iii) by or to a mortgagee in foreclosure or by deed in lieu of foreclosure; each of whom will be free to sell without first offering to sell to the Condominium Board. See the Section of the Plan entitled **"Rights and Obligations of Unit Owners."**

12. Reserve Funds and Working Capital Funds

Pursuant to New York City law, the Sponsor of the condominium conversion of an occupied building like the Property is required to contribute to the Condominium within 30 days after the first Unit closing a reserve fund calculated in accordance with formulae set forth in such law, with supplemental contributions to be made at each subsequent Unit

closing, with the aggregate amount due to the Condominium under the law to be paid within five years after the first Unit closing, even if no subsequent closings occurred. The Sponsor may be entitled to a limited credit against such contribution requirements for certain capital expenditures made within a certain period. Such reserve fund may only be used by the Condominium for making capital repairs, replacements and improvements necessary for the health, welfare and safety of the residents of the Property.

The Sponsor does not plan to make any major capital improvements to the Property prior to the First Unit Closing.

Purchasers are encouraged to read the memorandum by the Department of Law entitled **"Guidance on Compliance with the NYC Reserve Fund Law"** dated May 4, 2015, a copy of which is included in Part II of this Plan, and which can be accessed at:

https://ag.ny.gov/sites/default/files/pdfs/bureaus/real estate finance/Effective-memos/Guidance on Compliance with the Reserve Fund Law.pdf.

As more fully disclosed in the Section of the Plan entitled **"Working Capital Fund; Closing Adjustments with Condominium Board"**, closing adjustments could result in a net credit owed from the Condominium Board to the Sponsor, which net credit could be paid to the Sponsor at the time of the First Unit Closing from the Working Capital Fund. However, if such payment of any net credit owed to the Sponsor would serve to reduce the amount in the Working Capital Fund below $1,000, then the unpaid balance of any such net credit owed to the Sponsor shall be paid to the Sponsor by the Condominium Board, without interest, in twelve equal consecutive monthly installments pursuant to the terms of a negotiable promissory note to be executed by the Condominium Board at the First Unit Closing. The Condominium Board shall be entitled to prepay such promissory note in full only, at any time and without penalty.

See generally the Section of the Plan entitled **"Reserve Fund"**.

13. Potential income tax liability of Condominium

Under Section 528 of the Internal Revenue Code, the Condominium Board may be eligible to elect for the Condominium to be exempt from Federal income tax on Common Charges collected from the Unit Owners provided that the requirements of Section

528 are met. However, because of certain tests for qualification, including the composition of the Condominium's receipts and expenditures, and because of certain ambiguities in the language of Section 528 which are not clarified by the legislative history, rulings, or regulations, it is not presently possible to determine the application of Section 528 to the Condominium. Accordingly, while a Section 528 election may be contemplated, such an election may not be applicable to the Condominium. If an election under Section 528 is not available or in effect for a taxable year, the tax status of the Condominium will be governed by the rules in effect prior to the enactment of Section 528. Purchasers should note that, if the Condominium does not qualify for the election under Section 528, no monies have been set aside for possible taxes arising therefrom, and any such taxes would have to be paid from a possible increase in the Condominium's common charges, or the imposition of an assessment. See the Section of the Plan entitled **"Income Tax Deductions to Unit Owners/Tax Status of Condominium"**.

14. Violations

As more fully disclosed in a report that appears in Part II of this Plan, a number of violations appear of record with regard to the Property. The conditions that gave rise to the violations of record either: (i) have been cured by Sponsor, but the violation has not yet been removed of record, or (ii) Sponsor will use commercially reasonable efforts to cause violative conditions to be cured within one year after the First Unit Closing, so that the violations may be removed of record. Any violations that have not been cured by the First Unit Closing will be disclosed in an amendment to the Plan. See Part II of the Plan.

15. Condition of Property

As set forth in the **"Description of Property and Building Condition"** in Part II of the Plan, the Sponsor's architect expresses no opinion as to whether the anticipated reserve/working capital fund to be established by the Sponsor will be sufficient to pay for the major capital improvements and replacements which are reasonably foreseeable within the first three years of Condominium operation. If such fund is not sufficient therefor, Unit Owners of the Condominium will have to fund any such improvements and replacements themselves, either through increases in common charges, assessments, or some other means.

16. J-51 Tax Abatement and High Rent Deregulation

Certain properties in New York City received real estate tax benefits under what was formerly known as the "J-51" program, which was administered by the New York City Department of Finance. While public records indicate that the Property has never received any such benefits, the following is set forth in the interests of full disclosure.

In October, 2009, the New York State Court of Appeals ruled in the case, *Roberts v. Tishman Speyer Properties, L.P.*, 13 NY3d 270, 890 NYS2d 388 (2009) ("*Roberts*"), that during any period in which a building is receiving J-51 real estate tax benefits, rent-stabilized tenants--whether they were rent-stabilized before the building's receipt of such benefits, or became rent-stabilized as a result of the building's receipt of such benefits--are not subject to deregulation under the high-rent deregulation provisions of the rent laws ("High Rent Deregulation Provisions").

The Property has not received J-51 benefits, and Sponsor has no information as to whether any of the Units were ever deregulated due to High Rent Deregulation Provisions during any period.

New York City Administrative Code section 26-504(c) provides that when a building receives J-51 tax benefits, if each lease and lease renewal includes a notice informing the tenant that the unit will be subject to deregulation upon the expiration of the tax benefit period and the approximate date on which such tax benefit is scheduled to expire, the unit will be deregulated upon the expiration of the tax benefit period, unless the unit would have been subject to rent stabilization in the absence of the receipt of J-51 benefits. With respect to units that are rent stabilized solely by reason of the receipt of J-51 benefits, if no such notice is included in each lease and renewal, such unit will remain rent stabilized and protected from deregulation under the High Rent Deregulation Provisions until the occurrence of the first vacancy of such unit after the J-51 benefits are longer being received. With respect to units that were rent stabilized before the receipt of J-51 benefits, it could be argued that if no such notice was included in each lease and renewal, protection from deregulation under the High Rent Deregulation Provisions will continue for such units until the occurrence of the first vacancy of such unit after such benefits are no longer being received.

Prospective purchasers of occupied Units at the Property, and non-purchasing tenants, should consult with their respective attorneys to determine their rights and obligations under their leases and under applicable rent laws, including but not limited to their respective rights and obligations regarding Units that may have been deregulated under the High Rent Deregulation Provisions.

In addition, prospective purchasers of occupied Units at the Property, and non-purchasing tenants, should also consult with their respective attorneys regarding potential liability for possible rent overcharges for Units that, in light of the 2009 *Roberts* decision, may have been improperly deregulated, and the status of former tenants of such Units who may have vacated their Units after they were deregulated under the High Rent Deregulation Provisions during any such period.

Sponsor will provide written authorization to any prospective purchaser to access the records of the New York State Division of Housing and Community Renewal for any unit which may be affected by the *Roberts* decision. See the Section of the Plan entitled **"Real Estate Taxes"**.

17. Self-Dealing Contracts

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 USCA 3601 (the "Act"), Unit Owners in conversion projects which have five or more residential units have the right to terminate self-dealing contracts that have been entered into by the sponsor or sponsor affiliate, within two years after the date that the sponsor or sponsor affiliate ceases to control the Board, or owns 25% or less of the units in the project, whichever occurs first. A "self-dealing" contract is defined by the Act as any contract or portion thereof which is entered into after October 8, 1980 which: (i) provides for operation, maintenance or management of a condominium or cooperative association in a conversion project, or of property serving the condominium or cooperative owners in such a project, (ii) is between such unit owners or such association and the sponsor or an affiliate of the sponsor; (iii) was entered into while such association was controlled by the sponsor during a sponsor control period or because the sponsor held a majority of the votes in such association; (iv) is for a period of more than three years, including any automatic renewal provisions which are exercisable at the sole option of the sponsor or an

affiliate of the sponsor; and (v) may not be terminated without penalty by such unit owners or association.

In 2010, New York State General Business Law section 352-e(2-d) was amended to require that, with regard to any offering plan accepted by the Department of Law on or after September 30, 2010, such plan provides that unit owners entitled to vote to terminate a self-dealing contract pursuant to the Act must be notified of such right twice in writing, once within thirty (30) days of the date that the right to terminate commences under the Act, and not less than six months prior to the date that such right to terminate shall expire.

Since the Property has fewer than five Units, the Property is not subject to the Act. In addition, Sponsor does not contemplate the existence of any self-dealing contracts. However, the foregoing disclosure is intended to satisfy the Sponsor's obligation to comply with the disclosure obligations regarding such statutes.

18. Window Guards

A Unit Owner must notify the Managing Agent in writing whenever any child under the age of eleven (11) lives or resides (even temporarily) in a Unit. A Unit Owner of a Unit in which a child under the age of eleven (11) lives or resides (even temporarily) shall install, at such Unit Owner's expense, window guards as required by New York City law in all windows of such Unit, and shall not remove them until permitted to do so by law and in any event not without the full knowledge of the Managing Agent.

19. Possible future upgrades and renovations

The Units are being offered and sold in their "as is" condition on the date of the purchase agreement. No major capital improvements to the Building or the Units are contemplated by Sponsor. However, Sponsor reserves the right to perform minor upgrades and renovations as unsold apartments become vacant in the future. Such minor work could create some minor disruptions to residents of the Building, such as occasional noise, dust and vibrations. Sponsor shall amend this Plan to disclose such renovations; to the extent required by Applicable Law, Sponsor will file with the New York City Department of Buildings a Tenant Protection Plan with regard to such work and will include any such Tenant Protection Plan in the amendment to this Plan submitted to the Department of Law.

Sponsor is not aware of any significant changes made by tenants to their apartments. If a Unit with code violations and/or floor plan variations becomes vacant, Sponsor shall correct any such violations and/or variations before the sale of such Unit shall close.

20. Delay in Collection of Common Charges

Sponsor reserves the right to delay the commencement of collection of Common Charges until the earlier to occur of: (i) one year after the First Unit Closing, or (ii) the date upon which closings shall have occurred for Units having an aggregate Common Interest of not less than FIFTY PERCENT (50%). During any such delay, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders. Upon the commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in governing regulations. In the event that Sponsor elects to delay the collection of Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing amendment to this Plan. Such amendment will also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing as to the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges, and will disclose such fact in the next following amendment to this Plan. See the Section of the Plan entitled **"Rights and Obligations of Sponsor"**.

21. Lot Line Windows

The eastward-facing, and westward-facing, windows in each Unit are deemed "lot line windows". All lot line windows are fully compliant with all Applicable Law. Each lot line window is provided with a fire sprinkler head above it, in accordance with Applicable Law. The Condominium Board will be obligated to maintain such sprinklers, and comply with all maintenance and inspection requirements, under Applicable Law. Pursuant to Applicable Law, in the event that a new building should be constructed on the parcel immediately adjacent to such lot line windows within sixty feet of any such lot line window, such lot line window would have to be permanently sealed (such as by being bricked up), unless Applicable Law shall then permit an alternate method of compliance, such as the continuance of the existence of the currently-existing sprinklers. The costs

of any such sealing, installation, or effecting any other alternate means of compliance, shall be borne by the Condominium and/or the Unit Owners of such affected Units. Under current market conditions, the Sponsor estimates that the cost to permanently seal all of the lot line windows would be approximately $67,000. The lot line windows are not credited towards meeting any mandatory natural light or ventilation requirements under Applicable Law. Areas that are not provided with adequate natural light and ventilation from such lot line windows are not counted as habitable areas. These areas are indicated on the drawings of the Units that are included in Part II of this Plan, and are referenced "For Accessory Use Only: Not to be used for sleeping, cooking, and/or living purposes. Must not be rented independently."

22. Important Facts Regarding Condition of Property

The Building was built in or about 1920, and is now almost 100 years old. As such, portions of the Building and its components and systems are showing signs of age.

Sponsor has no records of the presence of lead-based paint and/or lead-based paint hazards at the Property, or of asbestos-containing materials, and no inspection has been done therefor.

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. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004, a copy of which is included as an exhibit to this plan. 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.

The Property is located in a densely populated area. Exterior noise levels are consistent with those of an urban area, and will be audible inside residential Units.

Amplified loudspeakers and TV monitors shall not be mounted on or affixed to any demising wall or partition. Where mounted on non-demising walls or partitions, such mountings

shall include appropriate resilient fasteners to control sound transmission to adjoining Units.

There are no laundry facilities at the Property.

Each Unit has central air conditioning.

Each Unit will have the exclusive use of one storage bin (collectively the "Storage Bins") in the basement of the Building. The Storage Bins are part of the Common Elements of the Condominium, and the nature of a Unit Owner's interest therein would be pursuant to a license from the Condominium. The Storage Bins may only be used for the storage of personal property of a Unit Owner, and in no event shall there be stored therein any: food or other perishable item, hazardous substance, flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance.

All work contemplated by Sponsor has been completed and signed off upon by the Department of Buildings as part of the issuance of the Building's Permanent Certificate of Occupancy dated June 5, 2014. While Sponsor does not contemplate any significant future work, in the event that Sponsor does perform any future work requiring a Tenant Protection Plan, Sponsor will adopt the form of Tenant Protection Plan set forth in Part II of this Plan.

The Cellar level recreation room and storage rooms are Accessory Use Only—they are not to be used for sleeping, cooking and/or living purposes and cannot be rented independently.

The mezzanine floor area at the fourth-floor level for Unit #3 is limited by Applicable Law and cannot be extended/increased as a legal story without approval from the Department of Buildings, and without requisite zoning approval.

Even after the major renovation to the Building with a new elevator, the first floor of Unit 1, and the Cellar recreation room, are NOT ADA (Disabled) Accessible as there are corridor steps between the elevator and the entrance doors.

23. <u>Disclosure Regarding Revised FINCEN Geographic Targeting Order</u>

Effective November 17, 2018, new regulations adopted by the United States Department of the Treasury Financial Crimes

Enforcement Network require that certain title insurance companies are now required to collect and report information regarding purchasers in transactions and until the expiration of such order where: (1) the purchaser is a corporation, limited liability company, partnership or other similar business entity (whether formed under the laws of a state or of the United States or a foreign jurisdiction); (2) the purchaser purchases residential real property located in New York City; (3) the total purchase price is in the amount of $300,000 or more; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency. A prospective Purchaser of a Unit for $300,000 or more should note such reporting requirement by its title company. As long as this Geographic Targeting Order shall remain in effect, its reporting requirements shall apply to all residential real property closings meeting the above criteria and occurring on or after November 7, 2018.

24. Appliances

Any appliances, furnishings, equipment, fixtures or other personal property owned by any tenant or occupant of a Unit or any other Person will not be included in the sale. If, however, a Unit is at the time of closing occupied other than by the Purchaser, and such tenant or other occupant removes a stove or refrigerator belonging to him, then Sponsor will supply a replacement, which need not be new, but will be in working order and similar in style and quality to the stoves and refrigerators owned by Sponsor that are contained in comparable Units in the Building on the date of presentation of this Plan. See Section of the Plan entitled **"Closing of Title to Units and Terms of Sale"**.

25. Smoking Policy

Pursuant to the Department of Law's guidance memorandum entitled "Disclosures Requirements Regarding Building Smoking Policies Pursuant to Local Law 147" dated August 15, 2018, and pursuant to New York City Local Law 147 of 2017, the following is the smoking policy for the Building:

1. The term "smoking" and similar terms means inhaling, exhaling, burning, or carrying any lighted cigar, pipe, cigarette, e-cigarette or other tobacco or

non-tobacco smoking product in any manner or in any form.

2. No Unit Owner, tenant, occupant, or any other person (including, but not limited to, invitees, guests or contractors) occupying or visiting an Apartment shall smoke in any enclosed common area of the Building, including, but not limited to: entrances, elevators, hallways, basement, stairwells, fire stairs, laundry rooms and amenity spaces (all of the foregoing collectively "Prohibited Smoking Locations").

3. Persons may smoke within an Apartment, and in the yard/patio and the roof garden of the Building (both of which are Limited Common Elements appurtenant and exclusive to their respective Apartments), as long as such smoking does not trigger complaints of smoke odors permeating into other Apartments or common areas of the building. If the Condominium receives, and notifies the Unit Owner of, complaints regarding smoke odors permeating from his/her Apartment, or from a Limited Common Element appurtenant thereto, into other Apartments or common areas of the Building, the Unit Owner will, solely at his/her expense, take all steps necessary to cause such complaints to cease, including but not limited to sealing holes, gaps and cracks in the Apartment, installing air purifiers, and creating necessary pressure differentials.

4. Each Unit Owner shall inform all persons that do or will occupy or enter an Apartment of this policy and shall be responsible for violations thereof. A fine of $250 per occurrence will be imposed on the common charge account of an Apartment the Unit Owner or any other occupant of, or visitor to, which, shall have been found to be in violation of this policy.

5. Each Unit Owner shall inform his/her household staff, co-occupants and guests of this policy.

6. A Unit Owner who leases his/her Unit shall include a copy of this policy as an attachment to such lease.

7. A Unit Owner who violates this policy, or whose co-occupant, guest or other invitee violates this policy, shall be deemed to have agreed to indemnify, defend and hold harmless the Condominium from, against and with regard to any loss or damage which the Condominium may incur, or any claim that may be asserted against the Condominium, as a result of such violation of this policy, including, without limitation, the amount of reasonable attorneys' fees

and disbursements incurred by the Condominium in connection therewith.

8. Any monetary obligations by a Unit Owner to the Condominium under this policy shall be deemed additional common charges under the Bylaws of the Condominium.

9. This smoking policy shall be included as part of the House Rules of the Condominium, and shall be included in the purchase and leasing waiver application packages of the Condominium, and as part of all leases of Units in the Condominium.

26. Capital Replacements

Sponsor has no knowledge of any known capital items that are necessary or likely to become necessary within five years from the date of the first year of Condominium operations.

27. Unit 1 Gallery Space

In Unit 1, a portion of the Gallery space at Level 1 is currently not legally habitable because it does not have the mandatory minimum natural light and ventilation.

Sponsor shall, at Sponsor's cost, install a motorized skylight above the kitchen area portion of such Gallery space so as to create and satisfy mandatory minimum natural light and ventilation requirements with regard to such kitchen area and, thus, render such kitchen area a legally habitable space. Sponsor anticipates completion of such installation by March 31, 2020. However, such installation will render only such kitchen area portion legally habitable; the remaining portions of the Gallery space will remain not legally habitable.

In addition, the Gallery space at Level 1 in Unit 1 has two tilt-turn windows along the rear wall, which wall is at the rear lot line. A Purchaser of Unit 1 should be aware that, if the adjacent neighbor constructs a building along that rear lot line up to that level, it will completely block the windows from 1) natural light, 2) opening to allow natural ventilation, and 3) observing its views and sky. Sponsor has been advised by its architect that she does not believe that any such construction would, under currently Applicable Law, be permitted along that rear lot line up to that level, as it would encroach on a required setback. However, it is still conceivable that the adjacent neighbor could construct: (i) a solid wall (such as masonry) at the currently-existing building, or (ii) a new

building with a community facility use that extends to the rear lot line of the Property at the cellar and first floor levels; either of the foregoing could block one or both of the two tilt-turn windows. If a tilt-turn window is blocked, it would need to be removed and replaced with a fire-rated fixed window, protected by sprinklers, at the cost of the Unit Owner of Unit 1. (Sprinkler heads are already installed at the locations of such potentially-affected windows.) Sponsor estimates that the cost of performing such work is currently $5,000 per window.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT. THE ESTIMATED CLOSING COSTS, EXPENSES AND ADJUSTMENTS TO BE BORNE BY EACH PURCHASER ARE SET FORTH BELOW. SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO SUCH COSTS, WHICH ARE ESTIMATES AND WHICH ARE SUBJECT TO CHANGE. NO REPRESENTATION OR WARRANTY IS MADE THAT LAWS CURRENTLY IN EFFECT WILL REMAIN IN EFFECT OR UNCHANGED OR THAT THE RIGHTS OF NON-PURCHASING TENANTS WITH REGARD TO RENTALS AND OCCUPANCY RIGHTS UNDER APPLICABLE RENT LAWS WILL NOT CHANGE.

INTRODUCTION

Purpose of the Plan

Hadramant LLC (the "**Sponsor**") presents this offering plan (the "**Plan**") for the conversion to condominium ownership of the building known as 350 East 81st Street, New York, New York (the "**Building**"), and the parcel of land on which it is situated (such parcel of land and the Building being collectively referred to as the "**Property**").

The purpose of the Plan is to set forth all of the material terms of the offer to convert the Property to condominium ownership. The Plan is presented in two parts, which together constitute the entire Plan. Part I sets forth a description of the material terms of the offer and Part II contains, among other things, the basic documents necessary to effectuate the provisions of the Plan and a description of the Property.

The Plan may be amended from time to time upon the filing of an amendment with the Department of Law of the State of New York (the "**Department of Law**"). Amendments will be served on all tenants and offerees as defined in Section 23.1(d) of the Regulations promulgated by the Attorney General in Title 13 NYCRR, by either personal delivery or certified mail.

The Condominium

The Condominium will be known as "The 350 East 81st Street Condominium." The Condominium will be organized to comply with and will be subject to Article 9-B of the Real Property Law of the State of New York, as amended (the "**Condominium Act**").

The Sponsor

The Building was built in or about 1920, and is now approximately 100 years old. Certificates of occupancy for the Building issued by the New York City Department of Buildings indicate that the Building has been used as a residential apartment building since at least 1951. The Sponsor is a limited liability company formed under the laws of the State of New York on October 20, 2010. The Sponsor has an office at 115 West 29th Street, New York, New York 10001. The Sponsor acquired fee title to the Property by deed dated December 22, 2010.

The Offer

Sponsor hereby offers three (3) residential apartment Units for sale under the Plan. As set forth in greater detail in the subsection of this Introduction entitled **"Applicable Rent Laws,"** the Plan is offered as a Non-Eviction Plan. The initial prices and estimated Common Charges for each of the aforementioned Units are set forth in the Section of the Plan entitled **"Offering Prices and Related Information, Schedule A" ("Schedule A"). THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.** There are no restrictions on who may purchase a Unit.

A final certificate of occupancy (No. 120713040F) was issued for the Building by the New York City Department of Buildings on June 5, 2014, and remains in full force and effect.

Sponsor intends to sell the Units to Purchasers who are buying for their or their family's personal occupancy. However, Sponsor reserves the right to sell Units to investors who intend to rent and not to occupy their Units personally. In addition, Sponsor and any Sponsor Successor may from time to time freely rent any Unsold Units in accordance with Applicable Law, without charge or limitation whatsoever and without the consent of the Condominium Board or any other Unit Owner. The Property is currently not encumbered by a mortgage. No mortgage contains any provision which would obligate Sponsor to market Units for sale as they become vacant. No mortgage contains any minimum sales requirement higher than as required by Applicable Law in order to declare the Plan effective. No mortgage places any limit on Sponsor's right to rent rather than sell Units. Sponsor does not currently contemplate limiting its right to rent rather than sell based on objective, articulable criteria such as a significant decline in market prices of a specific percentage. Depending on market conditions, it is conceivable that the Sponsor may find it more desirable to continue to rent one or more Units rather than to sell them, even if they are vacant. As a result, there is no commitment by Sponsor to, and it is conceivable that Sponsor will not, sell more than the minimum 15% of the Units (i.e., one Unit) necessary to declare the Plan effective, and that owner occupants may never gain effective control and management of the Condominium.

As a result of the foregoing, some (and possibly most) of the Units may be occupied by renters and not Unit Owners. Purchasers may be living in a mixed rental/owner-occupied

building for an indeterminate period of time; the existence of rent regulated, non-purchasing tenants, who have a right to continued occupancy, may slow the process of converting the Building to a condominium. The occupancy of Units by renters instead of Unit Owners may also limit or impair a Purchaser's ability to obtain financing or refinancing (see paragraph 1 above in this Section), depending on the number of owner-occupied Units and the requirements of lenders at the time. A Purchaser's ability to resell his Unit may similarly be limited or impaired if at such time many lenders have a higher minimum requirement of owner-occupied Units than may then exist in the Building.

The By-Laws of the Condominium do not include a provision that, after the Initial Control Period, a majority of the Condominium's Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and non-resident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed, due to their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment).

The Building is an "Old Law Tenement", non-fireproof multiple dwelling constructed in or about 1920. The Building comprises four stories and a cellar. There are no retail, commercial or professional spaces in the Building. There are no parking, accessible recreational facilities or other amenities appurtenant to the Property.

The Building is more fully described in the **"Description of Property and Building Condition"** included in Part II of the Plan, which sets forth a description of the physical condition of the Building. The Property and the Units are being offered and sold in their "as is" condition on the date of the Purchaser's Purchase Agreement. Sponsor will not have any obligation to make any repairs or improvements, except as expressly provided in the Sections of the Plan entitled **"Closing of Title to Units and Terms of Sale"**, **"Sponsor's Statement of Building Condition**, and the form of Purchase Agreement set forth in Part II of the Plan. Sponsor does not contemplate making any major capital improvements to the Building prior to the First Unit Closing. If that situation changes in the future, that will be disclosed in a duly-filed amendment to the Plan. See the Section of the Plan entitled **"Special Risks."**

Sponsor is not aware of any significant changes made by tenants to their apartments. If a Unit with code violations and/or floor plan variations becomes vacant, Sponsor shall correct any such violations and/or variations before the sale of such Unit shall close.

Features of condominium ownership

Ownership of a Unit is similar in many respects to ownership of a private home. The owner of each Unit (the **"Unit Owner")** owns fee title to his Unit and is entitled to the exclusive possession thereof. In addition, each Unit Owner also owns, in common with every other Unit Owner, an undivided percentage interest in all parts of the Property other than the Units themselves (the **"Common Elements")**. Appurtenant to certain Units may be the exclusive right to use portions of the Common Elements such as the roof garden at the Property (the **"Limited Common Elements"**). Although, to the extent they exist, reserved for the exclusive use of designated Unit Owners (for example, the roof garden is reserved for the exclusive use of the Unit Owner of Unit #Penthouse), any Limited Common Elements are part of the Common Elements in which all Unit Owners have undivided interests and they are not part of the space within any Unit, which is owned exclusively by the Unit Owner.

The undivided percentage of each Unit in the Common Elements (the **"Common Interest"**) has been determined pursuant to Real Property Law section 339-i(1)(iv), on the basis of such Unit's floor space as measured in square footage, taking into account, however, the location of such Unit within the Building, its overall layout and dimensions, the availability of Common Elements for exclusive or shared use by the Unit Owners, and additional similar factors of value and desirability relative to the other Units. The aggregate Common Interests of all Units equals one hundred percent (100%). Each Unit's Common Interest is listed in Schedule A. Each Unit Owner must pay common charges proportionate to the Common Interest allocated to his Unit, pursuant to Real Property Law sections 339-i and 339-m, and further pursuant to 13 NYCRR section 23.3(e)(5)(iii).

The authority to manage the Condominium is vested in the Condominium's Board of Managers (the **"Condominium Board"**), the members of which are elected by vote of the Unit Owners in accordance with their respective Common Interests (with the exception of the Sponsor or its designee, which will maintain certain control beyond that to which it would be entitled as an ordinary function of its ownership interest). Each Unit Owner

is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations of the Condominium, and any other requirements lawfully imposed by the Condominium Board. See the Sections of the Plan entitled **"Rights and Obligations of Unit Owners"** and **"Rights and Obligations of Condominium Board/Summary of By-Laws."**

The Sponsor is obligated to defend any actions, suits or proceedings arising from Sponsor's acts or omissions, and to indemnify the Condominium, its Board of Managers and the Unit Owners with regard thereto.

The Condominium Board will, from time to time, assess all Unit Owners, in proportion to the respective Common Interests of their Units, charges (the **"Common Charges"**) for, among other things, the cost and expense of operating, maintaining and repairing the Common Elements (the **"Common Expenses"**). Each Unit Owner will be solely responsible for the payment of all Common Charges assessed against him. See the Section of the Plan entitled **"Rights and Obligations of Unit Owners."** An estimate of Common Charges that will be payable by each Unit Owner during the first year of Condominium operation of the Property is set forth in Schedule A.

Each Unit Owner may freely mortgage his Unit, as he sees fit, with such lender and in such amount as he chooses, subject only to compliance with certain filing requirements contained in the Condominium's By-Laws. See the Sections of the Plan entitled **"Rights and Obligations of Unit Owners"** and **"Rights and Obligations of Condominium Board/Summary of By-Laws."** Each Unit is separate and is not subject to the lien of any mortgage on any other Unit.

Any Unit Owner may sell his Unit to anyone, without restriction or limitation, subject only to the right of first refusal in favor of the Condominium Board or a third party produced by the Condominium Board to acquire such Unit upon the same terms offered to the prospective buyer. Any Unit Owner may lease his Unit to anyone (provided that the term of such lease shall be for not less than one year), without restriction or limitation, subject only to the right of consent by the Condominium Board, as more fully set forth in the Bylaws. Units owned by Sponsor or any Sponsor Successor are not subject to such right of first refusal or requirement for consent. See the Section of the Plan entitled **"Rights and Obligations of Unit Owners"** for further discussion.

Each Unit will be taxed as a separate tax lot for real estate tax and assessment purposes, and each Unit Owner will be solely responsible for the payment of all real estate taxes and assessments on his Unit.

An estimate of the real estate taxes and assessments that will be payable by each Unit Owner during the first year of condominium operation of the Property is listed in Schedule A. See the Footnotes to Schedule A for further discussion. No Unit Owner will be liable for the payment of, and no Unit will be subject to, any lien arising out of the nonpayment of real estate taxes or assessments levied against any other Unit. See the Section of the Plan entitled **"Income Tax Deductions to Unit Owners and Tax Status of the Condominium"** for a discussion of additional tax aspects of condominium ownership.

Each Unit Owner may decorate the interior of his Unit in any desired manner, subject to compliance with the Condominium's By-Laws and the Rules and Regulations promulgated pursuant thereto, and will be solely responsible for the cost and expense of maintaining, repairing and painting his Unit, as well as obtaining separate casualty and liability insurance applicable solely to his Unit. See the Sections of the Plan entitled **"Rights and Obligations of Unit Owners"** and **"Rights and Obligations of the Condominium Board/Summary of By-Laws."**

Applicable Rent Laws

The Building is a multiple dwelling currently consisting of three (3) apartments. As of May 1, 2018: (i) none of the apartments were leased to tenants in accordance with the Rent Stabilization Law of 1969, as amended (the "RSL"), and the amended Code of the Rent Stabilization Association, Inc. (the "Code"); and (ii) all three apartments were leased to "free-market tenants" and thus not subject to any regulatory scheme.

Except for any Units indicated on Schedule A as being not subject to rent regulation, all Units (if any) that may be occupied by Eligible Tenants are subject to the RSL and the Code.

The rentals of Non-Purchasing Tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and Non-Purchasing Tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has been accepted for

filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints concerning such increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, 28 Liberty Street, New York, New York 10005.

The Plan is a Non-Eviction Plan and is presented in compliance with Section 352-eeee of the General Business Law of the State of New York (the **"GBL"**), which grants the right to continued occupancy by non-purchasing tenants who are not in default in paying rent or performing other lease obligations where a plan is declared effective by a sponsor under such law.

Prices for the Units are set forth on Schedule A. Tenants in occupancy on the filing date of the Plan will enjoy a 90-day exclusive period, during which period: (i) no price increases to tenants shall occur, and (ii) Sponsor shall not accept purchase agreements from non-tenant purchasers for occupied Units.

NO REPRESENTATION OR WARRANTY IS MADE THAT THE EXISTING LAWS WILL REMAIN IN EFFECT OR UNCHANGED OR THAT THE RIGHTS OF NON-PURCHASING TENANTS WITH REGARD TO RENT AND OCCUPANCY RIGHTS UNDER THE APPLICABLE RENT LAWS WILL NOT CHANGE. Notwithstanding the foregoing, the rights granted under the Plan to Purchasers and to Non-Purchasing Tenants may not be abrogated or reduced, notwithstanding any expiration of, or amendment to, Section 352-eeee of the GBL. See the Sections of the Plan entitled **"Rights of Existing Tenants"** and **"Obligations of Owners of Units Occupied by Non-Purchasing Tenants."**

Any tenant who purchases his Unit, like all other condominium owners, will no longer be subject to, or have any rights afforded to, Tenants under the RSL, the Code, the Rent Control Laws, Section 352-eeee of the GBL or any other Applicable Rent Laws. Any rental by a Unit Owner of a vacant Unit may be at free-market rents.

Summary of contents of the Plan

The agreement to purchase a Unit is called a **"Purchase Agreement"**, the general form of which is set forth in Part II of the Plan. The procedure to purchase is summarized in Part I of the Plan in the Section entitled **"Procedure to Purchase."**

A detailed description of the physical condition of the Property, prepared by Janet Olmsted Cross AIA, Cross Architecture, 167 Madison Avenue, #301, New York, New York 10016, and included as part of the **"Description of Property and Building Condition"** contained in Part II of this Plan, should be reviewed carefully by prospective Purchasers.

Floor plans (the **"Floor Plans"**) of the Units are set forth in Part II of the Plan.

A copy of section 352-eeee of the GBL is set forth in Part II of the Plan.

The salient provisions of the Declaration of the Condominium (the **"Declaration"**), which establishes condominium ownership of the Property, the By-Laws of the Condominium (the **"By-Laws"**), which govern the operation of the Condominium, and the Rules and Regulations of the Condominium promulgated pursuant to the By-Laws (the **"Rules and Regulations"**), are partially summarized below in the Sections entitled **"Rights and Obligations of Unit Owners"** and **"Rights and Obligations of Condominium Board/Summary of By-Laws"** and are reproduced in full in Part II of the Plan.

The form of deed that Sponsor will issue to Purchasers of the Units and the form of power of attorney that each Unit Owner will be required to give to the Condominium Board and to Sponsor pursuant to the terms of the By-Laws (the **"Unit Owner's Power of Attorney"**) are set forth in Part II of the Plan.

The Certifications of Sponsor, Sponsor's Architect, and Sponsor's Expert Concerning Adequacy of Budget, are set forth in Part II of the Plan.

The Plan delivered to the Department of Law, including all Schedules and Parts A, B and C of the Exhibits, constitutes the entire offer. Copies of the Plan and Parts A, B and C of the Exhibits will be available for inspection without charge to prospective Purchasers and their attorneys at the office of Sponsor and the Selling Agent by appointment.

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

DEFINITIONS

For convenience of presentation, general definitions of certain terms used in Part I of the Plan are set forth below. These definitions are subject to the more particular definitions of such terms set forth in Exhibit C to the Declaration in Part II of the Plan.

"Affiliate" means any Person who is a Family Member or who controls, is controlled by, or is under common control with the named Person or a Family Member of the named Person. The term **"control"** or words of similar import shall mean direct or indirect ownership of more than fifty percent (50%) of the outstanding voting capital stock of a corporation or of more than fifty percent (50%) of the beneficial interests of any other entity.

"Amend" or words of similar import refer to any amendment, whether by deletion of any existing provision, modification of any existing provision, or inserting a new provision.

"Applicable Law" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, to the extent the Property, any Unit, any Unit Owner, Sponsor, any Sponsor Successor and/or the Condominium Board, as the case may be, is bound thereby or subject thereto, any judgments, decrees, injunctions, writs, orders, notices of violation or like action of any Governmental Authority, court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including Applicable Rent Laws and those pertaining to health, safety or the environment) now or hereafter in effect.

"Applicable Rent Laws" means: (i) the Rent Stabilization Law of 1969; (ii) the Amended Code of the Rent Stabilization Association of New York City, Inc. adopted pursuant thereto; (iii) the New York City Rent and Rehabilitation Law; (iv) the Tenant Protection Regulations of the New York State Division of Housing and Community Renewal; (v) the Emergency Tenant Protection Act of 1974; (vi) New York City Local Law 4 of 1994; (vii) the 1993 Rent Regulation Reform Act; (viii) the Rent Regulation Reform Act of 1997; and (ix) the relevant provisions of the New York State General Business Law; to the extent that any or all of them shall apply to the Property or any part thereof, all as may be amended from time to time.

"Appurtenant Interest" means, with respect to any Unit, the undivided interest of the Unit Owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Attorney General" means the Office of the Attorney General of the State of New York.

"BCL" means the Business Corporation Law of the State of New York, as amended from time to time.

"Building" means the building situated on the Land and known as 350 East 81st Street, New York, New York.

"Building Systems" means utility and service systems and appurtenant installations now or hereafter installed by or on behalf of the Condominium Board which service the Building and are not expressly included as part of a Unit pursuant to the terms of the Declaration, including, without limitation: the electrical system; the water supply system; the water return (sewer) system; the gas supply system; any exhaust systems; any fire or life safety system; any master television or cable system/intercom; and any other mechanical, plumbing or electrical systems.

"By-Laws" means the By-Laws of the Condominium, in the form set forth in Part II of the Plan, including the Rules and Regulations, as amended from time to time pursuant to the terms thereof.

"Casualty Loss" means damage or destruction resulting from a fire or other casualty.

"Claim" shall include any claims, counterclaims, suits, actions or proceedings and any other liabilities, losses, damages, penalties, charges, costs and expenses and attorneys' fees and expenses incurred in connection with any of the foregoing.

"Closing" or words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and a Purchaser under such Purchaser's Purchase

Agreement, including the payment to Sponsor of the Purchase Price and the delivery to such Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in the Purchase Agreement.

"Closing Date" means the date scheduled for the closing of title to a Unit by Sponsor as same may be adjourned in accordance with the terms of the Purchase Agreement.

"Common Charges" means the charges allocated and assessed against the Units by the Condominium Board payable by the Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.

"Common Elements" means, collectively, any Limited Common Elements and the General Common Elements, and consist of all parts of the Property other than the Units.

"Common Expenses" means any and all: (i) costs and expenses paid or incurred generally by the Condominium pursuant to the Declaration and/or the By-Laws, including the Rules and Regulations, in connection with its operation and maintenance, and its performance of Work in and to the Common Elements (including, without limitation, accounting, legal, architectural, engineering or other professional or service fees); (ii) other items which are provided in the Declaration or By-Laws to be Common Expenses or are paid or incurred by the Condominium in connection with the conduct of Condominium affairs; (iii) payments required by the Condominium Board to be made by the Unit Owners to establish or maintain such general operating reserves or reserve funds 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; and (iv) all costs and expenses paid or incurred by the Condominium in connection with the purchase, lease or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Unit Owner has elected to sell, lease, transfer or convey such Unit or that is to be sold at a foreclosure or other sale.

"Common Interest" means the undivided percentage interest of each Unit in the Common Elements.

"Condominium" means The 350 East 81st Street Condominium, to be established pursuant to the terms of the

Declaration and to be governed pursuant to the terms of the By-Laws.

"Condominium Act" means Article 9-B of the Real Property Law of the State of New York as amended from time to time.

"Condominium Board" means the governing body of the Condominium, whose members shall be selected pursuant to the terms of the By-Laws.

"Condominium Documents" means, collectively, the Declaration, the By-Laws (including the Rules and Regulations) and the Floor Plans, all as amended from time to time.

"Declaration" means the declaration executed by Sponsor for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof and includes any duly adopted amendments thereto.

"Department of Law" means the New York State Department of Law.

"DHCR" means the New York State Division of Housing and Community Renewal.

"Down Payment" means the payment on account of the Purchase Price, in an amount equal to ten percent (10%) of the Purchase Price, required to be paid by a Purchaser at the time of delivery of a Purchase Agreement.

"Effective Date" means the date upon which the Plan is declared effective by Sponsor in accordance with the terms of the Plan.

"Eligible Tenant" means (a) a bona fide residential tenant in occupancy on the Filing Date; (b) a bona fide residential tenant with the right to renew a residential lease on the Filing Date; and (c) a bona fide residential tenant who has the right to continued residential occupancy of a Residential Unit on the Filing Date. A bona fide residential tenant of record with an unexpired residential lease on the Filing Date shall be presumed to be an Eligible Tenant even if the tenant has sublet the Unit or the Unit is not the tenant's primary residence. Additionally, a bona fide sublessee in residential occupancy on the Filing Date shall be deemed to be

an Eligible Tenant if such sublessee sublets from a non-bona fide tenant or has obtained written permission to purchase the Unit from the bona fide tenant of record. Nothing herein, however, shall be construed to deprive an owner of any legal remedy for illegal occupancy. Other than as set forth above, a subtenant is not an Eligible Tenant. A tenant who first leases or rents a Unit after the Plan is presented, a prospective Purchaser who upon signing a Purchase Agreement enters into an Interim Lease, and the estate of a tenant who dies before signing and returning a Purchase Agreement are not Eligible Tenants. An Eligible Tenant who (i) voluntarily surrenders his Unit, or (ii) is evicted pursuant to a court order before this Plan is presented or before signing and submitting a Purchase Agreement shall no longer be an Eligible Tenant.

"Escrow Agent" means Belkin Burden Wenig & Goldman, LLP.

"Exclusive Purchase Period" means the first ninety (90) days after the Presentation Date of the Plan.

"Existing Lease" means and includes any lease or occupancy agreement or the terms of any statutory tenancy in effect with respect to any Unit both: (a) on the later of (i) the Presentation Date of the Plan, or (ii) the Effective Date, and (b) at the time in question.

"Facilities" means 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 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 of the following that may exist at the Property: any 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, elevators, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, Siamese connections, hoses, plumbing, fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding,

piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, 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, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

"Family Members" means and includes a spouse, child (by blood, marriage or adoption), parents (including step-parents or parents-in-law), grandchildren, siblings and grandparents.

"Filing Date" means the date on which is issued a letter from the Department of Law advising that the Plan or any amendment to the Plan has been filed or accepted for filing by the Department of Law.

"First Unit Closing" means the first date upon which title to the first Unit that is conveyed by Sponsor is conveyed to a Purchaser pursuant to the terms of the Plan.

"First Year Budget" means the projection of receipts and expenses of the Property for the first twelve months following the projected date of the First Unit Closing contained in the Section of the Plan entitled **"Schedule B: Projected Budget for First Year of Condominium Operation."**

"Floor Plans" means the floor plans of the Units certified by Janet Olmsted Cross AIA, Cross Architecture, 167 Madison Avenue, #301, New York, New York 10016 and to be filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"GBL" means the General Business Law of the State of New York, as amended from time to time.

"General Common Elements" means those certain portions of the Land and the Building (other than the Units and any Limited Common Elements), as well as the Building Systems and 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.

"Governmental Authority" means any federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court having jurisdiction.

"Hazardous Materials" means chemicals, pollutants, contaminants, wastes and toxic substances, including but not limited to any solid or hazardous waste, hazardous substances, toxic substances, insecticides, fungicides, rodenticides, gasoline or any other petroleum product or byproduct, polychlorinated biphenyls, asbestos and urea formaldehyde to the extent any such substances are described as hazardous in any federal, state or local laws and regulations relating to pollution or protection of human health or the environment including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Federal Insecticide, Fungicide, and Rodenticide Act, as amended; the Resource Conservation and Recovery Act, as amended; the Superfund Amendments and Reauthorization Act of 1986, as amended; and the Toxic Substances Control Act, as amended.

"Holiday" means those days designated as holidays under the applicable union contract, or, if there is no applicable union contract, then the term **"Holiday"** shall mean any day on which state chartered banks in New York City are authorized or required to be closed or such other days as the Condominium Board may designate from time to time.

"Initial Control Period" means the period ending on the earlier of: (i) the closing of title with Purchasers under the Plan to Units having more than fifty percent (50%) of the aggregate Common Interests appertaining to all Units, or (ii) the fifth anniversary of the First Unit Closing.

"Insider Price" means the price offered in this Plan or in any duly filed amendment to the Plan exclusively to Eligible Tenants to purchase their respective Units.

"Institutional Lender" means (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust or, (ii) a federal, state, municipal, teachers' or union employee, welfare, pension or retirement fund or system having assets in excess of $10,000,000, in each case doing business in the State of New York; or (iii) any Governmental Authority including an agency of the City or State of New York.

"Institutional Mortgage" means 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" means a bank or a trust company, in either event having both an office in the City of New York and a capital, surplus and undivided profits of $100,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"Land" means all that certain tract, plot, piece and parcel of land situated, lying and being in the City, County and State of New York, as more particularly described in Exhibit A to the Declaration.

"Limited Common Elements" (if any) means any portions of the Land and the Building (other than the Units) that are to be used by the Unit Owners of one or more specified Units to the exclusion of all other Unit Owners, as may be more particularly described in the Declaration.

"Liquidated Sum" means the Down Payment under the Purchase Agreement, together with any interest earned thereon.

"Luxury Decontrol Laws" means New York City Local Law 4 of 1994, the 1993 Rent Regulation Reform Act and the Rent Regulation Reform Act of 1997 (chapter 116 of the Laws of 1997).

"Majority of Unit Owners" means those Unit Owners having more than fifty percent (50%) of the total authorized votes of all Unit Owners (determined in accordance with the terms of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

"Managing Agent" means the Person engaged from time to time by the Condominium Board to perform the duties of a managing agent of the Building, and initially will mean New York City Management, 381 Park Avenue South, New York, New York 10016.

"Mortgage Representatives" means the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of the By-Laws.

"Non-Eviction Plan" means an offering plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent (15%) of all Units in the Building by bona fide tenants in occupancy or bona fide Purchasers who represent that they or one or more members of their immediate family intend to occupy the Unit when it becomes vacant.

"Non-Purchasing Tenant" is defined by New York State General Business Law section 352-eeee as "a person who has not purchased under the Plan and who is a tenant entitled to possession at the time the Plan is declared effective, or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a Purchaser under the Plan shall not be deemed a non-purchasing tenant". (Purchasers should note that recent Court decisions have defined "Non-Purchasing Tenant" differently. Paikoff v. Harris, 185 M.2d 372, 713 N.Y.S.2d 109 (App. Term 2d Dept. 1999) defined the term to include tenants who commence rental occupancy of an apartment after a conversion offering plan is accepted for filing by the Department of Law. However, Park West Village Associates v. Nishoika, 187 M.2d 243, 721 N.Y.S.2d 459 (App. Term 1st Dept. 2000) defined the term to apply only to tenants who became rental tenants prior to the date that a conversion offering plan is accepted for filing by the Department of Law. It is the position of the Sponsor that, absent a ruling by a higher appellate court that reconciles the different holdings, the holding in Park West Village Associates v. Nishoika would govern tenants at the Property, since the Building is located within the County of New York, which is the jurisdictional territory governed by the Appellate Term, First Department, the Court that issued the ruling in that case.)

"Owner-occupied" means occupied by a Unit Owner or a Family Member of a Unit Owner.

"Permit" or words of similar import mean any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, certificate of occupancy, right or license, building notices, alteration applications or other form of legally required permission, of or from a Governmental Authority, including any zoning, environmental protection, pollution, sanitation, safety, siting or building permit that is necessary to operate and maintain the Property or any Building Systems or to perform any Work on any part of the Property.

"Permitted Encumbrances" means those title encumbrances subject to which a Purchaser under the Plan agrees to take title to a Unit, as more particularly itemized in the Section of the Plan entitled **"Closing of Title to Units and Terms of Sale."**

"Permitted Mortgage" means any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in the By-Laws.

"Permitted Mortgagee" means any holder of a Permitted Mortgage at the time in question.

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

"Plan" means this offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-eeee of the GBL, as may be amended from time to time.

"Purchase Agreement" means the purchase agreement between Sponsor and a Purchaser under the Plan in the form set forth in Part II of the Plan.

"Purchase Price" means the purchase price of a Unit.

"Purchaser" means a Person or Persons buying a Unit under a fully-executed Purchase Agreement.

"Presentation Date" or words of similar import mean the date of personal delivery or (if mailed) the fifth day after mailing (whichever is the last to occur) of this Plan or any amendment to the Plan, as the context may require, to those Persons required to receive same pursuant to the GBL and the regulations of the Department of Law promulgated thereunder.

"Property" means the Land, the Building, all other 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.

"Recognized Lender" means: (i) any bank, trust company, savings and loan association, savings bank, insurance company, real estate investment trust, or pension, retirement or welfare fund having assets in excess of $10,000,000, in each case doing business in the State of New York; (ii) any Governmental Authority including an agency of the City or State of New York; or (iii) any comparable institutional lender acceptable to Sponsor.

"Register's Office" means the New York County Office of the Register of the City of New York.

"Reserve Fund Law" means Chapter 8 of Title 26 of the New York City Administrative Code, as amended from time to time.

"Restorations" means the repair and restoration and other Work performed to the Property after a Casualty Loss or a Taking.

"Rules and Regulations" shall mean the rules and regulations of the Condominium, adopted by the Condominium Board pursuant to the By-Laws, as amended, modified, deleted from or added to from time to time, pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws, initially in the form set forth in Part II of the Plan.

"Selling Agent" means One Manhattan Real Estate, having an office at 177 East 87th Street, New York, New York 10128, or any successor Selling Agent.

"Special Assessments" means the charges allocated and assessed against the Units by the Condominium Board and payable by the Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws.

"Sponsor" means Hadramant LLC.

"Sponsor's Counsel" means the law firm of Belkin Burden Goldman, LLP, with offices at 270 Madison Avenue, New York, New York 10016.

"Sponsor Successor" means (i) any corporation or other entity which, through amalgamation, consolidation, or other legal succession becomes invested with the rights and assumes the burdens of Sponsor, or (ii) any Person, who, at any time,

(a) purchases from Sponsor, or otherwise succeeds to at least 20% of the total number of Units in the Condominium, which are not purchased for occupancy by such Person or one or more members of his/her immediate family; but such Sponsor Successor will be deemed, however, to have the obligations of a Sponsor with regard to the Units which he owns, and is designated as a Sponsor Successor by Sponsor, and, in any case, shall also include any nominee holding any Unit for the account of the Person referred to in clause (i) or (ii) above. The phrase "**owned by**" shall include owned by any such nominee.

"**Structural**" when applied to any Work performed in or to a Unit or the Property means and refers to any Work affecting the foundations, columns, girders, beams, supports, concrete slabs and other such structural members of the Building, those portions of the exterior walls of the Building lying beyond the interior face of the brickwork, and all Building Systems, including without limitation, the mechanical, electrical, water supply and return (sewer), gas supply and heating systems.

"**Taking**" means a taking of all or any part of the Property in condemnation or by eminent domain.

"**Unit**" means any unit in the Condominium designated as such in the Declaration, consisting of a specific apartment in the Building. All of such units are, collectively, referred to as "**Units.**"

"**Unit Owner**" means any record owner of a Unit, and all of such Unit Owners are, collectively, referred to as the "**Unit Owners.**"

"**Unsold Unit**" means any Unit or Units owned at the time in question by Sponsor or any Sponsor Successor. Any Unsold Unit shall retain its status and character as an Unsold Unit until: (i) it is no longer owned by Sponsor or any Sponsor Successor; (ii) it is occupied by a Unit Owner or a Family Member of a Unit Owner; or (iii) it is conveyed to a bona fide Purchaser for personal occupancy by the Purchaser or a Family Member of the Purchaser. Further, a Unit that is conveyed to Sponsor by a Purchaser who has elected to rescind his purchase of the Unit and receive a refund of the Purchase Price paid for the Unit as provided in the Plan shall thereupon once again become an Unsold Unit.

"**Work**" means and includes demolitions, alterations, installations, additions and improvements, repairs,

replacements, substitutions, restorations and any other work performed in or to the Units or the Common Elements.

All other capitalized terms used in Part I of the Plan which are not separately defined in Part I shall have the meaning ascribed thereto in the Declaration.

LOCATION AND AREA INFORMATION

Location

The Property is located in the Upper East Side neighborhood of Manhattan (New York County). The Property is located on the south side of East 81st Street between First and Second Avenues. This area contains a mixture of small and midsize buildings, with residential condominium, cooperative and rental apartments in many varied types and sizes; the area is also home to restaurants, small and midsize ground floor retail stores, and other community establishments.

Transportation

Public transportation is readily accessible. Subway stations on the 6 (Lexington Avenue) line are at East 77th Street and East 86th Street; subway stations on the Q (the Second Avenue) line are at East 86th Street and East 72nd Street--all of the foregoing are within a five-minute walk from the Property. Many major bus routes are on nearby streets, including the M15, M79 and M86 lines (within two, and five, blocks from the Property, respectively). In addition, the Property is situated between East 79th and East 86th Streets, which are both major east-west thoroughfares that afford direct access to the FDR Drive and the West Side Highway (both major north-south arteries), to the George Washington Bridge to New Jersey, and to the RFK Bridge to the Bronx, Brooklyn, and Queens. The Harlem Station of the Metro North Rail Road is located approximately two miles away and provides train service to Westchester, Putnam, and Dutchess Counties in New York and Fairfield and New Haven Counties in Connecticut.

Recreational Facilities

There are numerous public parks maintained by the City of New York within easy walking distance of the Property. Central Park, the most visited urban park in the United States, is six blocks westward from the Property. Central Park contains the Metropolitan Museum of Art, the American Museum of Natural History, the Central Park Zoo, two ice skating rinks, monuments, sprawling green fields, and several bodies of water. John Jay Park and Carl Schurz Park, both of which are smaller parks, are within two blocks eastward of the Property. Carl Schurz Park contains Gracie Mansion, the residence of the Mayor of New York City.

The area surrounding the Property features numerous restaurants, private health clubs, and other recreational facilities. Most major recreational attractions in New York City are easily accessible by subway or bus.

Medical Facilities

Mount Sinai Hospital, Lenox Hill Hospital and Metropolitan Hospital are all within one mile of the Property. Other hospitals and many other public and private medical facilities are also nearby.

Religious Facilities

Numerous houses of worship, of virtually all religions and denominations, are within a radius of ten blocks from the Property.

Educational Facilities

Numerous public, private, and charter schools, serving all educational levels, are nearby, including but not limited to: PS 290, Ella Baker School, JHS 167 Robert F. Wagner, Eleanor Roosevelt High School, Urban Academy Laboratory High School, and Talent Unlimited High School, in addition to numerous private and religious schools of all faiths and denominations.

Municipal Services

Police, fire, water, sanitation, snow removal and road maintenance services are all provided by the City of New York. The Property is within the 19th Police Precinct, the precinct house of which is at 153 East 67th Street, less than a mile from the Property. The nearest fire house is at 159 East 85th Street, five blocks from the Property.

Zoning and permitted uses

The Property is zoned R-2, which permits a small residential apartment building such as the Building, as well as various community facility uses.

The Sponsor has no other projects within a one-block radius of the Property. There are no other development projects by Sponsor that have been approved by the New York City Department of Buildings, or any other authority having

jurisdiction, that will be adjacent to or directly across the street from the Property. 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 Sponsor.

THE 350 EAST 81ST STREET CONDOMINIUM

SCHEDULE A – OFFERING PRICES AND RELATED INFORMATION

PROJECTED CHARGES ARE FOR JULY 1, 2020-JUNE 30, 2021

Unit	(3) Rent Status	(2) Bedrooms/ Bathrooms	(1), (4) Approx. Area (Square Ft.)	(6), (7) Offering Prices to Tenants in Occupancy	(6), (7) Offering Prices to Non-Tenants	(5) Common Interest	(8) Projected Annual Common Charges	(8) Projected Monthly Common Charges	(9) Projected Annual R.E. Taxes	(9) Projected Monthly R.E. Taxes	(9) Projected Total Monthly Carrying Charges
1***	F	3/3.5*	3,723* +	$4,370,000	$4,600,000	31.29%	$44,942.14	$3,745.18	$42,127.92	$3,510.66	$7,255.84
2	F	2/3	2,338 +	$3,420,000	$3,600,000	24.49%	$35,175.24	$2,931.27	$32,972.60	$2,747.72	$5,678.99
3	F	3/4.5**	3,534**+	$6,175,000	$6,500,000	44.22%	$63,513.62	$5,292.80	$59,536.48	$4,961.37	$10,254.17
BUILDING TOTALS				$13,965,000	$14,700,000	100.00%	$143,631.00	$11,969.25	$134,637.00	$11,219.75	$23,189.00

F = Free-Market ALL UNITS ARE OCCUPIED.

***In addition to the interior square footage stated, Unit 1 has the following additional outdoor area appurtenant to it as a Limited Common Element: yard/patio comprising approximately 260 square feet**

****In addition to the interior square footage stated, Unit 3 has the following additional outdoor area appurtenant to it as a Limited Common Element: roof terrace, comprising approximately 900 square feet.**

NEITHER OF THE FOREGOING OUTDOOR SPACES ARE LEGALLY HABITABLE, AND NEITHER MAY BE LEGALLY USED AS A BEDROOM OR LIVING ROOM; DOING SO MAY RESULT IN A BUILDING CODE VIOLATION BEING ISSUED FOR THE BUILDING.

+AS MORE PARTICULARLY DEPICTED ON THE DRAWINGS OF THE UNITS SET FORTH IN PART II OF THIS PLAN, THE STATED SQUARE FOOTAGE FIGURES FOR EACH OF THE UNITS INCLUDES THE SQUARE FOOTAGE OF ONE OR MORE STORAGE CLOSETS IN THE CELLAR OF THE BUILDING (I.E., NOT ADJACENT TO THE RESPECTIVE UNIT) THE EXCLUSIVE USE OF WHICH IS ALLOCATED TO THE UNIT, AS FOLLOWS: UNIT 1—105 SQUARE FEET; UNIT 2—120 SQUARE FEET; UNIT 3—82, AND 50 (TOTAL 132) SQUARE FEET. THESE STORAGE CLOSETS ARE NOT PHYSICALLY OR LEGALLY PART OF THE UNITS, ARE NOT LEGALLY HABITABLE, AND MAY NOT BE LEGALLY USED AS HABITABLE ROOMS; DOING SO MAY RESULT IN A BUILDING CODE VIOLATION BEING ISSUED FOR THE BUILDING.

*****IN UNIT 1, A PORTION OF THE GALLERY SPACE AT LEVEL 1 IS CURRENTLY NOT LEGALLY HABITABLE BECAUSE IT DOES NOT HAVE THE MANDATORY MINIMUM NATURAL LIGHT AND VENTILATION. IN ORDER TO CURE THIS, SPONSOR SHALL, AT SPONSOR'S COST, INSTALL A MOTORIZED SKYLIGHT ABOVE SUCH AREA SO AS TO CREATE AND SATISFY MANDATORY MINIMUM NATURAL LIGHT AND VENTILATION REQUIREMENTS. SPONSOR ANTICIPATES COMPLETION OF SUCH INSTALLATION BY MARCH 31, 2020.**

FOOTNOTES TO SCHEDULE A

(1) Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit. The actual layout of a Unit may have been altered by a former tenant. Each Unit should be inspected prior to purchase to determine its useable dimensions, layout and physical condition. Sponsor is not aware of any significant changes made by tenants to their apartments. If a Unit with code violations and/or floor plan variations becomes vacant, Sponsor shall correct any such violations and/or variations before the sale of such Unit shall close.

(2) The number of rooms and bathrooms in each Unit set forth in Schedule A has been computed by Sponsor in accordance with the guidelines established by the Real Estate Board of New York, Inc. Partitions (if any) constructed by tenants or other occupants to enclose a sleeping alcove or walls moved or removed by tenants or other occupants (including former tenants or former owners) have not been taken into consideration for purposes of these calculations. The number of rooms set forth in Schedule A may vary from the registration information on file at the DHCR.

(3) A total of three (3) Units are being offered for sale under this Plan. As of January 1, 2020: (i) none of the Units were rent stabilized (i.e. subject to the RSL and the Code); and (ii) all three (3) of the Units were not subject to any rent regulatory scheme.

NO REPRESENTATIONS OR WARRANTY IS MADE THAT THE EXISTING APPLICABLE LAWS WILL REMAIN IN EFFECT OR UNCHANGED OR THAT THE RIGHTS OF NON-PURCHASING TENANTS WITH REGARD TO RENT AND OCCUPANCY RIGHTS UNDER THE APPLICABLE RENT LAWS WILL NOT CHANGE. NOTWITHSTANDING THE FOREGOING, THE RIGHTS GRANTED UNDER THE PLAN TO PURCHASERS AND NON-PURCHASING TENANTS MAY NOT BE ABROGATED OR REDUCED, NOTWITHSTANDING ANY EXPIRATION OF, OR AMENDMENT TO SECTION 352-eeee OF THE GBL.

(4) Square footages indicated are calculated based on exterior dimensions of the Units only, which are approximate (within reasonable tolerances) and measured, generally speaking: (i) horizontally by (a) the exterior face of the brickwork constituting the exterior walls of the Building bounding the Unit, (b) the exterior face of walls separating the Unit from Common Elements (if any), and (c) the center line of walls separating the Unit from other Units and (ii) vertically by the

underside of the Unit's finished flooring and the exposed painted face of the concrete ceiling or the unexposed side of the Unit's drywall ceiling, where applicable. Since the measurements are from the exteriors of the Units, the measurements include area that is not useable. The square footages stated in Schedule A are not based upon measurements from interior surfaces of interior walls; consequently, the actual area comprising a Unit is significantly less than the area listed in Schedule A. Floor plans for each Unit appear in Part II of the Plan.

(5) Pursuant to the Condominium Act, the Common Interest allocated to each Unit is based upon such Unit's floor space as measured in square footage, taking into account, however, the location of such Unit within the Building, its overall layout and dimensions, the availability of Common Elements for exclusive or shared use by the Unit Owners, and additional similar factors of value and desirability relative to the other Units. The aggregate Common Interest of all Units equals one hundred percent (100%).

(6) Each Eligible Tenant will have the exclusive right, during the Exclusive Purchase Period, to purchase his Unit for the Insider Price set forth on Schedule A. See the Section of the Plan entitled **"Rights of Existing Tenants"** for further discussion.

Sponsor has reserved the right to change the Purchase Price of any Unit from time to time in the manner set forth below, provided that the Purchase Prices to Eligible Tenants may not be increased during the Exclusive Purchase Period.

(7) The Purchase Prices set forth in Schedule A must be decreased or increased by a duly filed amendment to the Plan when the change in price is (a) an across-the-board change affecting one or more lines of Units or Unit models, (b) a price change that is to be advertised, or (c) a price increase for an individual Purchaser. Purchase Prices are negotiable. Accordingly, Sponsor may enter into a Purchase Agreement with a non-occupant Purchaser to sell a particular Unit at prices less than those set forth in Schedule A without filing an amendment beforehand. See the Section of the Plan entitled **"Changes in Prices and Units."**

In addition to the payment of the Purchase Price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of closing, such as legal fees,

title insurance premiums, transfer taxes and recording charges. If Purchaser obtains a mortgage loan, Purchaser will also be responsible for the payment of additional closing costs and expenses relating to such loan. Finally, the apportionment of certain charges relating to the Unit at the time of the closing of title will be reflected as adjustments to the Purchase Price. See the Section of the Plan entitled **"Unit Closing Costs and Adjustments."**

(8) These estimates were based upon **"Schedule B: Projected Budget for the First Year of Condominium Operation"** (Schedule B), which was prepared for the year July 1, 2020-June 30, 2021. This period is used only for purposes of projection and illustration. Sponsor does not warrant that condominium operation will commence on July 1, 2020. The estimated Common Charges are based upon the estimates of income and expenses set forth in Schedule B. The actual amounts of income and expenses may differ from the estimates thereof and may change in subsequent years. Because of the possibility of unforeseeable changes in the economy or increase or decrease in the amount of income and/or expenses of operation, the projections are not intended to be taken as guarantees or warranties of any kind whatsoever or as any assurance that the actual expenses or income of the Condominium for any period of operation may not vary from the amounts shown. In fact, it may be expected, based on current trends, that the operating expenses, including fuel costs, utilities, maintenance and repairs, labor and other related expenses, will increase in the future.

In addition to these estimated charges, each Unit Owner will be responsible for paying: (i) the costs of electricity, which will be separately metered for each Unit; (ii) mortgage payments under any loan or loans obtained to finance the acquisition of his Unit; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, his/her Unit (including, without limitation, the equipment and appliances contained therein); and (iv) the cost of any insurance covering (a) furniture, belongings, equipment and other personal property and (b) liability to others for personal or property damage as a result of occurrences in the Unit.

(9) This projection, by Brandt, Steinberg, Lewis & Blond LLP, 1430 Broadway, New York, New York 10018, is based upon the real estate taxation history of the Property:

Year	Assessed Valuation	Rate	Tax
2016/2017	$710,880	19.991%	$142,112
2017/2018	$753,532	20.385%	$153,607
2018/2019	$566,100	20.385%	$115,399

The projected real estate taxes reflect the real estate tax payable with regard to the Property for tax year 2020/21, as projected by Brandt, Steinberg, Lewis & Blond LLP.

Under present law, if there is an increase in the assessed valuation over the previous year, the new assessed valuation is not billed all at once to the taxpayer. The increase is phased in over five (5) consecutive tax years; 20% is phased in each year, beginning with the first year of the increase. During the initial four (4) years, the partial assessed valuations are termed "transitional" assessed *valuations.

The tax assessments of condominium apartment buildings are governed by Section 581 of the Real Property Law. This law requires the tax assessor to disregard the condominium form of ownership in valuing such properties and to value the building in the same manner as similar but non-condominium owned, rental buildings. Thus, while the fact of conversion of the Building to condominium ownership will not automatically cause an increase in assessed value, the assessed valuation may increase in the future in accordance with New York City assessment practices.

The Property is not currently subject to J-51 real estate tax benefits.

Property in New York City is reassessed on an annual basis. Although the actual assessed valuation and the tax rate are likely to increase, it is impossible to predict the amount of future increases in assessed valuation or future tax rates.

A Unit Owner's proportionate share of taxes will be adjusted with Sponsor from the midnight preceding the date of the Unit Closing through the end of the tax period within which the closing date occurs.

If on the date of the First Unit Closing, the Units have not been separately assessed as independent tax lots, then until such time as an independent tax assessment is made and in effect for each Unit Owner, including Sponsor, the tax liability

of each Unit Owner will be determined by multiplying the percentage of Common Interest attributable to his Unit by the aggregate real estate taxes assessed against the Property.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have paid the real estate taxes through the end of such tax payment period. For example, if the First Unit closing occurs on July 23, 2020, Sponsor will have paid the real estate taxes for the Property through at least September 30, 2020. Thereafter, until a separate assessment for each Unit has occurred, each Unit Owner, or such Unit Owner's mortgagee, if his mortgagee is maintaining an escrow for the payment of real estate taxes, shall, on January 1st and July 1st of each year, pay to the Condominium Board, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six months, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six-month time period. The Condominium Board shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

If a subsequent adjustment needs to be made when the tax lots are apportioned, it will be made at that time.

No warranties or assurances are given that the Governmental Authorities involved will assess the Units in the manner stated above or that the law on which same is based will not change. The amounts of tax deductions available to Unit Owners attributable to real estate taxes may vary in future years, due to changes in tax laws, tax rates, or assessed valuations.

Sponsor has periodically instituted tax certiorari proceedings to protest the assessed valuation for various tax years. Sponsor is authorized to continue these proceedings and to litigate or settle same in its sole discretion whether before or after the First Unit Closing. Provided the closing to a Purchaser's Unit occurs within the said tax year, the net refund, if any, received by Sponsor for Real Estate taxes paid for said tax year shall be adjusted between each such Purchaser and Sponsor as set forth above, after deducting all expenses, including, without limitation, counsel fees incurred in

obtaining such reduction. Each Unit Owner shall be responsible, at his sole cost and expense, to review the real estate tax assessment of his Unit and to take any steps necessary to review and/or challenge such assessments for tax years following such Unit Owner's closing.

As of February 1, 2020, the aggregate rental amounts payable by the tenants of the Units totaled $36,500 per month.

SCHEDULE B

THE 350 EAST 81ST STREET CONDOMINIUM

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

JULY 1, 2020-JUNE 30, 2021

Projected Income

(1)	Common Charges.....	$143,631

Projected Expenses

(2)	Payroll and benefits	$ 10,000
(3)	Heating and hot water	$ 7,500
(4)	Electricity	$ 9,000
(5)	Water charges and sewer rents	$ 2,100
(6)	Repairs, maintenance and supplies .	$ 49,161
(7)	Insurance	$ 21,220
(8)	Management fees	$ 20,000
(9)	Administrative office expenses	$ 2,000
(10)	Legal fees and audit fees	$ 7,000
(11)	Other	$ 9,650
(12)	Replacement reserve/contingency ...	$ 6,000
	TOTAL	$143,631

If the actual or anticipated date of commencement of Condominium operation is to be delayed more than six months from the projected first year of Condominium operation, the Plan will be amended to include a revised budget disclosing then-current projections. If such amended projections exceed the original projections by 25% or more, the Sponsor must offer all Purchasers the right to rescind and a reasonable period of time that is not less than 15 days after the date of presentation to exercise the right, whether or not Sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or downpayment, with any accrued interest, to Purchasers who rescind within a reasonable period of time. Sponsor may not declare a Plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Plan.

FOOTNOTES TO SCHEDULE B

1. Common Charges (Budget--$143,631)

The estimate of the annual Common Charges to be collected during the first year of condominium operation is based upon the assumption that the first year of condominium operation will be the 12-month period from July 1, 2020-June 30, 2021. The actual first year of operation may be earlier or later than that year. The projected expenses contemplate that the same level of services that have been provided for the Building in the recent past will be provided during the first year of condominium operation.

Total projected income (Budget--$143,631)

This figure does not include any interest income that may be received by the Condominium from investment of monies constituting any Reserve Fund or Working Capital Fund. All or part of any such Reserve Fund or Working Capital Fund may be expended during the first or subsequent years of operation. Accordingly, such interest income cannot be determined with exactitude and may be inconsequential. For this reason, and for the further reason that such interest income does not reflect normally anticipated income from operations, no interest income has been included in the estimated income for the first year of condominium operation.

2. Payroll and benefits (Budget--$10,000)

The amount budgeted contemplates the hiring of a part-time, non-union, non-resident janitor as an independent contractor. Payroll is projected to be $7,800, and payroll taxes are projected to be $2,200. No benefits are intended to be provided.

The duties of the janitor will include cleaning the common areas and sidewalk as needed, collecting the trash from the areas designated by the Condominium Board, and putting out trash cans for collection. At present there is a janitor who has been employed by the Sponsor to perform the maintenance services set forth above; it is contemplated (but not warranted) that such current janitor will be retained.

3. Heating and hot water (Budget--$7,500)

The Building uses natural gas as fuel for heat

and hot water. The heat and hot water costs for the Building are estimated based on a projected consumption of 5,000 therms per year at an estimated cost of $1.50 per therm, including all taxes, fees, etc., and a 4% increase for inflation. The projected consumption is based on the total average consumption for the three (3) prior calendar years:

Calendar Year	Number of Therms	Average Cost Per Therm
2017	4,461	$1.45
2016	5,049	$1.62
2015	5,039	$1.20

4. Electricity (Budget--$9,000)

This budget item includes the estimated cost of electricity for the Common Elements, which are Common Expenses. It does not include the cost of electricity to individual Units, which will be separately metered, and for which each Unit Owner will pay the charges for all electricity furnished to his Unit, as measured by such separate meter, directly to the electric utility company servicing the Unit, as and when billed. It also does not include the cost of heat and hot water provided to the Units, which is more fully discussed in footnote (3), above.

As a result of the deregulation of utility companies, each Unit Owner will be able to obtain electricity from an energy service company (an "ESCO") other than Con Edison, although Con Edison will continue to physically deliver electricity to the Building through its existing network. Unless a Unit Owner makes his own arrangements to switch to an ESCO, his electricity will continue to be supplied by Con Edison.

The estimated projected cost of electricity for the Common Elements for the first year of condominium operation is based on the total consumption costs of electricity for the Common Elements, during the three prior calendar years, as follows:

Calendar Year	Consumption cost	kWh	kWh unit cost
2017	$7,482.29	21,533	$0.3475
2016	$9,313.44	27,215	$0.3422
2015	$7,332.34	35,958	$0.2039

plus a 10% inflation factor.

Rates currently being paid by the Sponsor are those charged by Con Edison pursuant to posted tariffs.

It is not possible to predict how closely the budgeted figure will reflect the actual expenses for electricity and gas to be incurred during the first year of condominium operation, in part because such expenses will vary with the level of consumption and the applicable gas and electric rates. Many factors affect the cost of electricity including, among others, the cost of oil (which has in the past been highly volatile and unpredictable) used to generate electricity. Historically, electric rates have been steadily increasing and the cost of gas is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity and gas during the first year of condominium operation.

5. Water charges and sewer rents (Budget--$2,100)

The Building is currently billed an annual metered charge for water charges and sewer rents. The budgeted amount is based on the 2017/2018 tax year's metered charges with a 2% increase included in the estimate.

Water & sewer 2017: $2,063
Water & sewer 2016: $2,181

6. Repairs, maintenance and supplies (Budget--$49,161)

The budget figure for these items is based upon an analysis of prior costs for normal repairs, maintenance and supplies in respect of the Building. It includes the following service contracts and the costs per year:

- Elevator: McGlynn Hays & Co: $6,221 (includes the Cat 1 inspection)
- Pest Control: Acme Exterminating: $2,883
- Sprinkler Monthly Inspections: Petzvel Corp: $1,100
- Sprinkler Alarm Monitoring: DGA Security Systems: $2,848
- Virtual Doorman: VISS Technology: $6,116
- Telephone and Internet: Verizon: $4,093

TOTAL = $23,261

Also included in this section is the cost of (a) various supplies (such as cleaning supplies and materials, lubricants,

bulbs, public fixtures, and general and hardware supplies) and (b) interior and exterior repairs to the Common Elements, including the Building Systems, glass repair, lock replacement and repair, floor repairs, electrical and plumbing work, intercom work, boiler maintenance and repairs and periodic painting of the public halls and other Common Elements. However, the budgeted item does not include the cost of repairs to, or the painting and decorating of, the interior of Units, or the cost of repair or replacement of appliances in the Units, which costs will be the responsibility of each Unit Owner.

The cost of the aforementioned supplies is estimated to represent 8.9% of this budget item or approximately $4,400. The remaining portion of this budgeted figure, or approximately $49,161, is projected to be expended in connection with repairs and maintenance in respect to the Property for the first year of condominium operation. This amount will be borne by the Unit Owners of the Condominium, not by the Sponsor (except to the extent that the Sponsor owns any Unsold Unit(s), in which case the Sponsor will bear its pro rata share of such expense, as part of the Common Charges attributable to such Unsold Unit(s).) The following is a detailed breakdown of such projected repairs and maintenance items and the cost therefor:

Item	Projected Cost
Service contracts	$23,261
General supplies and cleaning	$ 4,400
Labor for repairs	$12,500
Materials for repairs	$ 9,000
TOTAL PROJECTED REPAIRS AND MAINTENANCE	$49,161

7. Insurance (Budget--$21,220)

Based on an estimate dated May 30, 2018 from Garber, Atlas Fries & Associates Inc., 3070 Lawson Blvd., Oceanside, New York 11572, the following insurance is recommended for the Property for the first year of condominium operation:

Property	$6,500,000
General liability	$1,000,000
Directors and Officers	$1,000,000
Umbrella liability	$10,000,000

(Deductible is $5,000 for property coverage, and $1,000 for directors & officers coverage)

The above coverage limits are based upon an agreed value replacement cost for the Building (the estimated cost to rebuild, exclusive of the cost of excavating and rebuilding the foundation), and as such, the insurer will have waived any claim that the insured is a coinsurer and the insurer will be obligated to reimburse the insured for losses, up to the full amount of the policy, based on the actual replacement cost of the Building. Because of the difficulty in estimating replacement costs and because of increases in construction costs, there can be no warranty that the suggested coverage will yield sufficient proceeds to replace the Building or any portion thereof in the event of a total or partial loss. In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Condominium Board should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage is sufficient. Additionally, the estimated premiums are subject to change based upon rate changes, market conditions and reinsurance costs at the time the coverage is actually bound.

The fire, casualty and general liability insurance coverages will provide: (1) that each Unit Owner is an additional insured party; (2) that there will be no cancellation without notice to the Board of Managers; (3) a waiver of subrogation; (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and (5) a waiver of pro rata reduction if Unit Owners obtain additional coverage.

In recent years, premiums for insurance (especially fire liability) have increased substantially. It is not possible to predict whether premiums will escalate in the future or will level off. Although the projection is believed to be reasonable, no budgeted item is warranted. At the First Unit Closing, Sponsor will deliver (at the Condominium's expense) a fire and liability binder or policy providing insurance coverage in accordance with the foregoing schedule.

This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of Unit Owners. Therefore, each Unit Owner should consider the desirability of obtaining additional insurance at his own cost covering, among other items, (i) fire or casualty losses to the contents of his Unit and any replacements, additions, upgraded fixtures and improvements therein, (ii) damage to other personal property, and (iii) liability for personal injury as a result of occurrences in the individual Units.

8. Management Fees (Budget--$20,000)

It is contemplated that immediately prior to the First Unit Closing, the Condominium Board will enter into a management agreement with New York City Management (the "Managing Agent") for an initial term of three years at a fixed annual fee of $20,000, payable in monthly installments of $1,666.67 each, for the first year, with 4% annual increases for each of the second and third years of the term of such agreement. The Managing Agent is not affiliated with Sponsor. In Sponsor's opinion, the management fee is consistent with the current market cost for providing such services in a building this size. Sponsor makes no representation as to the availability of management services at this estimated yearly rate after the expiration of the term of the management agreement. Subsequent to the expiration or termination of the management agreement with the Managing Agent, it shall be the responsibility of the Condominium Board to retain a managing agent. Please consult the Section of the Plan entitled "Management Agreement, Contracts and Leases" for further discussion.

9. Administrative office expenses (Budget--$2,000)

It is contemplated that, in addition to the management fees set forth above, the Condominium will pay the Managing Agent $2,000 per annum to reimburse the Managing Agent for disbursements and other general administrative office expenses.

10. Legal and Audit (Budget--$7,000)

It is anticipated that this budgeted amount will be used primarily for auditing fees in connection with the preparation of the Condominium's audited financial statement for the first year of operation based on a fee quotation of $5,000 provided by the firm of Weissman & Rudnitsky, certified public

accountants, 200 West 41st Street, New York, New York 10036, and the $2,000 balance to provide for minor, incidental legal services (such as attendance at annual and Board meetings) should the Condominium Board determine to engage an attorney.

11. Other (Budget--$9,650)

The budgeted figure represents the estimated cost of certain miscellaneous operational expenses of the Building (including but not limited to permits, dues and subscriptions, miscellaneous, and building telephone charges), and estimated federal taxes, New York State franchise taxes, and New York City franchise and other taxes.

12. Replacement reserve/contingency (Budget--$6,000)

This item is included to provide a fund for possible expenses which may be incurred and are not included elsewhere in the budget, or for possible increases in one or more items of Common Expenses above the amount projected.

GENERAL

The budget and any item contained in the budget may be modified from time to time prior to the commencement of, or during, condominium operation to add or delete budgeted items or to increase or decrease one or more budgeted items. The reserve for contingencies does not include a reserve for capital replacements or repairs, for which no provision is made under this budget. Reference should be made to the Section of the Plan entitled **"Working Capital Fund; Closing Adjustments with Condominium Board; Reserve Fund"** for a discussion of reserves which may be used for capital replacements.

IN THE OPINION OF SPONSOR, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED COMMON EXPENSES FOR THE FIRST FISCAL YEAR OF CONDOMINIUM OPERATION COMMENCING JULY 1, 2020. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY 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 SAID SCHEDULE, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

If the actual or anticipated date of commencement of condominium operation is delayed more than six (6) months from the budget year projected in the Plan, the Plan will be amended to include a revised budget disclosing then-current projections. If such amended projections exceed the projections set forth above by twenty-five percent (25%) or more, each Purchaser shall have the right for fifteen (15) days after the Presentation Date of such amendment to rescind his Purchase Agreement, and, if not otherwise in default, have his Down Payment refunded. Sponsor must return any Down Payment, with any accrued interest, to Purchasers who rescind within a reasonable period of time. Sponsor may not declare a Plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Plan.

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. Sponsor shall not, however, enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially increase the first year's projected Common Charges or that will be binding on the Condominium for a period of more than two (2) years from the commencement of condominium operation, unless disclosed in an amendment to the Plan.

HADRAMANT LLC

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

HADRAMANT LLC

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Weissman and Rudnitsky, CPAs P.C.
CERTIFIED PUBLIC ACCOUNTANTS

IRWIN WEISSMAN, CPA
CRAIG RUDNITSKY, CPA

SUITE 403
200 WEST 41st STREET
NEW YORK, NEW YORK 10036

212.869.9911
FAX 212.819.9465
WRCPAS@aol.com

To the Members:

HADRAMANT LLC
New York, New York

Independent Accountant's Review Report

Modified Cash Basis

We have reviewed the accompanying balance sheets of HADRAMANT LLC as of December 31, 2018 and 2017, and the related statements of Operations, Changes in Members' Equity and Cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provided a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the supplementary information about the estimates of future costs of major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Weissman and Rudnitsky

WEISSMAN AND RUDNITSKY, CPAs, P.C.

New York, New York
February 14, 2019

HADRAMANT LLC

BALANCE SHEETS

MODIFIED CASH BASIS

DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
Current assets		
Cash	$ 224,192	$ 655, 069
Property and equipment (net)	8,750,643	9,078,589
Other assets	95,436	29,514
Total assets	$ 9,070,271	$ 9,763,172

LIABILITIES AND MEMBERS' EQUITY

Liabilities		
Tenants security deposits	$ 36,500	$ 10,000
Total liabilities	36,500	10,000
Members' equity	9,033,771	9,753,172
Total liabilities and members' equity	$ 9,070,271	$ 9,763,172

See accompanying notes and independent accountant's report

HADRAMANT LLC

STATEMENTS OF OPERATIONS

MODIFIED CASH BASIS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Rent income:	$ 390,791	$ 405,049
Expenses:		
Payroll	$ 504	$ 8,855
Fuel & utilities	12,184	20,018
Elevator Maintenance	9,093	9,010
Repairs	17,198	5,757
Boiler Repairs	19,461	4,587
Janitorial supplies and maintenance	16,231	12,672
Management fees	15,020	16,972
Real estate taxes	118,422	153,594
Water and sewer	1,268	2,062
Insurance	9,573	45,311
Security and alarm expense	14,112	10,462
Professional fees	12,559	2,583
Licenses, permits and misc taxes	1,270	1,896
Administrative expenses	6,140	6,514
Total expenses	253,035	300,293
Excess of revenues over expenses before depreciation	137,756	104,756
Depreciation	357,157	356,319
Excess (deficiency) of revenues over expenses	$ (219,401)	$ (251,563)

See accompanying notes and independent accountant's report

HADRAMANT LLC

CHANGES IN MEMBERS' EQUITY

MODIFIED CASH BASIS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Balance – January 1,	$ 9,753,172	$ 10,004,735
Excess (deficiency) of revenue over expenses	(219,401)	(251,563)
	9,533,771	9,753,172
Less distribution to members	(500,000)	0
Balance – December 31,	$ 9,033,771	$ 9,753,172

See accompanying notes and independent accountant's report

HADRAMANT LLC

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenses	$ (219,401)	$ (251,563)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	357,157	356,320
Total adjustments	357,157	356,320
Net cash provided by operating activities	137,756	104,757
Cash flows from investing activities:		
(Increase) in property and equipment	(29,211)	(39,744)
(Increase) decrease in other assets	(65,922)	37,321
Net cash (used) by investing activities	(95,133)	(2,423)
Cash flows from financing activities:		
Distribution to members	(500,000)	0
Increase (decrease) in Tenant's deposit	26,500	(51,750)
Net cash (used) by financing activities	(473,500)	(51,750)
Net increase (decrease) in cash and cash equivalents	(430,877)	50,584
Cash and cash equivalents at January 1,	655,069	604,485
Cash and cash equivalents at December 31,	$ 224,192	$ 655,069
Supplemental cash flow disclosures:		
Interest paid	$ 0	$ 0

See accompanying notes and independent accountant's report

HADRAMANT LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

1. Organization and Summary of Significant Accounting Policies:

(a) Organization:

Hadramant LLC was organized in New York State as a Limited Liability Company on October 20, 2010. The Company owns the building located at 350 East 81st Street, NY, NY, 10028, which consists of three commercial tenants. The primary purpose of the Corporation is to manage the operations and maintain the common elements.

(b) Accounting method:

The Company's policy is to prepare its financial statements on the modified cash basis of accounting, consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

(c) Accounting Policies:

This summary of significant accounting policies of Hadramant LLC is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

(d) Date of Management's Review

In preparing the financial statements, the Company has evaluated events and transactions for potential recognition of disclosure through February 14, 2019, the date that the financial statements were available to be issued.

(e) Use of Estimates:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and

HADRAMANT LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(e) Use of Estimates (continued):

disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) Commercial Rentals:

The Company receives all their revenue exclusively from their 3 tenants.

They have entered into non-cancelable leases agreements with 3 commercial tenants with lease terms remaining of 1 year. These leases are not subject to any consumer price index fluctuations. Rentals over the remainder of the lease terms are:

2019	368,535
2020	26,000

(g) Cash Equivalents:

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

(h) Depreciation:

The Company's policy is to depreciate its fixed assets over the useful lives of 7 to 27½ years using straight line methods of depreciation.

Expenditures for maintenance, repairs and betterments which did not materially prolong the normal useful life of the asset are charged to operations as incurred.

HADRAMANT LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(i) Income taxes:

The Company files its income tax returns on the modified cash basis. The Company, with the consent of its members, elected to be treated, under the provisions of the Internal Revenue Code, as a partnership. Under such provisions, the Company will not pay any federal or state income taxes, and accordingly, the tax effects of the Company's income or loss are passed through to the members. Therefore, no provision or liability for federal or state income taxes is included in the accompanying financial statements.

Management has determined that the Company does not have any uncertain tax positions and related unrecognized tax benefits for the years ended December 31, 2018 and 2017.

The Company's tax returns are subject to possible examination by the taxing authorities. For income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

2. Property and Equipment:

Property and equipment are stated at cost.

	2018	2017
Land	$ 987,682	$ 987,682
Building	9,448,053	9,448,053
Improvements	89,344	79,849
Apartment renovation	50,819	37,744
Security system	10,431	10,431
Furniture & fixtures	69,720	63,080
	10, 656,049	10,626,839
Less: accumulated depreciation	1,905,407	1,548,250
Net property and equipment	$ 8,750,642	$ 9,078,589

HADRAMANT LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

3. Other Assets:

	2018	2017
Tenant's Security deposits	$ 36,500	$ 10,000
Security deposits - vendor	1,840	1,840
Prepaid condominium conversion expenditures	57,096	17,674
Total other assets	$ 95,436	$ 29,514

4. Tenants' Refundable deposit:

The Company holds tenants' security in the amount of $ 36,500 in 2018 and $ 10,000 in 2017. These amounts are full secured with deposits held at JP Morgan Chase.

5. Concentration of Risk:

Cash in Bank

The Company maintains its cash and cash equivalent balances, in financial institutions, which from time to time exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC) of $ 250,000. The Company has not experienced any losses in such accounts and management believes that there is no significant risk with respect to such deposits.

6. Future Major Repairs and Replacements:

The Company's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements.

The Company has not conducted a study to determine the remaining useful lives of the major components or systems of the common property and estimates of the costs of major repairs and replacements that may be required in the future, nor has the board of directors developed a plan to fund those needs. When funds are required for major repairs and replacements, the Company will then decide on appropriate actions including the

HADRAMANT LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

6. Future Major Repairs and Replacements (continued):

possibilities of borrowing, or delay repairs and replacements until funds are available.

U.S. GAAP requires that information about the estimates of future costs of major repairs and replacements, although not a part of the basic financial statements, be presented to supplement the basic financial statements.

8. Subsequent Events:

The Company has evaluated all events and transactions that occurred after December 31, 2018 up through February 14, 2019, the date these financial statements were available for issue. During this period, the Company did not have any material subsequent events.

The Company is in the process of filing and converting the building into a Condominium Association whereby each unit will be owned separately and they will also own an undivided percentage interest in the common property that is inseparable from ownership of the unit itself.

SCHEDULE B-1

Based on a letter dated June 12, 2018 from Janet Olmsted Cross, AIA, 167 Madison Avenue, New York, New York 10016 (which Sponsor hereby adopts), Sponsor projects that the annual electrical consumption costs for each Unit will be as follows during the first year of Condominium operation:

Unit 1	14,000 kwh	$2,772
Unit 2	8,800 kwh	$1,742
Unit 3	13,075 kwh	$2,589

CROSS ARCHITECTURE
Janet Olmsted Cross, AIA
167 Madison Ave. #301
New York City 10016
t 212.683.0480 f 212.683.4410
janet@crossarchitecture.com

Date: June 12, 2018

RE: Estimate Energy Consumption
For 350 East 81st Street
Brooklyn, NY 11211

To Whom it May Concern:

The estimated energy consumption for the proposed condominium units at 350 East 81st Street, New York, NY
is listed below

350 EAST 81ST STREET ENERGY CONSUMPTION ESTIMATE			
PROPOSED CONDOMINIUM UNITS	ESTIMATED AREA	ESTIMATED YEARLY ELECTRIC CONSUMPTION	ESTIMATED YEARLY COST @$0.198/kWh
UNIT 1 DUPLEX: FLOORS 001-002	2800 SQUARE FEET	14,000 Kwh	$2,772.00
UNIT 2 ONE LEVEL: FLOOR 003	1760 SQUARE FEET	8,800 Kwh	$1,742.00
UNIT 3 DUPLEX: FLOORS 004-005	2615 SQUARE FEET	13,075 Kwh	$2,588.85

Consumption of $0.198 per kWh was used for the approximate rate for apartments which fall into Con Edison's EL 1 residential service class.

Disclaimer: Our estimated usage and cost per unit type is based on assumptions above and current historical cost date. They are projections, and actual utility costs and usage among unit owners may vary from the projections and from one another based on factors including but not limited to resident behavior and habits, resident negotiatio9n of supply rates fir Con Edison, and seasonal factors.

Sincerely,

Janet Olmsted Cross, RA
Cross Architecture

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

As set forth in the attached opinions of New York City Management and Belkin Burden Goldman, LLP, the Common Interest percentages allocated to each Unit in the Condominium have been allocated in the manner prescribed by Real Property Law section 339-i(1)(iv): on the basis of such Unit's floor space as measured in square footage, taking into account, however, the location of such Unit within the Building, its overall layout and dimensions, the availability of Common Elements for exclusive or shared use by the Unit Owners, and additional similar factors of value and desirability relative to the other Units.

B·B·G

Belkin · Burden · Goldman, LLP

ATTORNEYS AT LAW

270 Madison Avenue
New York, NY 10016
Tel 212.867.4466
Fax 212.297.1859
www.bbgllp.com

Aaron Shmulewitz
Partner
212. 867. 4466 Ext 390
ashmulewitz@bbgllp.com

February 25, 2020

Real Estate Financing Bureau
New York State Department of Law
28 Liberty Street
New York, New York 10005

Re: 350 East 81st Street, New York, N.Y.
Compliance with Real Property Law section 339-i

Dear Sirs/Mesdames:

The Common Interest percentages allocated to each of the Units in The 350 East 81st Street Condominium have been allocated in the manner prescribed by Real Property Law section 339-i(1)(iv): on the basis of such Unit's floor space as measured in square footage, taking into account, however, the location of such Unit within the building, its overall layout and dimensions, the availability of common elements for exclusive or shared use by the Unit Owners, and additional similar factors of value and desirability relative to the other Units.

I have been an attorney admitted to practice law in New York State since 1983. During that time, I have prepared at least 15 condominium offering plans, and numerous amendments for many more plans, and numerous No-Action Letter applications. I have also represented more than 250 cooperative and condominium Boards.

Sincerely,

Aaron Shmulewitz

ASHMULEWITZ/6398.0904/2417598

CHANGES IN PRICES AND UNITS

Changes in price and terms of sale

Subject to the conditions hereinafter set forth, Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without prior notice or prior amendment to the Plan and without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party, to change the Purchase Price, the manner of payment and any other term of sale of any Unit as permitted by the terms of this Plan, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect and with respect to which the Purchaser is not in default may be made without the consent of the Purchaser.

Changes in the Purchase Prices set forth in Schedule A will be made pursuant to a duly filed amendment to the Plan when such change in price is an across-the-board change affecting one or more lines of Units or Unit models or is to be advertised or is a price increase for an individual Purchaser. As set forth in the Footnotes to Schedule A, Purchase Prices are negotiable. Accordingly, unless it would constitute a prohibited discriminatory inducement, Sponsor may enter into a Purchase Agreement with an individual Purchaser to sell one or more Units at prices less than those set forth in Schedule A without filing an amendment.

During the Exclusive Purchase Period the Purchase Prices to Eligible Tenants as set forth in Schedule A of the Plan will not be increased.

If Sponsor changes the Purchase Price of one or more Units, the Purchaser of such Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same Common Interest. Such a price change, however, will not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of Units.

Changes of size, layout and number of Units

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size or number of Unsold

Units, by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and the By-Laws. Subject to the terms of the last two paragraphs of this subsection, such right may be exercised by Sponsor from time to time, both before and after the recording of the Declaration, without the consent or approval of the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. Sponsor, however, will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by Applicable Law. In addition, if a Purchase Agreement has been signed with respect to a Unit and the Purchaser thereunder is not in default, Sponsor will not materially change the size of such Unit or its Common Interest without the written consent of the Purchaser. Further, Sponsor will not cause any material change to be made in the size or quality of the Common Elements unless Purchasers who are not then in default under their Purchase Agreements are given the right to rescind their Purchase Agreements for fifteen (15) days subsequent to the date of presentation of such right. In the event a Purchaser elects to rescind his Purchase Agreement pursuant to the above, Sponsor will promptly return any downpayment that is being held with interest, if any.

As long as the layout and dimensions of a Unit conform to the Floor Plans, subject to immaterial inaccuracies, a Purchaser will not be excused from purchasing his Unit for such reason and will not have any claim against Sponsor as a result of such deviation. A decrease in a Unit's area of 10% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 10% or less is not material.

If Sponsor changes the size or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. The aggregate amount of the Common Interests of all the Units, however, will always remain at 100%. As a result of any reapportionment of the Common Interests appurtenant to Unsold Units, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Units affected thereby will be increased or

decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not vary.

The Plan will be amended to reflect any change in the size or number of Units, their respective Common Interests, or the size or quality of the Common Elements; however, the layout and number of rooms in Unsold Units may be changed without prior notice or amendment of this Plan.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless: (i) the Declaration is amended such amendment is duly recorded, and (ii) the Plan is amended by duly-filed amendment. As more particularly provided in the Declaration, Sponsor or any Sponsor Successor, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, provided the Common Element space is not decreased, without the Condominium Board, the other Unit Owners, or any mortgagee consenting to, or executing, such amendment. No change of a Unit's Common Interest will be made, however, without the prior written consent of the owner of such Unit having been obtained.

To the extent permitted by Applicable Law, if the size or configuration of a Unit is changed in compliance with the Plan and the Condominium Documents and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefiting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

No change will be made in the size or number of Units, or to their respective Common Interest percentages, and no material change will be made in the size or quality of Common Elements, except in each case by an amendment to this Plan and, when applicable, to the Declaration.

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.

No material change will be made in the size, and no material adverse change will be made in the quality, of Common Elements unless Purchasers not in default receive a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right. The Sponsor shall be obligated to return any deposit or downpayment promptly to any Purchaser who so rescinds.

RIGHTS OF EXISTING TENANTS

The following discussion of the rights of tenants in occupancy is based upon the Applicable Laws in effect on the date of presentation of the Plan. Such rights may change if any of the laws summarized herein expire or are modified or repealed during this offering, and Sponsor reserves the right to amend the provisions of this Plan relating to the rights of tenants in order to reflect such change. A copy of each amendment to the Plan reflecting a change in any Applicable Law relating to the rights of tenants will be furnished to all tenants after filing.

THIS PLAN IS A NON-EVICTION PLAN. IT MAY NOT BE AMENDED AT ANY TIME TO PROVIDE THAT IT SHALL BE AN EVICTION PLAN.

All Units offered for sale pursuant to the Plan are subject to Section 352-eeee of the GBL, which is reproduced in full in Part II of the Plan.

The Sponsor does not plan to make any major capital improvements to the Property prior to the First Unit Closing.

General Business Law section 352-eeee provides various protections to existing tenants in a building that is the subject of a condominium conversion offering, commencing when the Plan is declared effective, such protections including but not limited to protection against eviction for not purchasing in a non-eviction plan such as this Plan, and protection against unconscionable, extraordinary rent increases when compared with comparable apartments. Tenants who first occupy an apartment after the Plan is declared effective will not be entitled to such protections.

Under this non-eviction Plan, tenants whose leases expire and against whom holdover proceedings are commenced before the Plan is declared effective retain only the minimal protections available to the common-law "tenant at sufferance," and ARE NOT PROTECTED from eviction for failure to purchase, or for any other reason applicable to expiration of tenancy, and from unconscionable rent increases absent some special circumstance, as found by a Court of competent jurisdiction.

Tenants who lease unsold Units after the Plan is declared effective ARE NOT PROTECTED from eviction for failure to purchase, or for any other reason applicable to expiration of tenancy, and from unconscionable rent increases. Unconscionable

increases are defined by Applicable Law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy."

Purchasers are urged to read a memorandum dated June 19, 2013 issued by the Real Estate Finance Bureau of the Department of Law, entitled "Disclosure Requirements For Occupied Conversions Regarding Tenant Protections From Eviction And Unconscionable Rent Increases", which can be accessed at: http://www.ag.ny.gov/sites/default/files/pdfs/bureaus/real estate finance/Effective-memos/Public%20Memo%20re%20Tenant%20Protections%20for%20Unregulated%20Tenants.pdf; a copy of such memorandum is set forth in Part II of this Plan.

Exclusive right to purchase

Each Eligible Tenant who occupies a Unit in the Building on the date the Plan is accepted for filing, will, during the Exclusive Purchase Period (i.e., the first 90 days after the Presentation date of this Plan), have the exclusive right to purchase his Unit at the Purchase Price for such Unit set forth in Schedule A. During this period, a tenant's Unit will not be shown to third parties unless such Eligible Tenant has, in writing, waived his right to purchase; nor will a Purchase Agreement be executed for such Unit by an outside Purchaser. After the expiration of the Exclusive Purchase Period, Eligible Tenants will no longer have the exclusive right to purchase their Units, which may then be purchased by others. Such unpurchased Units may be shown to others consistent with such Eligible Tenant's rights under their Existing Leases.

Rentals and the right to remain in occupancy

Pursuant to Section 352-eeee of the GBL, no eviction proceedings will be commenced at any time against Non-Purchasing Tenants for failure to purchase or for any other reason applicable to expiration of tenancy, provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Unit Owner or a similar breach by the Non-Purchasing Tenant of his obligations to the Owner of the Unit. Further, a Unit Owner may not commence an action to recover possession of a Unit from a Non-Purchasing Tenant on the grounds that he seeks the Unit for the use and occupancy of himself or his family.

Non-Purchasing Tenants who reside in Units subject to governmental regulation as to rentals and continued occupancy (that is, the RSL and the Code or the Rent Control Laws) prior to the conversion of the Property to condominium ownership shall continue to be subject thereto.

The rentals of Non-Purchasing Tenants who reside in Units not subject to governmental regulation as to rentals and continued occupancy, and Non-Purchasing Tenants who reside in Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has been accepted for filing, shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints concerning such increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, 28 Liberty Street, New York, New York 10005.

Pursuant to Applicable Law, a Non-Purchasing Tenant may be subject to rent increases as a result of any major capital improvements made by Sponsor, the Condominium Board or Unit Owners, upon application to and approval by the DHCR. Whether any such major capital improvements will actually be made is currently unknown, as are the projected costs thereof (if any), and any rent increase that could be triggered as a result thereof. In the event that Sponsor should decide to perform any such major capital improvements, this Plan will be amended to disclose all such information.

The rights discussed herein above are based on the laws in effect on the date of presentation of the Plan. Sponsor makes no representation that these laws will remain in effect or unchanged. Notwithstanding the foregoing, the rights granted to Non-Purchasing Tenants under the Plan may not be abrogated or reduced notwithstanding any expiration of, or amendment to, Section 352-eeee of the GBL.

Additional rights

Section 352-eeee of the GBL further provides that all Units occupied by Non-Purchasing Tenants will be managed by the same managing agent that manages all other Units in the Building. Non-Purchasing Tenants will be provided all services and facilities required by Applicable Law on a non-discriminatory basis. Sponsor guarantees that all such services

and facilities will be provided until such time as Sponsor no longer controls the Condominium Board.

Section 352-eeee of the GBL also provides that it shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services that substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his Unit or the facilities related thereto. The Department of Law may apply to a court of competent jurisdiction for an order restraining such conduct and, if it deems it appropriate, an order restraining the owner from selling the Unit or from proceeding with the Plan, provided that nothing contained in the statute shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

Tenants or their representatives may physically inspect the Property at any time subsequent to the submission of the Plan to the Department of Law, during normal business hours, upon written request made by them to Sponsor, provided tenants' representatives are registered architects or professional engineers licensed to practice in the State of New York.

If, prior to the expiration of any exclusive period that begins before the First Unit Closing, Sponsor amends the terms and conditions of the offering to be more favorable to tenant Purchasers, a tenant who was in occupancy on the Presentation Date and who executed and submitted a Purchase Agreement before Sponsor amended the term shall benefit from the more favorable terms and conditions.

The By-Laws of the Condominium provide that a Non-Purchasing Tenant will be promptly notified by the seller of his Unit of a change in ownership arising from a transfer of such Unit. The Condominium shall retain such information, and make it available to any such Non-Purchasing Tenant, upon written request therefor.

Sponsor will not permit the assignment or transfer of purchase agreements by tenants.

No tenant has access to or an exclusive right to use any portion of the Common Elements.

Section 352-eeee of the GBL sets forth a posting requirement as to the percentage of tenants who have purchased

units. Such requirement is further discussed in the Section of the Plan entitled "**Effective Date.**"

Rights of eligible tenants to purchase vacant and occupied Units

No Eligible Tenant will have any exclusive or preferential right to purchase a vacant Unit or a Unit occupied by another person. Any exclusive right granted to Eligible Tenants hereunder shall apply only to the purchase by an Eligible Tenant of his own Unit. An Eligible Tenant may, however, if he wishes, execute and submit a Purchase Agreement for a vacant Unit or a Unit occupied by another on the same footing as prospective non-tenant Purchasers. If more than one Eligible Tenant seeks the same Unit at the same Purchase Price and on the same terms, it shall be within Sponsor's sole and absolute discretion to decide which, if any, Purchase Agreement to accept. Sponsor is under no obligation to accept Purchase Agreements from Eligible Tenants for vacant Units or Units occupied by others.

Rights of eligible senior citizens and eligible disabled persons

Senior citizens and disabled persons who meet eligibility requirements may not be evicted by Unit Owners or any subsequent purchaser at any time because the Building is converted to condominium ownership or under owner occupancy provisions of rent codes.

An eligible senior citizen is a non-purchasing tenant and the spouse of a non-purchasing tenant who: (i) is 62 years of age or older on the date that the Plan is filed with the Department of Law; and (ii) has elected not to purchase his or her Unit within 60 days from the Presentation Date by completing the senior citizen election form in the Plan, signing the form and having the signature notarized, and personally delivering it, or by mailing it by certified or registered mail, return receipt requested, to the Sponsor or Selling Agent at the addresses set forth on the front cover of this Plan.

An eligible disabled person is a non-purchasing tenant, and spouse of a non-purchasing tenant, who: (i) has an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which is demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which is expected to be permanent, and which prevents the disabled person from engaging in any substantial

gainful employment on the date the Department of Law accepted the Plan for filing; (ii) has elected not to purchase his or her Unit within 60 days from the Presentation Date by completing the disabled person election form in the Plan, signing the form and having the signature notarized, and personally delivering it, or mailing it by certified or registered mail, return receipt requested, to the Sponsor or Selling Agent at the addresses set forth on the front cover of this Plan; and (iii) if the disability first occurs after acceptance of the Plan for filing, then such election may be made within 60 days following the onset of such disability unless during the period subsequent to 60 days following the presentation of the Plan for filing but prior to such election, the Sponsor accepts a written agreement to purchase the Unit from a bona fide purchaser.

No eviction proceedings will be commenced at any time against either eligible senior citizens or eligible disabled persons, except for nonpayment of rent, illegal use or occupancy of the Unit, refusal of reasonable access to the Unit Owner, or a similar breach of obligations to the landlord.

Eligible senior citizens and eligible disabled persons who reside in Units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy, and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has been accepted for filing by the Department of Law shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. Complaints concerning such increases may be referred to the Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, New York 10005.

The rights granted under the Plan and rent regulatory laws to eligible senior citizens and eligible disabled persons may not be abrogated or reduced, regardless of any expiration of or amendment to General Business Law section 352-eeee.

Each owner of a Unit occupied by an eligible senior citizen or eligible disabled person shall be bound by the

provisions of Applicable Law and the terms of the Plan. The By-Laws of the Condominium require that any such purchase is subject to all the rights of the eligible senior citizen or eligible disabled person occupying the Unit and that the Purchaser, and his successors and assigns, shall continue to be bound as long as such occupancy continues.

Sponsor may dispute the election by a tenant to be an eligible senior citizen or an eligible disabled person by applying to the Department of Law for a determination of the tenant's eligibility within 30 days of the receipt of the election form pursuant to 13 NYCRR section 23.8. The Department of Law shall issue a determination of eligibility within 30 days thereafter. In the absence of fraud, the determination by the Department of Law is the sole method for resolving a dispute as to whether a tenant is an eligible senior citizen or eligible disabled person. The determination by the Department of Law is reviewable only through a proceeding under Article 78 of the Civil Practice Law and Rules.

An election not to purchase shall not preclude an electing senior citizen or disabled person from subsequently purchasing his or her Unit on the terms and conditions set forth in 13 NYCRR section 23.8.

OBLIGATIONS OF OWNERS OF UNITS OCCUPIED BY NON-PURCHASING TENANTS

The Units, if any, indicated on Schedule A as being "rent-stabilized" Units subject to the RSL and the Code are subject to rent regulation and are occupied by Eligible Tenants. A Purchaser of a rent-stabilized Unit that is occupied by a Non-Purchasing Tenant is required under the RSL and the Code to register the Unit with the DHCR and to keep such registration current.

All Eligible Tenants are subject to section 352-eeee of the GBL, which provides, among other things, that a Non-Purchasing Tenant may not be evicted at any time for failure to purchase or any other reason applicable to expiration of tenancy, provided that eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Unit Owner or a similar breach by the Non-Purchasing Tenant of his obligations to the Unit Owner or any other grounds permitted by Applicable Law or regulation. In addition, no eviction proceedings may be commenced by the Unit Owner against such Non-Purchasing Tenant on the grounds that the Unit Owner seeks the apartment for the use and occupancy of himself or his family.

Possession of occupied Units

Each Purchaser of a Unit occupied by another will purchase subject to: (a) the existing lease or occupancy agreement for such Unit; (b) any existing tenancy or occupancy of such Unit; (c) any right of the existing tenant or occupant to remain in possession of such Unit pursuant to Section 352-eeee of the GBL; (d) Applicable Rent Laws; and (e) all other rights of such tenant or occupant under any other applicable Federal, New York State or New York City laws, rules, regulations or ordinances governing residential rent and occupancy terms.

NO REPRESENTATION OR WARRANTY IS MADE THAT THE EXISTING LAWS WILL REMAIN IN EFFECT OR UNCHANGED OR THAT THE RIGHTS OF NON-PURCHASING TENANTS WITH REGARD TO RENTALS AND OCCUPANCY RIGHTS UNDER THE APPLICABLE RENT LAWS WILL NOT CHANGE. The rights granted under the Plan to Purchasers and to Non-Purchasing Tenants may not be abrogated or reduced, however, notwithstanding any expiration of, or amendment to, Section 352-eeee of the GBL.

If the tenancy of a tenant is terminated as a result of an uncured default by such tenant in paying the requisite rent or in performing some other lease obligation, then, unless the tenant voluntarily surrenders possession of the Unit, the owner of such Unit may be required (at his own expense) to institute a summary dispossess or holdover proceeding in court in order to gain possession.

No representation or warranty is made as to the length of time that may elapse before a final court order of eviction is granted and made effective, that such a court order will be granted or that possession of a Unit occupied by another will be obtained.

Sponsor makes no statements of any kind as to the Applicable Rent Laws except as expressly set forth in the Plan.

The Unit Owner or Purchaser of a Unit occupied by a tenant who is subject to the New York City Rent Stabilization Law and Code will be obligated to register the Unit with the DHCR. A Unit that is subject to the New York City Rent Stabilization Law and Code normally becomes not subject thereto upon the tenant of such Unit vacating such Unit.

Rights and duties of non-occupant Purchasers

Upon acquiring title to a Unit occupied by another, the Purchaser will become the landlord of the tenant or occupant thereof and the latter will become such Purchaser's tenant or occupant. The relationship between the two parties will be governed primarily by the terms, covenants and conditions contained in the lease or other occupancy agreement then in effect with such tenant or occupant or the statutory and implied covenants, if any, of any month-to-month tenancy. Such Purchaser will be obligated to offer such renewal leases and riders as may be required by Applicable Law. Such Purchaser will succeed to, among other things, Sponsor's right to receive the rents reserved in the lease or occupancy agreement or month-to-month tenancy and Sponsor's obligation to perform all of the duties of the landlord under such lease or occupancy agreement or month-to-month tenancy, which duties may include, but may not be limited to, the obligation to maintain, repair and replace any plumbing fixtures, refrigerator, dishwasher, lighting fixtures and other fixtures, equipment and appliances in such Unit and to paint the Unit periodically. The Purchaser will be obligated to perform these duties as the landlord of such tenant or occupant even though the rents reserved under the lease or

occupying agreement or month-to-month tenancy may be insufficient to pay for the cost of such performance. In addition, such Purchaser will be required to pay all Common Charges assessed against him by the Condominium Board and the real estate taxes assessed against the Unit, regardless of whether such Common Charges and real estate taxes are more or less than the rent payable by the tenant or occupant and regardless of whether such rent is received.

All costs and expenses incurred in connection with the ownership of a Unit occupied by another (including, without limitation, legal fees and litigation expenses for enforcing the lease, occupancy agreement or provisions of any month-to-month tenancy and obtaining possession of the Unit) will be borne entirely by the owner of the Unit.

A Person interested in purchasing a Unit occupied by another is advised to examine any lease or occupancy agreement for such Unit to ascertain the rental, the expiration date and the obligations imposed upon the landlord. These leases or occupancy agreements are on file at the office of Sponsor. It is further recommended that such Person consult with his attorney in order to become fully apprised of the effect of the lease or occupancy agreement, as well as of Section 352-eeee of the GBL and all other Applicable Laws with respect to such Unit, on his rights as a Purchaser and on his obligations to any existing tenant or occupant of such Unit.

Section 352-eeee of the GBL requires that all Units occupied by Non-Purchasing Tenants be managed by the same managing agent who manages all the other Units in the Building. A Purchaser who purchases a Unit occupied by a Non-Purchasing Tenant shall be required to appoint irrevocably the Condominium's Managing Agent and its successors (or the Condominium Board if no Managing Agent is employed by the Condominium) as his agent to provide to the Non-Purchasing Tenant all services and facilities required by Law on a non-discriminatory basis. The Managing Agent has agreed to undertake that obligation, as specified herein. Sponsor will guarantee the obligation of the Managing Agent to provide all services and facilities which the Managing Agent is required to provide to Non-Purchasing Tenants until such time as Sponsor no longer controls the Condominium Board. While the Purchaser of any Unit occupied by a Non-Purchasing Tenant will be responsible for the due performance of all of the obligations of the landlord under the Non-Purchasing Tenant's lease, occupancy agreement or month-to-month tenancy, the actual performance of

such obligations will, in the first instance, be by or at the direction of the Managing Agent for the account of the Purchaser.

Each Purchase Agreement for a Unit occupied by a Non-Purchasing Tenant will be deemed to include an agreement by the Purchaser to deposit with the Managing Agent (or the Condominium Board if no Managing Agent is employed by the Condominium) at Closing an amount equal to not less than the greater of two months' Common Charges or two months' rent payable by such Non-Purchasing Tenant, to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and pursuant to Applicable Law. Upon notice by the Managing Agent (or Condominium Board) that the deposit has been diminished, the fund will be replenished by the Unit Owner within thirty (30) days of such notice. The failure of the Unit Owner to replenish the fund in a timely fashion will result in the Condominium having a lien against the Unit. Interest, if any, earned on the fund shall be the property of the Unit Owner. The provisions of this paragraph will not apply to Sponsor, or any Sponsor Successor.

Upon the closing of title to a Unit subject to a lease, other occupancy agreement or month-to-month tenancy, Sponsor will deliver to the non-occupant Purchaser the unapplied balance of any security deposit held by Sponsor pursuant to the terms of such lease, occupancy agreement or month-to-month tenancy. Any such balance must be held by such Purchaser in trust in an interest-bearing account in accordance with the terms of the New York General Obligations Law. Upon delivery of the unapplied security deposit, the Purchaser will be required to execute, acknowledge and deliver an agreement to Sponsor, both acknowledging the amount so received and indemnifying Sponsor against all claims and liabilities in connection therewith.

A "Non-Purchasing Tenant" is defined by New York State General Business Law section 352-eeee as a person who has not purchased under the Plan and who is a tenant entitled to possession at the time the Plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a Purchaser under the Plan is not deemed a "Non-Purchasing Tenant".

Purchasers of Units subject to a lease should note that recent Court decisions have interpreted the definition of

"Non-Purchasing Tenant" differently. Paikoff v. Harris, 185 M.2d 372, 713 N.Y.S.2d 109 (App. Term 2d Dept. 1999) defined the term to include tenants who commence rental occupancy of an apartment after a conversion offering plan is accepted for filing by the Department of Law. However, Park West Village Associates v. Nishoika, 187 M.2d 243, 721 N.Y.S.2d 459 (App. Term 1st Dept. 2000) defined the term to apply only to tenants who became rental tenants prior to the date that a conversion offering plan is accepted for filing by the Department of Law. It is the position of the Sponsor that, absent a ruling by a higher appellate court that reconciles the different holdings, the holding in Park West Village Associates v. Nishoika would govern tenants at the Property, since the Building is located within the County of New York, which is the jurisdictional territory governed by the Appellate Term, First Department, the Court that issued the ruling in that case.

INTERIM LEASES

Sponsor reserves the right to rent or lease vacant Units (including any Units which become vacant after the date of presentation of this Plan) to Purchasers and non-Purchasers at any time, both before and after the First Unit Closing. Once a Purchase Agreement is accepted for a vacant Unit, however, and for so long as such Purchase Agreement is in effect, such Unit may only be leased to the Purchaser thereof pursuant to an **"Interim Lease"** on the terms set forth in this Section.

An Interim Lease shall be prepared on the form of lease set forth in Part II of this Plan. The Sponsor reserves the right to cause any lessee under an Interim Lease to pay the Sponsor's legal fee in connection with the preparation thereof, in an amount not to exceed $500. The term of each such Interim Lease shall expire on the earliest to occur of: (i) the date of closing of title to the Unit covered by such Interim Lease; (ii) the date fixed in the Interim Lease for the expiration of the term; (iii) the date upon which the Interim Lease is terminated at the option of Sponsor by reason of a default by the Purchaser-tenant under the Interim Lease or a casualty or condemnation affecting the Unit; or (iv) the date upon which the Interim Lease is terminated by the Purchaser-tenant or Sponsor as provided below. The rent payable under the Interim Lease shall be negotiated by the parties but shall in no event exceed the maximum legal rent, if any, permitted under Applicable Laws.

An uncured default by the Purchaser-tenant under the Purchase Agreement will constitute a default under the Interim Lease. A default in the performance or observance of the terms and conditions of the Interim Lease will also be a default under the terms of the Purchase Agreement and will permit Sponsor to cancel the Purchase Agreement in accordance with its terms. The Purchaser-tenant will be required to vacate his Unit within thirty (30) days after notice is sent of Sponsor's intent to cancel the Purchase Agreement, provided that the Purchaser-tenant fails to cure any such default within the applicable grace period, if any, with TIME BEING OF THE ESSENCE. Before a default under the Interim Lease may be declared a default under the Purchase Agreement, however, either: (i) Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-tenant; or (ii) the Purchaser-tenant must have vacated the Unit.

In the event that the Purchaser-tenant should exercise any right to terminate or rescind the Purchase Agreement or

Interim Lease, such termination or rescission will be contingent upon his surrendering possession of his Unit and leaving the same vacant, in good condition and broom clean within thirty (30) days after he elects to terminate or rescind. He must also pay any rent then due and payable under his Interim Lease. Nothing contained herein shall relieve any Purchaser of liability for damage to his Unit or of any other liability under the Purchase Agreement or Interim Lease.

In no event will any portion of the rental paid under an Interim Lease be credited towards the Unit's Purchase Price, unless agreed-to by Sponsor.

The right of Sponsor, or any Sponsor Successor, to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Unsold Unit from Sponsor or such Sponsor Successor on the same terms offered to the prospective tenant or occupant.

In the event the Plan is abandoned, a Unit occupied pursuant to an Interim Lease shall be subject to the provisions of any Applicable Laws that may be in effect with respect to such Unit at the time of such abandonment. Additionally, a Purchaser-tenant under an Interim Lease may, if the Plan is abandoned, cancel such lease and vacate the premises upon ninety (90) days' written notice to Sponsor, or Sponsor Successor if applicable, sent to the address set forth on the cover page of this Plan. Funds that are to be returned by Sponsor to such Purchaser-tenant must be returned to him/her within five (5) days after the amendment abandoning the Plan has been accepted for filing.

Sponsor and its agents will not discriminate against any person on any basis prohibited by civil rights laws.

A person who takes possession of a Unit prior to its purchase closing assumes the risk of losses not covered by insurance.

PROCEDURE TO PURCHASE

General

A Person desiring to purchase a Unit will be required to execute, in quadruplicate, a Purchase Agreement in the form set forth in Part II of this Plan. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and, before being executed, should be read carefully by the prospective Purchaser and his legal or financial representative.

Purchasers who are Eligible Tenants shall have at least three (3) business days in which to review the Plan and all filed amendments prior to executing a Purchase Agreement, unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective.

Unless a Purchaser who is not an Eligible Tenant has been afforded at least three (3) business days in which to review the Plan and all filed amendments prior to executing a Purchase Agreement, such Purchaser shall have seven (7) days after delivering an executed Purchase Agreement together with the required Down Payment to rescind the Purchase Agreement and have the full Down Payment refunded promptly. Such Purchaser must either personally deliver a written notice of rescission to Sponsor or the Selling Agent within the seven (7) day period or mail the notice of rescission to Sponsor or the Selling Agent and have the mailing post-marked within the seven (7) day period.

New Federal regulations on lead-based paint

The United States Department of Housing and Urban Development and the Environmental Protection Agency have recently adopted **"Lead-Based Paint Regulations"** applicable to most housing built prior to 1978 (called **"Target Housing"**). Generally, the Regulations concern disclosure of known presence of lead-based paint and lead-based paint hazards in Target Housing. The disclosures are required to be made in contracts of sale or lease (including lease renewals and subleases) of Target Housing. The Regulations apply to all owners of co-operative and condominium units in Target Housing, including Unit Owners of the Building. A copy of the brochure entitled "Protect Your Family From Lead In The Home" is included in Part II of this Plan.

Buildings constructed prior to 1979 may contain lead paint; buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially in young children. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004, a copy of which is included in Part II of this Plan. 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.

Delivery of purchase agreement

A prospective Purchaser desiring to purchase a Unit should deliver four (4) copies of the executed Purchase Agreement, together with (to the extent applicable) four (4) copies of the completed and executed Lead-Based Paint Disclosure Form, and his unendorsed personal check, drawn on a New York City Clearing House Association member bank, in a sum equal to ten percent (10%) of the purchase price (or such lesser amount as may be mutually agreed-upon between Purchaser and the Sponsor) (the **"Down Payment"**), to the Sponsor, in care of Belkin Burden Goldman, LLP (attention: Aaron Shmulewitz, Esq.), 270 Madison Avenue, New York, New York 10016. Said check is to be made payable to the order of **"Belkin Burden Goldman, LLP, Escrow Account for Hadramant LLC/[Name of Purchaser]"**.

Payment of purchase price

Each Purchaser shall deliver his check made payable to the order of "Belkin Burden Goldman, LLP, Escrow Account for Hadramant LLC/[Name of Purchaser]" in the amount of the Down Payment, subject to collection, simultaneously with the execution and delivery of the Purchase Agreement. The balance of the Purchase Price will be paid to Sponsor at the Closing.

Except for the Down Payment, which is to be paid as provided above, any payments to be made by the Purchaser under the Purchase Agreement (including without limitation the payment of the balance of the Purchase Price), whether to, on behalf of or at the request of Sponsor, must be made by unendorsed certified check, or bank check, drawn in either case on a member bank of the New York Clearing House Association and made payable to the order of Sponsor; except that at the request of Sponsor

made at or prior to the closing, the Purchaser will pay the balance of the Purchase Price to such payees as Sponsor directs.

If any check for any payment to be made by the Purchaser under the Purchase Agreement (including, without limitation, the Down Payment) shall be dishonored for any reason whatsoever, it shall be deemed a material default by the Purchaser under the Purchase Agreement and Sponsor may, in that event, cancel the Purchase Agreement and, notwithstanding such cancellation, be entitled to recover the amount of such check in addition to, without limiting the foregoing provisions, the costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) of collection of any such check or other instrument so dishonored.

Financing

As more fully described in **"Special Risks"** and in the Purchase Agreement, a Purchaser's obligations to purchase his Unit under his Purchase Agreement will NOT be contingent upon the Purchaser obtaining financing. That means that, in such event, the Purchaser will be obligated to fund his/her purchase through alternate means; if the Purchaser cannot close on his/her purchase due to the unavailability of financing, or for any other reason, the Down Payment will be forfeited to the Sponsor pursuant to the terms of the Purchase Agreement.

Sponsor cannot and does not represent, assure or guarantee that any Purchaser will be able to obtain mortgage financing or the terms or costs of such financing. The obligations of a Purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective Purchaser who executes a Purchase Agreement and does not obtain financing may lose his/her deposit if (s)he is unable to otherwise raise the monies for the balance of the Purchase Price. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement.

It is noted that most lenders currently require a specified minimum percentage of units in a condominium be sold to Purchasers for owner-occupancy as one of their loan prerequisites. Sponsor cannot, and does not, represent, warrant, assure or guarantee the percentage of Units that will be owner-occupied at any given time or that such percentage will meet the requirements of Institutional Lenders or other lenders at any time, or whether a Purchaser will succeed in arranging such financing. Please consult the Sections of the Plan

entitled "**Special Risks**" and "**Closing of Title to Units and Terms of Sale.**"

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 owner 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 a Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

The Sponsor shall have no liability to any Purchaser if his/her application for financing is not accepted, or fails to meet any conditions set forth in any mortgage commitment. The Sponsor makes no representations regarding the availability or terms of financing.

The Escrow Agent

The law firm of Belkin Burden Goldman, LLP, with an address at 270 Madison Avenue, New York, New York 10016, telephone number 212-867-4466, shall serve as escrow agent ("**Escrow Agent**") for the Sponsor and Purchasers. Escrow Agent has designated the following attorneys to serve as signatories: Daniel Altman, Sherwin Belkin, Matthew Brett, Jeffrey L. Goldman, Martin Heistein, Lewis Lindenberg, Martin Meltzer, Craig Price, Kara Rakowski, Aaron Shmulewitz, David M. Skaller, and Stephen Tretola. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account

The Escrow Agent has established the escrow account at Sterling National Bank, located at 25 West 45th Street, New York, New York 10036 (the "**Bank**"), a bank authorized to do business in

the State of New York. The escrow account is entitled "Belkin Burden Goldman, LLP, Escrow Account for Hadramant LLC/[Name of Purchaser]" (the **"Escrow Account"**). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured.

All Deposits received from Purchasers shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to the order of "Belkin Burden Goldman, LLP, Escrow Account for Hadramant LLC/[Name of Purchaser]", as Escrow Agent.

Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into the Escrow Account, assuming that the Purchaser shall have supplied his/her/its social security or tax identification number to the Escrow Agent, and shall have delivered a signed form w-9 or its equivalent to the Escrow Agent. All interest earned thereon shall be paid or credited to the Purchaser at Closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement

The form of Purchase Agreement is attached hereto in Part II of this Plan. The relevant escrow trust fund provisions are included in paragraph 15 of the Purchase Agreement, which must be executed by the Escrow Agent in addition to the Sponsor and the Purchaser.

Any conflict between this Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

Notification to Purchaser

Within twenty (20) days after delivery to Sponsor or Selling Agent of the Purchase Agreement executed by Purchaser, and the Down Payment, Sponsor will either: (a) accept the Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or (b) reject the Purchase

Agreement offer and refund the Down Payment tendered by Purchaser. If Sponsor takes no action within the aforesaid twenty (20) day period, the Purchase Agreement shall be deemed null and void and the Down Payment shall be returned.

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

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds

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 respective Purchasers' money, and may not be commingled with any other money or pledged or hypothecated by the Sponsor, as per General Business Law §352-h.

Under no circumstances shall the Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of

its obligations pursuant to General Business Law §§352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

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

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

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

The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine

compliance with all applicable statutes and regulations.

Waiver Void

Any provision in the 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 General Business Law §§352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, this Plan, or any amendment thereto.

The Escrow Agent will maintain all records concerning the Escrow Account for seven (7) years after the closing of such account.

The Escrow Agent may from time to time, upon notice to Sponsor and all Purchasers, change the depositary in which the Down Payments are held to another lending institution in New York City. Sponsor shall amend this Plan to disclose any such change.

Events of default

If a Purchaser (i) defaults in paying the balance of the Purchase Price on the date scheduled by Sponsor for closing title to his Unit, (ii) defaults in performing some other obligation under the Purchase Agreement, or (iii) is or becomes a tenant or occupant of the Building and is evicted (whether by voluntary removal or by court order), for failure to pay rent or to perform some other lease or tenancy obligation, Sponsor's sole remedy under the Purchase Agreement will be to cancel said Purchase Agreement by sending written notice to such Purchaser and, if such Purchaser shall fail to cure such default within **thirty (30)** days after the giving of such notice, to retain, as and for liquidated damages, the Liquidated Sum. Any payments received by Sponsor in excess of the Liquidated Sum, together with interest earned on such excess payments, if any, shall be refunded to the Purchaser with reasonable promptness after cancellation. **THE CURING OF SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD IS OF THE ESSENCE OF THIS AGREEMENT. THIS MEANS THAT, UPON THE PURCHASER'S FAILURE TO CURE HIS DEFAULT WITHIN SUCH PERIOD, THE PURCHASE AGREEMENT SHALL BE DEEMED CANCELLED AND SPONSOR MAY RETAIN THE LIQUIDATED SUM AS DAMAGES.** If a Purchaser is or becomes a tenant or occupant of the Building and

fails to pay rent or otherwise to comply with his lease or tenancy obligations or vacates or abandons his Unit, then Sponsor may cancel his Purchase Agreement as set forth above whether or not such Purchaser is evicted from the Building by reason thereof. If, however, such person is not evicted from the Building by reason of such default, vacating or abandonment, Sponsor shall return to such Purchaser all monies deposited under his Purchase Agreement, together with the interest earned thereon, if any.

If a Purchase Agreement is cancelled, both Sponsor and the Purchaser shall be relieved of all further obligations and liabilities thereunder and under this Plan, and Sponsor shall be free to sell the Unit to another Person as though such Purchase Agreement had never been made and without accounting to the Purchaser for the proceeds received on such sale.

After the amendment declaring this Plan effective has been accepted for filing, Sponsor will fix dates for closing of title to all Units for which Purchase Agreements have been accepted.

At the closing, each Purchaser shall be required to sign a Unit Owner power of attorney in favor of the Board of Managers, in the form set forth in Part II of this Plan.

Neither the Purchase Agreement nor this Plan may contain, or be modified to contain, a provision waiving a Purchaser's rights, or abrogating Sponsor's obligations, under Article 23-A of the General Business Law.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Purchaser shall assign his/her Purchase Agreement without the prior written consent of Sponsor in each instance, which consent may be withheld, or subject to such conditions as Sponsor may desire to impose, solely within Sponsor's discretion.

EFFECTIVE DATE

In New York City, a Sponsor of a non-eviction conversion Plan may not declare it effective until purchase agreements have been executed and delivered for at least 15% of all dwelling units in the Building, or group of buildings, or development, by bona fide tenants in occupancy or bona fide Purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the Unit when it becomes vacant.

Regulations promulgated by the Department of Law include additional requirements for declaring a Plan effective, including an affidavit from the Sponsor setting forth various information. In addition, non-tenant Purchasers must also provide an affidavit that sets forth the following representations: (a) a representation by the Purchaser that (s)he or one or more members of his/her immediate family intends to occupy the Unit when it becomes vacant; and (b) a statement identifying the individuals who intend to occupy the Unit when it becomes vacant and their relationship to the Purchaser; and (c) a listing by the Purchasers of any other purchase agreements in which they made similar representations of intent to occupy.

Purchasers are urged to consult the Department of Law's memorandum dated April 13, 2015 entitled "Requirements for Effectiveness Amendments in Occupied Conversion Plans Under GBL § 352-eeee", which can be accessed at: http://www.ag.ny.gov/sites/default/files/pdfs/bureaus/real estate finance/Effective-memos/EffectivenessAmendment-requirements-in-OccupiedConversionsUnderGBLPublic-4.13.2015.pdf. A copy of the memorandum is attached in Part II of this Plan. The memorandum also contains the form of affidavit of bona fide tenant purchaser for purposes of declaring the Plan effective.

Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods described in the Plan. The following provisions will determine whether, when and how the Plan will be declared effective:

1. The Plan may be declared effective by (i) an amendment to the Plan, or (ii) serving notice on each tenant and non-tenant Purchaser that the Plan is declared effective and submitting an amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date. The First Unit Closing

shall not occur until the amendment declaring the Plan effective is accepted for filing by the Department of Law.

2. The Plan will be deemed abandoned, void and of no effect if it is not declared effective within fifteen (15) months from the date of issuance of the letter of the Attorney General stating that the Plan has been accepted for filing. In the event of such abandonment, no new plan for the conversion of the Building will be submitted to the Attorney General for at least twelve (12) months after such abandonment. Such 15-month limit shall not be extended.

3. The Plan may not be declared effective until written Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all Units (i.e., at least one Unit) by Eligible Tenants or bona fide Purchasers who represent that they intend that they or a specified member of their immediate family occupy the Unit when it becomes vacant. As to Eligible Tenants, the Purchase Agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

The Plan will not be declared effective based on Purchase Agreements:

1. signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or

2. that have been assigned or transferred (which assignment or transfer may occur only with Sponsor's express written consent), unless (i) the tenant in occupancy has signed the Purchase Agreement and paid the full Down Payment to Sponsor, and (ii) the assignee shall provide a notarized affidavit stating that the assignee was not procured by Sponsor or the Managing Agent, and that the assignee intends that he or a specified member of his immediate family personally occupy the dwelling unit; or

3. if the Purchaser was not afforded the seven (7) day period to rescind the Purchase Agreement or the three (3) day period to review the Plan and all filed amendments in accordance with the provisions set forth in the Section of the Plan entitled **"Procedure to Purchase"**; or

4. with any Purchaser who is Sponsor or the Managing Agent, or who is a principal of Sponsor or the Managing

Agent, or is related to Sponsor or the Managing Agent or to any principal of Sponsor or of the Managing Agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder, a member or a limited partner, except that such a Purchaser other than Sponsor or a principal of Sponsor may be included to the extent permissible under the applicable Regulations promulgated by the Department of Law.

5. When Purchase Agreements have been executed and accepted for the sale to Purchasers of at least eighty percent (80%) of the Units (i.e., all three Units) offered under the Plan, Sponsor MUST declare the Plan effective.

6. Sponsor shall, on the 30th, 60th, 88th and 90th day after the date of presentation of this Plan, and at least once every thirty (30) days thereafter until the Plan is declared effective or abandoned, as the case may be, and on the tenth and second day before the expiration of any exclusive purchase period provided in a substantial amendment to the Plan: (a) file with the Attorney General a written statement, under oath, setting forth the percentage, as of the date of such statement, of bona fide tenants in occupancy, on the date the Plan was accepted for filing by the Attorney General, of all dwelling units in the Building who have executed and delivered Purchase Agreements under the Plan; and (b) before noon on the date such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the Building. Such statement shall be filed with the Department of Law together with a list of Purchasers, the date each Purchase Agreement was signed and any required down payment tendered. The contents required to be included therein are set forth in the Section of this Plan entitled **"Rights of Existing Tenants."**

7. Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever, provided the Plan neither has been declared effective nor is required to be declared effective as set forth in paragraph (4) above. After the Plan is declared effective or so required to be declared effective, but before the First Unit Closing, the Plan may not be abandoned except in the event of: (a) the existence of one or more defects in title or violations that cannot reasonably be cured without litigation or cannot be cured for less than 0.5% of the aggregate sale prices of all Units (currently $69,825 under this Plan, but subject to

change as sales prices of Units change) in the aggregate as reasonably estimated by Sponsor; or (b) any substantial damage to or destruction of the Building by fire or other casualty; or (c) the taking of any material portion of the Property by condemnation or eminent domain. The aforementioned figure relied upon as a basis for abandonment after this Plan is declared effective does not include any attorneys' fees or any title defect, violation or determination of any authority or regulatory association that exists on the date of presentation of this Plan and either is known to Sponsor or is a matter of public record. The amount may change, depending on changes in the sale prices of the Units. Sponsor will not, however, be obligated to cure any defect in title (including, without limitation, liens and violations of record) that are to be cured by, or that result from the acts and omissions of, any tenants of the Building.

Each Purchaser in good standing who refuses to waive any of the aforesaid title defects shall have the right for fifteen (15) days after being notified thereof to rescind his Purchase Agreement and receive all monies deposited thereunder with any interest earned thereon, provided that, if he was not a tenant in occupancy on the date the Attorney General accepted the Plan for filing, such rescission shall be conditioned upon the cancellation of any Interim Lease and the surrender of possession of his Unit within thirty (30) days after such rescission.

8. Pursuant to Real Property Law section 339-t, subsequent to the First Unit Closing, this Plan may not be abandoned unless at least eighty percent (80%) of the Unit Owners, both in number and in Common Interest, vote to terminate the Condominium. Sponsor will not vote the aggregate Common Interest appurtenant to its Unsold Units for such termination unless at least eighty percent (80%) of the other Unit Owners, both in number and in Common Interest, elect to terminate, in which event Sponsor may choose to vote its Common Interest either in favor of or against termination of the Condominium, as it sees fit. For further discussion, see the Declaration of Condominium, contained in Part II of this Plan.

9. If this Plan is withdrawn or abandoned, all Purchasers and all tenants or other occupants of Units will be so

notified in writing. Within five (5) days from the date the amendment withdrawing or abandoning this Plan is accepted for filing, all monies (including but not limited to Down Payments) paid to Sponsor pursuant to Purchase Agreements then in effect (together with any interest earned thereon) will be returned to Purchasers in good standing, except to the extent used to perform any special work ordered by the Purchaser. Sponsor will retain, however, as liquidated damages, the Down Payment (together with any interest earned thereon, but not to exceed ten percent (10%) of the Purchase Price plus any additional sums deposited on account of any special work in the Unit ordered by the Purchaser) of any Purchaser who is then in default under his Purchase Agreement beyond any applicable grace period or whose Purchase Agreement had been cancelled previously as a result of such Purchaser's default. Upon the return or retention of such monies, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under this Plan or under such Purchase Agreements.

10. After this Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for closing title to Units for which Purchase Agreements are in effect. The First Unit Closing will be held no later than one hundred eighty (180) days after the Plan is declared effective, unless adjourned by Sponsor, but in no event sooner than thirty (30) days after the date upon which notice is given that the Plan is declared effective. The closing of title to each Unit will take place in accordance with the terms of the applicable Purchase Agreement. See the Section above entitled **"Procedure to Purchase"** for a more complete discussion of the events that will occur at each such closing of title.

11. This Plan may not be amended at any time to provide that it shall be an eviction plan.

CLOSING OF TITLE TO UNITS AND TERMS OF SALE

Prerequisites to Closing of title

The closing of title to each Unit shall take place only after, or concurrently with, the latest of the following events to occur:

(1) The Plan being declared effective by Sponsor and an amendment to the Plan stating that it has been declared effective having been accepted for filing;

(2) The recording and filing in the Register's Office of the Declaration, By-Laws and Floor Plans in accordance with the Condominium Act or other Applicable Law and such other documents as may be required by Applicable Law in connection with the submission of the Property to condominium ownership pursuant to the Condominium Act;

(3) The release of such Unit and its appurtenant Common Interest from the lien of all mortgages, unless Sponsor has obtained from the holders of all such mortgages an agreement pursuant to which each such mortgage holder has either: (a) consented to the formation of the Condominium and acknowledged that its lien will be limited to Unsold Units, and/or (b) subordinated the lien of its mortgage to the Declaration; (the Sponsor has obtained such an agreement from the holder of the mortgage on the Property);

(4) If the Purchaser of such Unit so requests, the issuance of a title insurance binder insuring fee title to such Unit in the Purchaser, at the Purchaser's expense, subject only to the Permitted Encumbrances and any other title matters which Purchaser consents to take title subject to, which binder will also insure that a valid condominium has been created pursuant to the terms of the Condominium Act (see the Section of the Plan entitled **"Unit Closing Costs and Adjustments"** for an estimate of the cost to the Purchaser to obtain such title insurance); and

(5) Delivery to the Purchaser, in proper form for recording, of a duly executed bargain and sale deed with covenants against grantor's acts conveying title to such Unit (the **"Unit Deed"**).

State of title

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the closing of title to such Unit free and clear of all liens, encumbrances, and title exceptions other than those described in the proposed Unit Deed and the title exceptions and other matters set forth below (collectively the **"Permitted Encumbrances"**):

1. Any state of facts which an accurate survey and inspection made on the date of closing of title to such Unit would show, provided such state of facts (except as set forth below) is not otherwise disclosed in this Plan and does not prohibit the existence and use of the Unit;

2. Zoning regulations, ordinances, building restrictions and regulations;

3. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets which the Property may abut (none currently exist or are contemplated);

4. Encroachments of the Building, walls, stoops, steps, balconies, ornamental columns, windows, door caps, keystones, ledges, pilasters, coping, trim and cornices, and any other part thereof, if any, upon any street or highway or upon any adjoining property and similar encroachments upon the Property;

5. Sewer, water, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, wires, cables, amplifiers, transformers, pipes, conduits, poles, meters and distribution boxes in, over, under and upon the Property and the Building;

6. The lien of any mortgage, lien or other encumbrance granted, created, or obtained by the Purchaser;

7. Easements for ingress and egress for construction, installation, operation and maintenance of municipal service facilities and utilities;

8. Agreements, covenants, restrictions and easements of record;

9. Any other covenants, restrictions, easements, or any other encumbrance (other than for the payment of money), provided that they do not prohibit the existence and use of the Unit;

10. Rights, if any, to maintain vaults and chutes under the sidewalk;

11. The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and assessments, provided that apportionment of such items is made as provided in this Plan;

12. Service, labor, concessionaire and maintenance agreements contemplated under this Plan;

13. Any Interim Lease with the Purchaser for such Unit and any other leases, tenancies and occupancies permitted by the Purchase Agreement for such Unit;

14. Any Existing Lease for such Unit;

15. Any lien, encumbrance or lis pendens either (i) for which the instrument required to remove said encumbrance of record is delivered at or prior to the date of closing of title to the Unit to the proper party or to the Purchaser's title insurance company together with the required recording or filing fee, or (ii) as to which the Purchaser's title insurance company will insure that the lien, encumbrance or lis pendens will not be collected out of or enforced against the Unit;

16. The lien of any assessment or assessments which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided below;

17. Party wall agreements, if any;

18. Judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Sponsor or any of its principals, provided Sponsor or any such principals, as the case may be, deliver to the Purchaser or the Purchaser's title insurance company an affidavit showing that such judgments, bankruptcies or

other returns are not against Sponsor or any such principals, as the case may be;

19. Uniform Commercial Code financing statements or conditional bills of sale provided that (i) such statements were filed on a date more than five years prior to the closing of title to the Unit, (ii) Sponsor executes and delivers to the Condominium an affidavit setting forth that the property covered thereby is no longer in the Unit or is fully paid for, or (iii) a tenant is the debtor thereunder;

20. The printed exceptions set forth in the Certificate of Title No. 911083 of Royal Abstract of New York LLC as agent for Commonwealth Land Title Insurance Company, or in any title policy issued by a title company that is authorized to do business in the State of New York and that is a member of the Title Insurance Rate Service Association; and

21. All of the terms, burdens, easements, covenants, restrictions, conditions and rules and regulations set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Unit Owner's Power of Attorney and the Floor Plans, all as may be amended from time to time.

Purchasers are free to use a title company of their choosing without incurring a penalty or additional costs from Sponsor. Sponsor will have no obligation to cause the Purchaser's title company to omit any exceptions to title. However, in the event Purchaser's title company fails or refuses to issue title insurance in accordance with the terms of this Agreement, then Sponsor shall have the right to require that Purchaser seek title insurance from another title insurance company of Purchaser's choice, and Purchaser shall accept such title as such other title insurance company selected by Purchaser shall approve and insure, subject to the provisions herein. But under no circumstances will Purchaser be obligated to incur any penalties or additional costs in doing so.

Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense in excess of its obligations under the Plan to cure any inability to deliver title to a Unit in accordance with the Plan and the terms of the Purchase Agreement for such Unit. If Sponsor notifies a Purchaser of its refusal to cure any such inability, then such Purchaser's sole remedy will be either (a) to take such title as Sponsor is able to deliver without abatement in or credit

against the Purchase Price for the Unit and without any claim or right of action against Sponsor for damages or otherwise, or (b) to terminate his Purchase Agreement, and receive a refund of his Down Payment and any interest earned thereon. A Purchaser must notify Sponsor which option such Purchaser elects within thirty (30) days after the giving of Sponsor's notice of refusal to cure such inability, with **TIME BEING OF THE ESSENCE**. If a Purchaser fails to timely deliver such notice, it will be conclusively deemed that such Purchaser has elected to acquire title to the Unit subject to such inability as set forth in clause (a).

Terms of sale

The following is a summary of certain material provisions of the Purchase Agreement, but it is not intended as a complete statement of these or other important provisions of the same. For a complete statement of these provisions, please refer to the form of Purchase Agreement set forth in Part II of this Plan:

1. Incorporation of Plan

The Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) as well as all amendments to the Plan duly filed by Sponsor (including, but not limited to, amendments involving any changes, modifications or updating of the estimated Common Charges, the estimated real estate taxes to be paid by the Purchaser, or the Section of the Plan entitled **"Schedule B: Projected Budget for the First Year of Condominium Operation")** are incorporated into each Purchase Agreement by reference. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. The execution and submission of a Purchase Agreement constitutes the Purchaser's acceptance of this Plan and his agreement to be bound by the terms of the Plan, including all duly filed amendments thereto. Any such amendments shall not excuse the Purchaser from performing the Purchaser's obligations hereunder, nor shall they entitle the Purchaser to any offset or credit against the performance of the Purchaser's obligations hereunder, nor shall they entitle the Purchaser to any offset or credit against the Purchase Price. Any such amendments may be made by Sponsor without the Purchaser's consent or approval, subject to the Purchaser's right to rescind in the event of a material amendment to the Plan or the Condominium Documents that adversely affects in any material respect the Purchaser's rights, obligations or liabilities under his Purchase Agreement

or under the Plan as more specifically set forth in the Section of the Plan entitled **"General."**

Moreover, if, prior to the First Unit Closing, Sponsor amends the terms and conditions contained in this Plan to be more favorable to tenant Purchasers, an Eligible Tenant who executed and submitted a Purchase Agreement before Sponsor amended the terms may elect to benefit from the more favorable terms and conditions, in which event the Purchase Agreement may be amended to reflect such more favorable terms. In the event that the Department of Law shall determine that any such changes in terms or conditions are material, or if otherwise required by the Department of Law, Sponsor shall afford Purchasers the right to rescind their Purchase Agreements.

Nothing contained in this Plan, the Purchase Agreement or any modifications thereto shall be deemed to constitute a waiver of the Purchaser's rights or an abrogation of Sponsor's obligations under Article 23-A of the GBL. The Purchase Agreement to be used by Eligible Tenants who purchase during the Exclusive Purchase Period may not be modified except by a duly filed amendment to the Plan.

2. Units sold "As Is"; fixtures and appliances

The Units are being sold in the condition in which they exist at the time of signing the Purchase Agreement, subject to ordinary use, wear and tear and natural deterioration; and subject further to Sponsor's obligation to maintain the Building until the First Unit Closing to the extent indicated in the Section of the Plan entitled **"Sponsor's Statement of Building Condition"**. Other than the foregoing, Sponsor will not be obligated to make repairs, modifications or changes in or to any Unit unless expressly agreed to in writing by the parties. At closing, each Unit will contain only those appliances, countertops, cabinets, sinks, vanities, hardware and other fixtures and equipment that are owned by Sponsor and were installed therein as of the date of the Purchase Agreement relating to such Unit. Each Unit is to be sold unfurnished, and there will be no modifications or "extras" unless agreed to in writing by the parties. Any appliances, furnishings, equipment, fixtures or other personal property owned by any tenant or occupant of the Unit or any other Person will not be included in the sale. If, however, a Unit is at the time of closing occupied other than by the Purchaser, and such tenant or other occupant removes a stove or refrigerator belonging to him, then Sponsor will supply a replacement, which need not be new, but

will be in working order and similar in style and quality to the stoves and refrigerators owned by Sponsor that are contained in comparable Units in the Building on the date of presentation of this Plan.

No major capital improvements to the Building or the Units are contemplated by Sponsor.

Sponsor is not aware of any significant changes made by tenants to their apartments. If a Unit with code violations and/or floor plan variations becomes vacant, Sponsor shall correct any such violations and/or variations before the sale of such Unit shall close.

The Purchaser shall accept title (without abatement in, or credit against, the purchase price, or provision for escrow) notwithstanding that any of the following may not have been completed by Closing: (i) minor details of the Unit or the Building, (ii) other Units, (iii) any Facility, or (iv) any portion of the Common Elements.

Each Purchaser shall have a reasonable opportunity to examine the Unit with a representative of Sponsor prior to Closing, and shall be obligated to sign an Inspection Statement to Sponsor at or before the Closing, acknowledging the condition in which the Unit is being delivered. Sponsor shall not be obligated to post a bond or escrow monies to assure completion of any incomplete items. The Sponsor may reasonably limit the number of times that a Purchaser may inspect the Unit.

Sponsor's obligation to correct defects in Units or the Common Elements following the First Unit Closing shall be limited to: (i) with regard to defects in a Unit, only such defects for which written notice shall have been given to Sponsor by such Unit Owner within six months (with regard to patent defects), and within one year (with regard to latent defects), following the Closing for such Unit, (ii) with regard to defects in the Common Elements, only such defects for which written notice shall have been given to Sponsor within six months (with regard to patent defects that affect a Unit), and within one year (with regard to latent defects that affect a Unit), following the First Unit Closing, and (iii) with regard to defects in General Common Elements (even if they do not affect a Unit), one year from the later of issuance of the final certificate of occupancy or completion of that portion of the General Common Elements which is claimed to be defective. Time shall be of the essence with regard to all such time periods.

3. Access to Unit

Each Purchaser of a Unit that (s)he does not occupy shall be given reasonable access to such Unit prior to the Closing (subject to the rights of any tenant or occupant of such Unit) for the limited purpose of inspection and taking measurements. Any Purchaser permitted such access shall release Sponsor from any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from any injuries sustained by any person or damage to any property resulting from such access, even if such injury results from the negligence of Sponsor or any of its agents, employees, contractors or representatives. In addition, any such Purchaser shall indemnify and hold Sponsor and its agents, employees, contractors and representatives harmless from and against any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from such access, including without limitation reasonable attorneys' fees and expenses.

4. Closing of title

The Declaration, Bylaws and Floor Plans for the Condominium, and such other documents as shall be required by law, shall be recorded or filed prior to the first conveyance of title to a Unit, in accordance with the Condominium Act.

The Closing of title to each Unit will be held in such place in the City of New York, on such day and at such hour as Sponsor shall designate to the Purchaser of such Unit on not less than thirty (30) days' prior written notice. Such notice shall inform the Purchaser of his obligation to pay the balance of the Purchase Price as set forth in the subsection entitled **"Payment of Purchase Price,"** above, and shall state when Common Charges will be due and payable. Sponsor shall have the right to postpone the Closing date and to fix a new Closing date. In such event, Sponsor shall give the Purchaser not less than five (5) business days' prior notice of the new date and time of Closing. The Closing shall take place only after or concurrently with the occurrence of the necessary concurrent or prerequisite events set forth in the subsection entitled **"Prerequisites to Closing of Title,"** above.

The foregoing shall not act to extend Sponsor's time to declare the Plan effective as set forth in the Section of the Plan entitled **"Effective Date"** and shall not affect Sponsor's right to abandon or withdraw this Plan as set forth in such

Section. If the Plan is so abandoned or withdrawn, the Purchase Agreement will be deemed cancelled, and all monies paid by the Purchaser thereunder, together with interest earned thereon, if any, shall be disbursed as discussed in the subsection entitled **"Escrow Trust Funds,"** above. After the funds are so disbursed, neither the Purchaser nor Sponsor shall have any claims against each other in connection with the Purchase Agreement or this Plan, and all of the same shall be released and discharged from all obligations and liabilities under the Purchase Agreement and this Plan.

5. Delivery of deed

Upon delivery to Sponsor of (i) the balance of the Purchase Price, (ii) a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, and (iii) transfer tax returns in the form required to be filed with the City and State of New York and payment of transfer taxes by Purchaser as required, which documents must be executed and acknowledged by the Purchaser, Sponsor will execute, acknowledge and deliver to the Purchaser a bargain and sale deed with covenant against grantor's acts, conveying title to the Unit subject only to the Permitted Encumbrances and such other title conditions as consented to by Purchaser, if any. The deed and the Unit Owner's Power of Attorney will be substantially in the forms set forth in Part II of this Plan.

6. Existing tenancies

If the Purchaser's Unit is, at the time of signing the Purchase Agreement, occupied by, or under lease to, someone other than such Purchaser, such Purchaser will purchase such Unit subject to the rights of the existing tenant or occupant; the rights of existing residential tenants are more fully described in the Section of this Plan entitled **"Rights of Existing Tenants."** In addition, upon becoming the Unit Owner of such Unit, said Purchaser will succeed to and assume all of Sponsor's rights and obligations as the landlord of such tenant or occupant, as more fully set forth in the Section of the Plan entitled **"Obtaining Possession of Occupied Units; Rights and Duties of Non-Occupant Purchasers."**

7. Rent security deposits

The unapplied rent security deposit, if any, of a tenant who purchases his Unit will be refunded to such tenant, together with any interest earned thereon, within thirty (30)

days after the closing of title to the Unit, provided that the tenant is not in default under his lease or tenancy obligations. If an occupied Unit is purchased by someone other than the tenant or occupant, the unapplied security deposit, if any, will be transferred at closing to such Purchaser, who shall, in writing, acknowledge receipt of same at closing and agree to indemnify Sponsor from all liability in connection therewith. In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent due to Sponsor from such tenant or occupant.

8. Risk of loss or damage to Units prior to Closing

If the Purchaser is or becomes the tenant or occupant of a Unit before the Closing of title thereto and before such Closing the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts or omissions of such Purchaser or other occupant of the Unit or such Purchaser's or other occupant's guests, invitees or workers. Except as set forth in the preceding sentence, all other risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. If Sponsor or (in the event the Declaration has been recorded) the Unit Owners do not elect to repair the damage (except for damage that is the Purchaser's obligation to repair as provided above), the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Down Payment, together with interest earned thereon, if any, shall be disbursed as discussed above in the section entitled **"Procedure to Purchase."** If Sponsor (or the Unit Owners, if the Declaration has been recorded) elects to repair or replace the loss or damage so as to restore the Unit substantially to its condition immediately preceding such loss or damage, the Purchase Agreement shall continue in full force and effect; in which event the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor (or the Unit Owners) shall be entitled to a reasonable period of time to complete such repairs or replacement.

9. Broker

The Purchaser will represent to Sponsor that he has not dealt with any broker, other than with the Selling Agent and any co-broker engaged by such Purchaser, in connection with the

acquisition of his Unit and will indemnify Sponsor against the claims of any other broker.

10. No lien

Neither the Purchase Agreement nor any monies deposited thereunder shall constitute a lien against the Property, including the Unit.

11. Agreement may not be assigned

The Purchase Agreement may not be assigned or transferred by the Purchaser without his first obtaining the express written consent of Sponsor. Any applications for assignment of a Purchase Agreement will be considered by Sponsor on an objective and non-discriminatory basis. The Plan will not be declared effective based on Purchase Agreements assigned or transferred, except as set forth in the Section of the Plan entitled **"Effective Date."** Notwithstanding any consent to an assignment of the Purchase Agreement agreed to by Sponsor, no Purchaser shall be released from any liability under his Purchase Agreement by reason of such assignment.

The Sponsor hereby represents that no contracts or agreements for the sale or transfer of any of the Units have been entered into, and no deposits or advances of funds have been accepted by the Sponsor as of the date the Plan is accepted for filing.

Prior to Closing, a Purchaser may not list the Unit for resale or rental, or advertise, publicize or promote the availability of the Unit for sale or lease, or otherwise offer to sell or lease the Unit, without the prior written consent of Sponsor in each instance.

UNIT CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit are set forth below. SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO SUCH COSTS, WHICH ARE ONLY ESTIMATES AND WHICH ARE SUBJECT TO CHANGE.

At the Closing of title to each Unit, Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal tax year for which assessed, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes; (ii) Common Charges for the month in which title closes; and (iii) rent and other charges, if any, pursuant to the lease for, or tenancy of, such Unit. In the event the Unit has not been separately assessed for the then current fiscal tax year as of the Closing, the apportionment of real estate taxes shall be based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed (if any) shall be paid by the Purchaser and shall not be considered a defect in title.

At the time of Closing, each Purchaser of a Unit will pay certain Closing costs in addition to any legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the Closing apportionments described above. Such Closing costs will include the following, the amounts of which are subject to change without prior notice or amendment in accordance with Applicable Law, fees and costs prescribed thereby, and prescribed insurance rates, that may be in effect from time to time, (except that the amount of the fees, if any, required to be paid to Sponsor's counsel, as may be set forth below, may only be changed by duly filed amendment):

1. If the Purchaser elects to obtain fee title insurance, he will pay a premium therefor which will vary depending upon the amount of insurance requested. Premiums for title insurance are set in accordance with the schedule of rates set by the New York Board of Underwriters and filed with the New York State Insurance Department. At the present time, the rates are as follows:

70% of $371 for the first $35,000;
from $35,001 to $50,000, add $6.16 per thousand;
from $50,001 to $100,000, add $5.02 per thousand;
from $100,001 to $500,000, add $4.03 per thousand;
from $500,001 to $1,000,000, add $3.68 per thousand; and
from $1,000,001 to $5,000,000, add $3.38 per thousand.

Alternatively, where a mortgage title policy is simultaneously issued, reduced rates set by the New York State Insurance Department may be available. Each Purchaser is free to obtain title insurance from the title insurance company of his/her choice; however, Sponsor makes no representation or warranty as to the cost, terms or availability of such other title insurance;

2. each Purchaser will, in all events, pay a fee for recording the deed to the Unit and the Unit Owner's Power of Attorney of $156.00 for each instrument plus $5.00 per page, together with a service charge to the title company for such recording;

3. if the Purchaser obtains a mortgage loan, such Purchaser will pay a mortgage recording tax in the amount provided by Applicable Law (at present, the rate is 2.05% of the principal amount of the mortgage for mortgages of less than $500,000, 2.175% of the principal amount of the mortgage for mortgages secured by individual residential condominium units for $500,000 or more, and 2.80% for mortgages of $500,000 or more on all other types of property, in all of the foregoing cases not reflecting any portion of the mortgage recording tax that may be payable by the mortgagee under applicable law) and a fee and service charge to the title company for recording the mortgage at the same rates given above for recording the deed and Unit Owner's Power of Attorney; it should be noted that, **IF** there is currently a mortgage against the Property for which Sponsor has previously paid a mortgage recording tax, Purchasers **MAY** be entitled to a partial mortgage tax credit, which credit, if any, shall inure, and which shall be payable, to Sponsor pursuant to Section 339-ee of the New York State Condominium Act (however, any such credit, if available (as to which Sponsor makes no representations), will not reduce the aggregate amount payable by a Purchaser, and Sponsor makes no representation regarding the availability of such credit);

4. each Purchaser will be required to pay the New York City Real Property Transfer Tax (the rates of which for residential property such as all of the Units being offered for sale herein are, at present, 1% of the purchase price if the purchase price is less than $500,000, and 1.425% of the total purchase price if the purchase price is $500,000 or more, and the rates of which for bulk purchases of two or more Units are currently 1.425% of the purchase price if the purchase price is less than $500,000, and 2.625% of the total purchase price if the purchase price is $500,000 or more), as well as the New York State Real Estate Transfer Tax (the rate of which is, at present, 0.4% of the purchase price if it is $3 million or less, and 0.65% of the purchase price if it exceeds $3 million); it should be noted that, since, pursuant to the Purchase Agreement, each Purchaser will be obligated to pay these transfer taxes, the amounts thereof will be added to the Purchase Price before the appropriate tax rates are applied, in calculating the actual transfer taxes that will be due; Purchasers should be cognizant of the fact that, in such instances, the amount of transfer taxes paid by a Purchaser on behalf of a seller like the Sponsor would itself be deemed additional consideration subject to such transfer taxes;

5. if the purchase price of a Unit is $1 million or more, the Purchaser will also be obligated to pay an additional New York State "Mansion Tax" in an amount equal to: 1% of the purchase price if the purchase price is less than $2 million; 1.25% of the purchase price if the purchase price is $2 million or more but less than $3 million; 1.50% of the purchase price if the purchase price is $3 million or more but less than $5 million; and 2.25% of the purchase price if the purchase price is $5 million or more but less than $10 million;

6. if the Purchaser obtains a mortgage loan, then the Purchaser will be responsible for paying all closing costs and expenses in connection therewith in amounts determined by the lender. Generally, such costs include but are not necessarily limited to: a fee charged by the lender's attorney; an appraisal fee; an inspection fee; a fee for recording the mortgage; and an origination fee, or "points." Sponsor makes no representation or warranty as to such closing costs and expenses or as to the availability of such financing;

7. IF THE PURCHASER HAS DEALT WITH ANY BROKER IN CONNECTION WITH THE PURCHASE OF HIS UNIT OTHER THAN THE SELLING AGENT (IF ANY), OR OTHER BROKER ENGAGED IN WRITING BY SPONSOR, THEN THE PURCHASER WILL BE REQUIRED TO PAY THE COMMISSION OF SUCH BROKER UNLESS SPONSOR EXPRESSLY AGREES OTHERWISE IN WRITING;

8. each Purchaser shall pay a closing fee of $3,750 per Unit to Sponsor's Counsel; if, however, due to Purchaser's request or fault the Purchaser does not close on the date designated for the transfer of title to his/her Unit and such closing must be adjourned to a subsequent date, the Purchaser shall also pay to Sponsor's Counsel an additional closing fee of $500, as well as an additional fee in the amount of $500 for each default letter that Sponsor's Counsel shall serve; further, if the Purchaser assigns the Purchase Agreement (which assignment cannot be made without Sponsor's consent), then the Purchaser shall also pay to Sponsor's Counsel an additional closing fee of $500; finally, if the closing takes place out of the office of Sponsor's Counsel at Purchaser's request, then an additional closing fee of $300 payable to Sponsor's Counsel, will be paid by the Purchaser;

9. at the closing, each Purchaser shall pay to the Condominium a working capital contribution equal to two months common charges for the Unit being purchased;

10. Purchasers of Units occupied by Non-Purchasing Tenants, except Sponsor or any Sponsor Successor, will be required to deposit with the Managing Agent at the closing an amount equal to an additional two months' common charges and real estate taxes to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and pursuant to Law.

Illustrative estimated Closing costs for typical Unit:

(Unit 1, having a purchase price of $4,370,000 and assuming a mortgage of $3,277,500)

Fee title insurance premium	$16,842
Mortgage title insurance premium	$ 3,214
Recording charges	$ 2,000
Mortgage recording tax	$63,092*
NYC Real Property Transfer tax	$63,565**
NYS Real Estate Transfer tax	$28,996**

NYS "Mansion Tax"	$66,911**
Closing fee (minimum)	$ 3,750
Working capital contribution	$ 7,238
TOTAL	$255,608

*including any potential mortgage recording tax credit amount, pursuant to applicable law

**"grossed up" to include the transfer taxes being paid by Purchaser as additional consideration, pursuant to applicable law

Mortgage Tax Credit

In the event a mortgage recording tax credit becomes available pursuant to Real Property Law section 339-ee(2) (as to which Sponsor makes no representations), it is specifically understood that such credit will inure to the benefit of Sponsor. In such event, accordingly, at the closing a Purchaser who elects mortgage financing and whose financing shall be subject to such mortgage tax credit will pay the full amount (but not in excess thereof) of the mortgage recording tax otherwise due on the entire amount being financed, but a portion of such amount will be paid to Sponsor as reimbursement to the extent of any mortgage tax credit allowed.

Note should be taken that the recording charges, fees and taxes above are based on rates in effect at the date of presentation of the Plan and are subject to change without notice. Premiums for title insurance will vary depending upon the Purchase Price and the amount of any mortgage loan. No representations are made as to the amounts of any charges, fees and taxes at the time of closing or as to the availability, cost or terms of financing.

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor intends to sell the Units to Purchasers who are buying for their or their family's personal occupancy. However, Sponsor reserves the right to sell Units to investors who intend to rent and not to occupy their Units personally. In addition, Sponsor and any Sponsor Successor may from time to time freely rent any Unsold Units in accordance with Applicable Law, without charge or limitation whatsoever and without the consent of the Condominium Board or any other Unit Owner. The Property is currently not encumbered by a mortgage. No mortgage contains any provision which would obligate Sponsor to market Units for sale as they become vacant. No mortgage contains any minimum sales requirement higher than as required by Applicable Law in order to declare the Plan effective. No mortgage places any limit on Sponsor's right to rent rather than sell Units.

Sponsor's obligations with respect to creation of the Condominium

A final certificate of occupancy (#120713040F) was issued for the Building on June 5, 2014.

Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of the Plan. In addition, Sponsor will pay all selling expenses and any brokerage commissions of Selling Agent, if any, or any other broker engaged by Sponsor, except as set forth above.

As of March 1, 2019, there were no violations of record against the Property that affect the health, welfare or safety of residents of the Property.

If there were violations of record that affect the health, welfare or safety of residents of the Property (except violations that result from the acts or omissions of tenants in their individual Units) or title defects (other than mortgages and Permitted Encumbrances) affecting the Property at the time of the First Unit Closing, except as otherwise provided in the Plan, Sponsor would be obligated to cause such violations or defects to be cured, at its sole cost and expense. Sponsor shall not be obligated to cause to be cured any violation that does not affect the health, welfare or safety of residents of the Property. As set forth in the Section of the Plan entitled **"Effective Date of this Plan and the Date of Closing Title to Units,"** if the cost to cure such defects (excluding violations

of record as of the Presentation Date that Sponsor is obligated to cure) exceeds 0.5% of the sale price of all Units (currently $69,825, but subject to change upon change in the sale prices of Units), Sponsor shall have the right to abandon the Plan rather than cure such defects. The existence of any violations or defects will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under his Purchase Agreement (without provision for escrow), provided that Sponsor either furnishes adequate proof that such violation or defect has been cured or remedied or deposits with the Condominium Board a reasonable sum to secure Sponsor's obligation to cure and remedy such violation or defect subsequent to the First Unit Closing. At Sponsor's request, the Condominium Board will apply the sums so deposited towards payment of the cost of curing or remedying violations or title defects, except the Condominium Board may retain a sufficient portion of such security deposit to pay for the reasonable costs of curing or remedying the remaining violations or defects.

Sponsor shall procure fire insurance coverage, on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, in the amount set forth in the Footnotes to Schedule B. Sponsor believes that the amounts of coverage set forth in Schedule B and its footnotes are adequate.

Immediately following the First Unit Closing, Sponsor will assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, any assignable service and maintenance contracts and agreements relating to the Property. The Condominium will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Unit Closing occurs, but only to the extent that such claim or liability did not arise from the actions, neglect or inaction of Sponsor.

Unsold Units

Title to each Unsold Unit will remain in Sponsor until the Unit is sold and a deed delivered to the Purchaser. Sponsor reserves the right to procure a Sponsor Successor which may become the owner of certain or all Unsold Units. From and after the first Unit Closing, Sponsor will be obligated to pay Common Charges, special assessments and real estate taxes and to perform other duties as a Unit Owner with respect to any Unsold Units for as long as same are owned by Sponsor. Notwithstanding

the foregoing, Sponsor reserves the right to delay the commencement of collection of Common Charges until the earlier to occur of: (i) one year after the First Unit Closing, or (ii) the date upon which closings shall have occurred for Units having an aggregate Common Interest of not less than FIFTY PERCENT (50%). During any such delay, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders. Upon the commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in governing regulations. In the event that Sponsor elects to delay the collection of Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing amendment to this Plan. Such amendment will also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing as to the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges, and will disclose such fact in the next following amendment to this Plan.

General obligations

Sponsor shall be obligated to repair any damage from a casualty or other cause to a Purchaser's Unit that occurs before the closing of such Unit. A Purchaser of a damaged Unit shall be able to reserve all rights against Sponsor with regard to claims relating to such damage.

Sponsor represents that until it no longer controls the Condominium Board, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the Presentation Date of the Plan, reasonable wear and tear excepted, and subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Sponsor is reasonably unable to exercise control. If Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make prior thereto.

In the event of the dissolution or liquidation of Sponsor, or the transfer to a single transferee of two (2) or more Units or twenty percent (20%) of the total number of Units

in the Condominium, whichever is less, the principals of Sponsor will provide financially responsible entities or individuals who will assume with respect to those Units the status of, and all of the obligations of, Sponsor under the Plan and Applicable Law; and in the event of any such liquidation or dissolution of Sponsor, the principals of Sponsor shall guarantee the performance of such obligations.

All representations under the Plan, all obligations pursuant to the GBL, and such additional obligations under the Plan which are to be performed subsequent to the First Unit Closing will survive delivery of a deed to a Unit.

The foregoing sets forth the entire extent of the obligations of Sponsor and no other obligations will be implied, except that nothing contained herein will be deemed to limit the rights of Purchasers under their respective Purchase Agreements. Sponsor makes no representations or warranties other than as set forth in this Section. Sponsor will not be liable for any claims or obligated to defend any suits with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the closing of title to such Unit Closing, except suits or claims arising out of acts or omissions of Sponsor or the representations made by Sponsor in this Plan.

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

Sponsor intends to meet its financial obligations to the Condominium required under the Plan and Applicable Law (i.e., the establishment of the Reserve Fund required by New York City law, in an amount not less than $418,950, as discussed more fully in the section of the Plan entitled **"Reserve Fund"**, below, as well as the obligation to pay Common Charges to the Condominium for all Units that remain unsold) through profits generated from sales of, and income generated from the rental of, Unsold Units. Sponsor has not furnished any bond or other

security for the performance of its obligations under the Plan. In the event that Sponsor shall fail to meet any of its obligations to the Condominium required under the Plan or Applicable Law, a Purchaser would be able to: (i) seek judicial relief against the Sponsor to compel the Sponsor to comply with its obligations, (ii) seek monetary damages for such non-compliance, (iii) rescind his/her Purchase Agreement, and (iv) file a complaint with the Department of Law and ask that the Department of Law commence an enforcement action against Sponsor.

CONTROL BY SPONSOR

SPONSOR WILL HAVE VOTING CONTROL OF THE CONDOMINIUM BOARD DURING THE INITIAL CONTROL PERIOD (which is defined as the period ending on the earlier of: (i) the closing of title with Purchasers to Units having more than fifty percent (50%) of the aggregate Common Interests appertaining to all Units, or (ii) the fifth anniversary of the First Unit Closing. The Condominium Board will consist of three persons, both during and after the Initial Control Period.

In addition, at all times (including after the expiration of the Initial Control Period), Sponsor or any Sponsor Successor will have the right to vote all of the Common Interest attributable to Units owned by it, including unsold Units and Units that are sold and reacquired by Sponsor. At all elections held after the expiration of the Initial Control Period, not more than one member of the Condominium Board may be elected or designated by Sponsor or any Sponsor Successor. However, following the Initial Control Period: (i) Sponsor shall have the right, in addition to electing or designating such member of the Condominium Board as it shall be entitled to do, to vote its Common Interest with regard to the election of persons for the remaining seats on the Condominium Board, which persons are not to be designated or elected by Sponsor or Sponsor Successor, and (ii) as long as Sponsor or any Sponsor Successor owns at least one Unit, Sponsor or such Sponsor Successor will have the right to elect or designate one member of the Condominium Board.

The number of members of the Condominium Board may not be increased without the consent of Sponsor or any Sponsor Successor for so long as Sponsor or any Sponsor Successor owns any unsold Units.

Until Sponsor or any Sponsor Successor no longer elects a majority of the members of the Condominium Board, Sponsor or any Sponsor Successor will, through its control of the Condominium Board, have control of the maintenance and operation of, and the services to be provided by, the Condominium and will indirectly determine the Common Charges to be paid by all Unit Owners. In no event, however, will Sponsor control the Condominium Board beyond the Initial Control Period, except as set forth herein.

For the period ending not more than five years after the First Unit Closing, or whenever the Unsold Units constitute

less than 25% of the aggregate Common Interest, whichever is sooner, the Condominium Board will not be permitted, without the prior written consent of Sponsor or any Sponsor Successor, to:

(1) make any addition, alteration or improvement to the Common Elements or to any Unit, unless required by Applicable Law;

(2) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of the lesser of: (i) five (5%) percent in the aggregate of the estimated Common Expenses for any one fiscal year of operation, or (ii) the maximum assessment permitted under Applicable Law, however, nothing herein shall be deemed to accord to Sponsor veto power over budget categories set forth in Schedule B;

(3) increase the number or change the type of employees from that described in the First Year Budget;

(4) enter into any service or maintenance contracts for Work not covered in the First Year Budget;

(5) borrow money on behalf of the Condominium; or

(6) exercise a right of first refusal to purchase a Unit.

Notwithstanding the foregoing, neither Sponsor nor any Sponsor Successor may exercise a veto over expenditures that: (i) conform to the First Year Budget and are for the period covered by the First Year Budget; or (ii) are required to comply with Applicable Law, including to cure any notices of violations; or (iii) are necessary to remedy any work order by an insurer which is the responsibility of the Condominium Board to remedy. See also the Section of the Plan entitled **"Rights and Obligations of Condominium Board/Summary of By-Laws."**

Any provisions that give a Sponsor control of the enforcement of the Sponsor's obligations are not lawful. In addition, if there are non-Sponsor members of the Condominium Board, and there is a vote on whether to sue the Sponsor, the Sponsor's Board representatives cannot lawfully vote on that issue. *See* Park River Owners Corp. v. Bangser Klein Rocca & Blum, 269 A.D.2d 313, 703 N.Y.S.2d 465 (1st Dept. 2000); McKinney's Consolidated Laws of the State of New York, General Business Law, Volume 19, pocket part, page 193; and BCL §

713(a)(1). Also of interest is Board of Managers of Fairways at North Hills v. Fairways at North Hills, 193 A.D.2d 322, 603 N.Y.S.2d 867 (2d Dept. 1993), discussed in McKinney's Consolidated Laws of the State of New York, General Business Law, Volume 19, page 160.

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

The Condominium Board

The affairs of the Condominium will be governed by the Condominium Board, which will consist initially of Marcos Camhis, Yannis Procopis and Sabby Mionis. Mr. Camhis is a principal of the Sponsor, and Messrs. Procopis and Mionis are business associates of his. At the first meeting of the Unit Owners, which Sponsor anticipates will be held approximately one year following the First Unit Closing, those members of the Condominium Board will resign in favor of a new three-member Condominium Board, to be elected by Unit Owners at such meeting subject to the terms of this Plan. Thereafter, elections to the Condominium Board will be held at the regular annual meetings of Unit Owners in or before June of each succeeding year. Each of the members of the Condominium Board will serve until the next regular annual meeting of Unit Owners and until his successor is elected and qualified.

Except for members designated or elected by Sponsor or a Sponsor Successor, all members of the Condominium Board must be either: (i) individual Unit Owners, or spouses or domestic partners thereof; (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, members, principals, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees. Other than members designated as such by Sponsor or a Sponsor Successor, no member will continue to serve on the Condominium Board after he ceases to be a Unit Owner or an interested party in a Unit Owner, as specified in the preceding sentences.

Members of the Condominium Board are subject to removal, with or without cause, by vote of Unit Owners owning a majority of the aggregate Common Interest of the Condominium attending a duly called meeting at which a quorum is present, except that members designated, elected or appointed by Sponsor or any Sponsor Successor may be removed by the Condominium Board for cause only, or by Sponsor or such Sponsor Successor without cause. Sponsor or any Sponsor Successor will have the right to designate a replacement for any member that had been designated, elected or appointed by Sponsor or any Sponsor Successor who has been removed from the Condominium Board.

All members of the Condominium Board will serve without compensation.

Amending the By-Laws or the Declaration of Condominium will require the affirmative consent of not less than 66.7% in number and in aggregate Common Interest of all Unit Owners, at a meeting called for that purpose or by written consents signed by the requisite Unit Owners; however, an amendment that would adversely affect the interests of the Sponsor or its designee would also require the consent of the Sponsor or such designee.

Powers and duties of the Condominium Board

The Condominium Board will have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the operation, care, upkeep and maintenance of the Common Elements, determination and collection of the Common Charges and Special Assessments, employment and dismissal of the personnel necessary for the maintenance and operation of the Condominium, adoption and amendment of the Rules and Regulations, maintaining bank accounts on behalf of the Condominium, purchasing, leasing or otherwise acquiring Units in the name of the Condominium Board or its designees, selling, leasing, mortgaging or otherwise dealing with (but not voting the Common Interests appurtenant to) Units acquired or leased by the Condominium Board, making repairs, additions and improvements to, or alterations of, the Property and the Common Elements, and generally managing and supervising the Condominium pursuant to the Declaration and the By-Laws. See the By-Laws for further details.

As more fully set forth in the By-Laws, all determinations required to be made by the Condominium Board will be by majority of the votes cast at any duly called meeting at which a quorum is present, subject to certain approval and veto rights of Sponsor and any Sponsor Successor as set forth in the Section of the Plan entitled **"Control by Sponsor."**

Officers of the Condominium

The officers of the Condominium will consist of the President, the Vice President, the Secretary and the Treasurer, all of whom will be elected annually by a majority vote of the Condominium Board. One person may hold two or more offices. The Condominium Board may also appoint additional officers. All officers will serve without compensation. None of the officers need be Unit Owners until the Condominium Board is elected at the first meeting of the Unit Owners. Thereafter, both the President and the Vice President must be members of the

Condominium Board and Unit Owners (or Sponsors, or officers, directors, shareholders, partners, members, employees or beneficiaries, or their Family Members, of corporations, partnerships, limited liability companies, fiduciaries or Mortgagees that are Unit Owners). Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting duly called for such purpose.

Meetings and votes of the Unit Owners

Except for the first meeting, the Unit Owners will hold annual meetings in or before June of each year. At each annual meeting, the Unit Owners will elect successors to the members of the Condominium Board. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

At all meetings of the Unit Owners, each Unit Owner, including Sponsor and any Sponsor Successors, will be entitled to cast one vote for each 0.0001% of Common Interest attributable to his Unit. The presence, in person or by proxy, of Unit Owners having a majority of the votes of all Unit Owners will constitute a quorum at all meetings of the Unit Owners, and, unless otherwise provided, the decision of the Unit Owners casting a majority of the votes of the Unit Owners at a meeting at which a quorum is present will be binding upon all Unit Owners. However, elections of members of the Condominium Board will be determined by plurality vote.

Repairs, alterations and improvements to Common Elements

All painting, decorating, maintenance, repairs, and replacements to the Common Elements (other than to any Limited Common Elements, if any), whether located inside or outside of Units, will be made by the Condominium Board, which need not obtain the approval of Unit Owners or of any mortgagees of Units (regardless of the cost thereof), and the cost shall be a Common Expense, unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof.

The cost of snow removal from sidewalks will be a Common Expense. All maintenance and repairs to the Common Elements will be performed by employees of the Condominium or by independent contractors. The Condominium will employ a part-time non-resident janitor, and such employees and other persons as the Condominium shall determine are necessary or appropriate,

whose estimated wages and fringe benefits are included in Schedule B of the Plan.

Whenever, in the judgment of the Condominium Board, the Common Elements (other than any Limited Common Elements, if any) shall require any addition, alteration or improvement (in contrast to painting, decorating, maintenance, repairs, or replacements) costing more than $50,000 in the aggregate in any calendar year, such addition, alteration or improvement will not be made unless approved by a Majority of Unit Owners (including Sponsor or any Sponsor Successor, if either then owns any Unit) at a duly constituted Unit Owners' meeting. If approved, the Condominium Board may, in its discretion, assess each Unit Owner its pro-rata share of the cost of any such addition, alteration or improvement, according to its Common Interest, as part of, or as a Special Assessment in addition to, the Common Charges. Any addition, alteration or improvement costing $50,000 or less, in the aggregate, in any calendar year may be made by the Condominium Board without the approval of the Unit Owners or the Mortgage Representatives, if any, and the cost thereof will constitute a Common Expense. Notwithstanding the foregoing, no addition, alteration or improvement will be made to the Common Elements, regardless of the cost thereof, unless the written consent of Sponsor and any Sponsor Successor (so long as Sponsor or any Sponsor Successor or both shall collectively own at least twenty-five percent (25%) of the Units during the five (5) years following the First Unit Closing) is first obtained, unless required by Applicable Law.

Insurance

The Condominium Board will maintain fire insurance policies with all-risk extended coverage, insuring the Property (including the Property's Systems and all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners) and covering the interests of the Condominium, the Condominium Board, all the Unit Owners (including Sponsor and any Sponsor Successor) and Permitted Mortgagees, as their respective interests may appear, in an amount equal to at least eighty percent (80%) of the full replacement cost of the Building (exclusive of foundation and footings), without deduction for depreciation. Each of such policies will contain a New York standard mortgagee clause in favor of each Permitted Mortgagee, which will provide that the

loss proceeds thereunder, if any, will be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and any Insurance Trustee as set forth below.

All such policies will contain waivers of subrogation and of any defense based on coinsurance or on invalidity arising from any acts of the insured and of pro-rata reduction of liability, and will provide that such policies may not be canceled or substantially modified without at least ten (10) days' written notice to all the insureds, including Permitted Mortgagees. Each Unit Owner shall be deemed an additional insured under each such policy.

The Condominium Board will also maintain, to the extent practicable: (a) comprehensive general liability insurance as to personal injury and property damage in such limits and amounts as the Condominium Board may from time to time determine, covering each member of the Condominium Board, the Managing Agent (if any) and each Unit Owner; (b) rent insurance in an amount equal to the Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) water damage legal liability insurance; (f) umbrella liability insurance; (g) officers' and directors' liability insurance; and (h) such other insurance as the Condominium Board may from time to time determine to be appropriate. Such public liability policies will also cover cross-liability claims of one insured against another. However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his own Unit or any Limited Common Elements appurtenant thereto.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The cost of all insurance will be paid by the Condominium Board and will be borne by all Unit Owners as part of the Common Charges.

The net insurance proceeds payable under insurance policies maintained by the Condominium Board by reason of damage to or destruction of any part of the Building by fire or other casualty will be payable either to the Condominium Board, if $100,000 or less in the aggregate, or to the Insurance Trustee, if in excess of $100,000 in the aggregate.

Such proceeds will be applied for the purpose of repairing, restoring or rebuilding the Property, unless otherwise determined by Unit Owners. In no event will such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his Unit unless, in accordance with the provisions of the By-Laws, there is a determination not to rebuild the Property. The Insurance Trustee will be a bank or trust company, having any office in the City and State of New York, designated by the Condominium Board in accordance with the By-Laws.

Until the first meeting of the Condominium Board elected by the Unit Owners, the insurance coverage will be in the amounts and with the deductibles set forth in Schedule B. The Condominium Board will review the insurance coverage on the Building annually. See Schedule B and its Footnotes for full details of the projected insurance coverage to be maintained by the Condominium Board during the first year of condominium operation.

Unit Owners are encouraged to consider maintaining, at their own individual expense: (a) separate insurance on the contents (i.e., furniture and other personal property and belongings) in Units, in such amounts as will be adequate to insure against loss by reason of fire or other casualty, and (b) liability insurance against claims for personal injury or property damage resulting from occurrences in Units or any appurtenant Limited Common Elements.

Repair or restoration after fire or other casualty

Except as set forth in the next paragraph, if the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board will arrange for the prompt repair and restoration thereof (including any damaged Units but excluding appliances, fixtures, furniture, furnishings or other personal property not constituting a part of such Unit).

If the insurance proceeds are insufficient to cover the cost of repairs and restorations, the Condominium Board may assess all Unit Owners for any deficit as a Common Expense. Any surplus insurance proceeds will be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment will be made to a Unit Owner until there has first been paid, out of his share of the funds, the amount necessary to

reduce unpaid liens on his Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

If seventy-five percent (75%) or more of the Building is destroyed or substantially damaged and if seventy-five percent (75%) or more of all Unit Owners, both in number and in Common Interests, do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and will 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 the resulting sale, together with the net proceeds of insurance policies, will be divided among all Unit Owners in proportion to their respective Common Interests. No payment, however, will be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to discharge all unpaid liens on his Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor or any Sponsor Successor is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

Units acquired by the Condominium Board

All Units acquired or leased by the Condominium Board or its designee will be held by the Condominium Board or its designee on behalf of all Unit Owners. Any rent, purchase price, closing costs and closing adjustments payable in connection therewith will be assessed against all Unit Owners as a Common Expense. No Units acquired by the Condominium Board or its designee will carry voting rights.

Liability of the Condominium Board and the Unit Owners

The members of the Condominium Board shall act in accordance with their fiduciary obligations to all Unit Owners. The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that individual members will be liable for their own bad faith, willful misconduct or gross negligence. The Condominium Board may contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, any Sponsor Successor or with any Affiliate of any of them at competitive rates without incurring any liability for self-dealing.

Every contract made by the Condominium Board, by an officer of the Condominium, or by the Managing Agent of the Building will contain a statement (if obtainable) that: (a) the contract is made only as agent for all Unit Owners, and the members of the Condominium Board or such officers, or Managing Agent will 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 will be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of the Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) the Unit Owner's ownership interest in his Unit and its appurtenant Common Interest, unless otherwise provided by Applicable Law.

All Unit Owners will severally indemnify each member of the Condominium Board against any liability or claim, contractual or otherwise, except those arising out of the bad faith or willful misconduct of such member or that are contrary to Applicable Law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interest of the Unit Owner bears to the aggregate Common Interests of all Unit Owners and the Unit Owner's ownership interest in his Unit and its appurtenant Common Interest, unless otherwise provided by Applicable Law.

General indemnification obligations

Subject to any specific limitation on the liability of Unit Owners set forth elsewhere in the By-Laws or in the Declaration, pursuant to the By-Laws each Unit Owner (including Sponsor and any Sponsor Successor) will indemnify and hold harmless all other Unit Owners (including Sponsor and any Sponsor Successor) and the Condominium from and against all Claims which may be imposed upon or incurred by any of the foregoing by reason of: (i) any Work performed or required to be performed by such Unit Owner on or about the Property; (ii) any negligence, wrongful acts or omissions on the part of such Unit Owner or any of his Family Members, officers, directors, shareholder, partners, tenants, agents, contractors, servants, employees, licensees, or invitees; or (iii) any failure on the part of such Unit Owner to perform or comply with any of the terms or conditions contained in the Declaration or the By-Laws on its part to be performed or complied with. Notwithstanding anything to the contrary contained herein, in no event will Sponsor be liable for the acts or omissions of any Sponsor

Successor, except as specifically provided in the Plan or otherwise required by Applicable Law.

Subject to any specific limitation on the liability of the Condominium Board set forth elsewhere in the By-Laws or in the Declaration, pursuant to the By-Laws, the Condominium will indemnify and hold all Unit Owners, including Sponsor and any Sponsor Successor, harmless from and against all Claims which may be imposed upon or incurred by any of the Unit Owners and/or Sponsor and any Sponsor Successor by reason of: (i) any Work performed by the Condominium or the Condominium Board on or about the Property; or (ii) any negligence or wrongful acts or omissions on the part of the Condominium Board or any of its members, officers, agents, contractors, servants, employees, licensees, or invitees. The costs and expenses of the foregoing indemnification by the Condominium shall be a Common Expense.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale and lease of Units

EACH UNIT OWNER MAY SELL OR LEASE HIS UNIT, BUT ONLY AFTER THE UNIT OWNER GIVES THE CONDOMINIUM BOARD PRIOR WRITTEN NOTICE OF HIS INTENTION TO DO SO, ACCOMPANIED BY A FULLY EXECUTED COPY OF THE CONTRACT OF SALE OR LEASE, CONTAINING ALL OF THE TERMS OFFERED IN GOOD FAITH BY THE PROSPECTIVE PURCHASER OR LESSEE. WITH REGARD TO A PROPOSED SALE, THE CONDOMINIUM BOARD, ON BEHALF OF ALL UNIT OWNERS, WILL HAVE THE EXCLUSIVE RIGHT TO ELECT, WITHIN TWENTY (20) DAYS AFTER RECEIPT OF THE NOTICE OF SALE, TO PURCHASE THE UNIT ON THE SAME TERMS SET FORTH IN THE CONTRACT OF SALE, AS MORE SPECIFICALLY SET FORTH IN THE BY-LAWS. (WITH REGARD TO A PROPOSED LEASE, THE CONDOMINIUM BOARD, ON BEHALF OF ALL UNIT OWNERS, WILL HAVE THE RIGHT TO CONSENT OR TO DECLINE CONSENT TO SUCH PROPOSED LEASE.) If the Condominium Board does not notify the Unit Owner of its election to purchase the Unit within the aforementioned time period, the Unit Owner will have ninety (90) days after the expiration of the twenty-day period to consummate the sale in accordance with the terms stated in the contract of sale appended to the notice. After the expiration of such ninety (90) day period, the Unit Owner will again be required to offer the Unit to the Condominium Board as provided above. The foregoing restrictions upon the sale of Units will not apply to any conveyance of a Unit (i) by gift, will or intestacy; (ii) by Sponsor or any Sponsor Successor; or (iii) by or to a mortgagee in foreclosure or by deed in lieu of foreclosure; each of whom will be free to sell without first offering to sell to the Condominium Board. The foregoing right of consent with regard to a proposed lease of a Unit will not apply to any leasing of a Unit by Sponsor or any Sponsor Successor.

The Condominium Board may not exercise its option to purchase any Unit without the prior approval of a Majority of Unit Owners. However, the Condominium Board has the right to release or waive any such option without prior approval of a Majority of Unit Owners. If approval is given, the Condominium Board may assess each Unit Owner (other than the selling Unit Owner), in proportion to his Common Interest, an amount necessary to effectuate the purchase.

Notwithstanding the foregoing, the Condominium Board shall not have any right of first refusal with respect to any sale or conveyance of a Unit, together with its Appurtenant Interest, by: (1) the Unit Owner of any Unit to certain of his

adult Family Members (individually or in any combination), as more particularly set forth in the By-Laws, or, in the case of a Unit Owner that is not an individual, to any Affiliate of such Unit Owner, in each case without consideration; (2) Sponsor or any Sponsor Successor, with respect to any unsold Unit owned by Sponsor or any Sponsor Successor or any of their Affiliates; (3) the Condominium Board; (4) virtue of the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; (5) any Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; or (6) the Unit Owner of such Unit by gift, will or intestacy; provided however, that, with regard to each of the foregoing exemptions (collectively, **"Exempt Transactions")**, each succeeding Unit Owner that is not otherwise exempt on his own merits shall be bound by, and his Unit shall be subject to, such right of first refusal.

The lease for any Unit (other than one included within the definition of Exempt Transaction) must be in substantially the form of lease then approved by the Real Estate Board of New York, Inc., except for such changes thereto as are approved in writing by the Condominium Board as provided in the By-Laws, and must expressly provide that such lease may not be amended, modified or extended without the prior written consent of the Condominium Board and that the tenant thereunder may not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board; and that the Condominium Board will have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the Unit Owner as landlord thereunder in the event of: (a) a default by the tenant in the performance of its obligations under such lease, or (b) a default by the Unit Owner in the performance of his obligations to the Condominium pursuant to the By-Laws, including but not limited to the payment of Common Charges or other amounts due to the Condominium, or (c) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

No lease of a Unit by any Unit Owner other than Sponsor or a Sponsor Successor may be for a term shorter than one year.

Each conveyance of a Unit by a Unit Owner will include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners

(or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than Permitted Mortgages, are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner will be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth in Part II of this Plan.

Upon accepting the deed to a Unit, each Unit Owner will under the terms of the Declaration be deemed to have consented to a building wide allocation to all Units of any and all real estate tax abatement benefits pertaining to the Property pursuant to Applicable Law; same allocation to be apportioned in the same ratio that the Common Interest of such Unit Owner's Unit bears to the aggregate Common Interests of all Units; to have waived and relinquished any and all rights to challenge or contest such allocation in any manner or form; and to have released and discharged all other Unit Owners, their heirs, successors and assigns, the Condominium Board, Sponsor, any Sponsor Successor and the City of New York from any and all acts, claims, damages or demands of any nature whatsoever which such Unit Owner, his heirs, successors or assigns ever had, may have, or will have against the other Unit Owners, the Condominium Board, Sponsor, any Sponsor Successor or the City of New York, with respect to the aforesaid allocation.

Notwithstanding anything to the contrary contained in this Plan, neither Sponsor nor any Sponsor Successor will be obligated to pay any transfer fee or service fee, whenever enacted, to the Condominium or Managing Agent with respect to the sale or leasing in whole or in part of any Unsold Unit.

Mortgages of Units

Each Unit Owner may mortgage his Unit, provided that the Unit Owner first complies with the conditions set forth in the By-Laws. As more fully set forth therein, these conditions include the requirements that: (a) the mortgage be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan; (b) the Condominium Board is notified in writing of the making of such mortgage and is given a copy thereof; and (c) the Unit Owner making such mortgage is not in arrears for Common Charges or other amounts payable to the Condominium and first satisfies all other unpaid liens against his Unit other than Permitted Mortgages. Notwithstanding the above, Sponsor or any Sponsor Successor will have the right to mortgage unsold Units without any restriction or limitation, except that the Condominium Board must be notified in writing of the making of the mortgage and must be given a copy thereof.

Common Charges: assessment, collection and lien for non-payment

Sponsor reserves the right to delay the commencement of collection of Common Charges until the **EARLIER** to occur of: (i) one year after the First Unit Closing, or (ii) the date upon which closings shall have occurred for Units having an aggregate Common Interest of not less than FIFTY PERCENT (50%). During any such delay, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders. Upon the commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in governing regulations. In the event that Sponsor elects to delay the collection of Common Charges, it will disclose such fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing amendment to this Plan. Such amendment will also disclose the anticipated period of delay. Sponsor will notify all Unit Owners in writing as to the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges, and will disclose such fact in the next following amendment to this Plan.

The Condominium Board will prepare, at least annually, budget information setting forth its projection of the Common Expenses for the coming fiscal year of the Condominium. Such Common Expenses will include, among other things: (a) all costs

and expenses in connection with the operation and maintenance of and performance of any work in and to the Common Elements; (b) water charges and sewer rents in connection with the Property (unless separately assessed to individual Units); (c) real estate taxes and assessments levied with respect to the Property (until separately assessed to individual Units); and (d) amounts for such other items as the Condominium Board may deem proper (such as amounts for working capital and general operating and replacement reserves, to make up deficits for prior years, to prepay indebtedness of the Condominium or to purchase or lease Units). Based upon this budget, the Condominium Board will promptly determine, and advise each Unit Owner of, the Common Charges payable by the Unit Owner during the ensuing fiscal year representing a portion of the projected Common Expenses of the Condominium assessed to the Unit Owner prorated according to the Common Interest of his Unit.

Pursuant to the By-Laws, the Condominium Board has the right to revise its projection of the Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during the fiscal year. However, no such revision will have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of the new determination. Notwithstanding the foregoing, the Condominium Board will not reduce the Common Charges payable during any year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below the number, if any, employed for the Property on the date of recording the Declaration, or eliminating or reducing any service or reducing 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 or any Sponsor Successor.

In addition, the Condominium Board will have the right, subject to certain restrictions set forth in the By-Laws, to levy Special Assessments to meet the Common Expenses. All Special Assessments will be levied against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board shall determine. The Condominium Board shall have all rights and remedies, pursuant to the By-Laws and Applicable Law, with regard to the non-payment of Special Assessments as it possesses with regard to the non-payment of Common Charges.

Unless otherwise determined by the Condominium Board, Common Charges will be payable in monthly installments, in advance, on the first day of each month. No Unit Owner will be relieved from liability for the payment of his Common Charges by waiving the use of any of the Common Elements or by mere abandonment of his Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a permissible sale, transfer or other conveyance by him of his Unit.

Any Unit Owner may, by conveying his Unit, without consideration, to the Condominium Board and complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and Special Assessments then due and payable with respect to his Unit and the Unit's being free and clear of all liens and encumbrances other than Permitted Mortgages and any statutory lien for unpaid Common Charges.

On resale of any Unit, the Purchaser will be required to pay unpaid Common Charges assessed against the Unit prior to his acquisition, except that a mortgagee acquiring title to a mortgaged Unit or a Purchaser at a mortgage foreclosure sale will not be liable, and the mortgaged Unit will not be subject to, a lien for the payment of any Common Charges assessed subsequent to the recording of the mortgage and prior to the acquisition of title to the Unit by the mortgagee or a Purchaser at a mortgage foreclosure sale. If the Condominium Board forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale are not sufficient to pay the unpaid Common Charges, or if such Unit is acquired by a mortgagee or Purchaser at a mortgage foreclosure sale, then, in either event, the defaulting Unit Owner will remain personally liable for the balance of the unpaid Common Charges. The Condominium Board will have the right to assess the unpaid balance among all those who are Unit Owners at the time that the assessment is levied.

Under the provisions of Section 339-z of the Condominium Act and under the By-Laws, the Condominium Board will have a lien, on behalf of all Unit Owners, on each Unit for unpaid Common Charges assessed against the Unit together with interest thereon. All such liens, however, will be subordinate, to the extent required by Applicable Law, to any liens for real estate taxes and assessments on the Unit. Any lien for unpaid

Common Charges against a Unit will be effective from and after filing of a notice thereof in the Register's Office and until all sums secured thereby, with accrued interest, are fully paid, or until six years from the date of filing (unless foreclosure of the lien is started within such six-year period) whichever will be sooner. Such liens may be foreclosed by a suit brought in the name of the Condominium 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 Condominium Board to recover unpaid Common Charges without foreclosing the lien.

Under Section 339-kk of the Condominium Act, the Condominium will have the right to demand that, with regard to any Unit occupied by a tenant whose Unit Owner is in arrears in the payment of Common Charges or assessments to the Condominium, such tenant pay his/her rent directly to the Condominium to be credited against the Common Charges or assessments owed by such Unit Owner to the Condominium, in addition to all other rights and remedies that the Condominium may have against the Unit Owner.

Restrictions on the use of Units

As more fully set forth in the Declaration and in the By-Laws, each Unit may be used only as a residence (except as otherwise described herein, and subject to Applicable Law), and not more than one family may occupy a Unit at one time. Notwithstanding the foregoing, Sponsor and any Sponsor Successor (or, when Sponsor and any Sponsor Successor no longer owns any Units, the Condominium Board) may, in their sole discretion, consent to the use of any Unit as a professional or business office, or for any home occupation use or for any purpose, provided that the nature and manner of such use complies with Applicable Law. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of Sponsor, Sponsor Successor or the Condominium Board (as the case may be) before using such Unit for any purpose other than as a residence.

Sponsor and any Sponsor Successor may, for so long as either own any Units in the Condominium, without the consent of either the Condominium Board or any other Unit Owners, use or grant permission for the use of any unsold Unit as a professional or business office or for any other purpose, including, without limitation, use of any one or more unsold

Units as model units and offices for the sales, promotions, management and operation of its Units, or lease its Units to third parties for their occupancy, provided only that the nature and manner of such use complies with Applicable Law and does not violate the then existing certificate of occupancy for the Property.

A Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other Person may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by an individual member of such limited liability company or an officer, director, stockholder, partner or employee or individual member of any corporate, partnership or limited liability company member of such limited liability company, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries and members or employees of limited liability company fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other Person, respectively, or by Family Members or guests of any of the foregoing; however, nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests. Notwithstanding the foregoing, the Condominium Board may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. No guest of a Unit Owner (including relatives) may occupy a Unit for more than thirty (30) days in the absence of the Unit Owner, without the prior written consent of the Board of Managers. In no event, however, shall only a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this paragraph) may be accommodated therein.

No nuisance, or immoral, improper, offensive or unlawful use (as determined by the Condominium Board) will be allowed in the Building or any portion thereof. All Applicable Laws relating to any portion of the Property will be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whomever has the obligation to maintain or repair such portion of the Property under the terms of the Declaration and the By-Laws.

No Unit Owner will cause or permit any Hazardous Materials to be used, stored, transported, released, handled, produced or installed in, on or from its Unit or the Property,

other than substances used in de minimis quantities in household cleaning products or generated, stored, handled and used in compliance with Applicable Law. It will be the obligation of each Unit Owner to comply (at its sole cost and expense) with all Applicable Laws with respect to Hazardous Materials in its Unit or in connection with any Work performed by or on behalf of such Unit Owner at the Property.

The sidewalks, entrances, lobby, passages, public halls, vestibules, corridors, stairways or any other part of the Common Elements (except for those areas designated as storage areas) must not be obstructed or used for any purpose other than ingress to and egress from the Units.

No velocipedes, bicycles, scooters, baby carriages, or similar vehicles are allowed to stand in the public halls, passageways or other public areas of the Property.

No public hall, lobby, vestibule, corridor, stairway or any other part of the Common Elements (other than any area designated as a Limited Common Element) may be decorated or furnished by any Unit Owner in any manner.

No article (including, but not limited to, garbage cans, bottles or mats) may be placed or stored in any of the passages, halls, vestibules, corridors, or on any of the staircases or fire stair landings of the Property, or any other part of the Common Elements, nor may any fire exit thereof be obstructed in any manner.

All service and delivery persons are required to use the service entrance or such other entrance of the Property as shall be designated by the Condominium Board.

Trunks and heavy baggage must be taken in or out of the Property only in the manner, and at the times, designated by the Condominium Board or the Managing Agent for that purpose.

To the extent that any may exist at the Property, laundry and drying facilities in any laundry room of the Property are to be used in such manner and at such times as the Condominium Board or the Managing Agent shall direct. No clothes, sheets, blankets, laundry, or other articles of any kind may be hung on or out of a Unit or shall be dried or aired on any open terrace.

To the extent that any may exist at the Property, any designated storage areas may be used only for the storage of trunks, bags, suitcases and packing cases, and for the storage of such other articles as, and subject to such Rules and Regulations as may from time to time be adopted by, the Condominium Board, in its sole discretion, may determine from time to time. Supervision, management and control of the use of any such storage areas will be vested in the Condominium Board. The use of any such storage areas will be at the sole risk of the Unit Owner or other Person using them, and the Condominium Board, its agents or the Managing Agent will not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Condominium Board, its agents, the Managing Agent or otherwise.

All refuse from Units must be deposited by Unit Owners in those areas of the Property provided for that purpose at such times and in such manner as the Condominium Board or the Managing Agent shall direct. Nothing may be hung or shaken from any doors, windows or open terraces, or placed upon the window sills or fire escapes of the Property, and no Unit Owner may sweep or throw or permit to be swept or thrown, any dirt, debris or other substance therefrom. All Applicable Laws relating to recycling must be complied with; in the event that the Condominium shall incur any fine, penalty or expense as a result of non-compliance by a Unit Owner (or an occupant of his Unit) with any such Applicable Law relating to recycling, the cost thereof shall be paid or reimbursed by such Unit Owner to the Condominium Board.

There will be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, fire towers or other Common Elements of the Property, except in any recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements used for storage, recreational or service purposes in the Property, without any diminution in the Common Charges payable by any Unit Owner, but subject, however, to rights of non-purchasing tenants under Applicable Law.

Nothing may be done or kept in any Unit or in the Common Elements that shall increase the rate of insurance on the Property, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner may permit

anything to be done or kept in his 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 Applicable Law.

No Unit Owner or any of his Family Members, agents, servants, employees, licensees or guests may at any time bring into or keep in a Unit any flammable, combustible or explosive fluid, material, chemical or substance, except in such de minimis amounts as shall be necessary and appropriate for the permitted uses of such Unit.

No barbecuing or open-flame cooking shall occur in any Unit, or in any Common Element, including but not limited to any Limited Common Element.

No Unit Owner may make, cause or permit any unusual, disturbing or objectionable noises, activities or odors to be produced upon or to emanate from his Unit or any appurtenant Limited Common Element or permit anything to be done therein that interferes with the rights, comforts or conveniences of the other Unit Owners. No construction, repair work, or other installation involving noise may be conducted in any Unit except on weekdays (excluding Holidays) and only, between the hours of 8:00 a.m. and 5:00 p.m., without prior written consent of the Condominium Board, unless such construction or repair work is necessitated by an emergency.

No bird, reptile or other animal shall be permitted in any Common Element of the Building unless caged, carried or on a leash. Not more than a maximum of two dogs and/or cats may be harbored in any Unit. In addition, the Condominium Board shall have the authority to adopt such additional Rules and Regulations as the Condominium Board shall deem appropriate, including but not limited to with regard to the type, breed and size of animals that may be harbored in a Unit. (However, none of the foregoing restrictions shall apply with regard to Units owned by Sponsor or any Sponsor Successor.) No pigeons or other birds or other animals may be fed from the window sills, fire escapes, patios, terraces, or other public portions of the Property, or on the sidewalk or street adjacent to the Property.

No Unit Owner may install any plantings on any roof or terrace without the prior written approval of the Condominium Board, pursuant to any applicable Rules and Regulations as may be adopted by the Condominium Board from time to time. (However, the foregoing restrictions shall not apply to the

Sponsor or Sponsor Successor.) All plantings and planters must comply with all Applicable Laws, and with all Rules and Regulations adopted by the Condominium Board, governing weight, size and soil composition.

In the event that any Unit shall be used for home occupation purposes in conformity with the Declaration and the By-Laws and pursuant to Applicable Law, no patients, clients or other invitees of the Unit Owner thereof shall be permitted to wait in any lobby, public hallway or vestibule.

No window guards or other window decorations may be used in or about any Unit, except such as will have been approved in writing by the Condominium Board or the Managing Agent, which approval will not be unreasonably withheld or delayed. In no event, however, may any exterior glass services of any windows at the Property be colored or painted.

No ventilator or air-conditioning device may be installed in any Unit without the prior written approval of the Condominium Board, which approval will not be unreasonably withheld or delayed. The foregoing restrictions shall not apply to the Sponsor or Sponsor Successor.

No radio or television aerial, satellite dish or other signal-receptive device may be attached to or hung from the exterior of the Property, 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, door, or other part of the Property, except as such are permitted pursuant to the terms of the Declaration and/or the By-Laws or as are approved in writing by the Condominium Board or the Managing Agent. The foregoing restrictions shall not apply to the Sponsor or Sponsor Successor. Nothing may be projected from any door or window of a Unit without similar approval.

All radio, television, computer or other electrical equipment of any kind or nature installed or used in each Unit must fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction. The Unit Owner alone will be liable for any damage or injury caused by any radio, television or other electrical equipment in his Unit or any appurtenant Limited Common Element.

Water-closets and other water apparatus in the Property may not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article may be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit will be repaired and paid for by the Unit Owner of such Unit.

Each Unit Owner must keep his Unit and any appurtenant Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

The agents of the Condominium Board or the Managing Agent, and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any Unit or any appurtenant Limited Common Element at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination will be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes. However, in the event that any access to a Unit or any appurtenant Limited Common Element shall be necessary in the event of an emergency of any nature, no prior notice shall be required.

The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent will be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under the 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 under the circumstances is given to such Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his agent, servant, employee,

licensee or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or a trunk or other item of personal property, the acceptance of the key will be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent will be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No occupant of the Property may send any employee of the Condominium or of the Managing Agent out of the Property on any private business.

Corridor doors must be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

No roof-top areas of the Property (except for the roof garden [which is a Limited Common Element the exclusive use of which is reserved for the Unit Owner and other occupants of Unit #PH], and except for any other areas expressly designated for such purpose) may be used at any time or for any reason by Unit Owners, their Family Members, guests, servants, employees, agents, guests or licensees, other than with the prior written consent of the Condominium Board in each instance.

No rescission, alteration, waiver or addition of any Rule or Regulation in respect of one Unit Owner or other occupant will operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

Repairs and maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to any Unit (other than the Common Elements contained therein) will be performed by the Unit Owner at his sole cost and expense, or if in or to the General Common Elements will be performed by the Condominium Board as a Common Expense, or if in or to any Limited Common Element will be performed either by the Condominium Board as a Common Expense, if involving structural or extraordinary maintenance, repair or replacement, or by the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs and replacements.

In connection with the foregoing, it should be noted that each Unit Owner is responsible at his own cost and expense for washing and cleaning the exterior glass surfaces of all windows of his Unit.

Notwithstanding the foregoing, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, necessitated by the negligence, misuse or abuse of a Unit Owner, or by any agent, contractor, licensee, invitee, Family Member, tenant, co-occupant or guest of such Unit Owner, will be made by such Unit Owner at his sole cost and expense.

The By-Laws require that each Unit, any Limited Common Elements appurtenant thereto, and all portions of the Common Elements, be kept in first-class condition (and, with respect to any terrace or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. The By-Laws further require that those public or other areas of the Building that are exposed to public view (whether they are required to be maintained by a Unit Owner or by the Condominium Board) be kept in good appearance in conformity with the dignity and character of the Property by such Unit Owner or the Condominium Board, as the case may be. In the event that any Unit Owner shall fail to keep his Unit or any appurtenant Limited Common Element in good condition, the Condominium Board may, at the expense of such Unit Owner, enter the Unit or any such appurtenant Limited Common Element to perform any acts necessary to cure the default. See the subsection below entitled **"Rights of Access."**

New Federal regulations on lead-based paint.

The Lead-Based Paint Regulations recently adopted by the United States Department of Housing and Urban Development and the Environmental Protection Agency apply to all owners of co-operative and condominium units in "Target Housing". The Property fits within the definition of "Target Housing" and, therefore, such Federal Regulations do apply to the Property.

Such Regulations seek to promote disclosure, and do not require an owner to positively test for the presence of lead-based paint and do not impose a duty to abate, contain, remove or correct lead-based paint conditions or hazards.

In addition, Applicable Laws adopted by the City of New York (including but not limited to Local Law 38) do require the owner of a multiple dwelling to remove or cover specified hazardous lead-based paint or other similar surface-coating material on the interior walls, ceilings, doors, windowsills or moldings in any dwelling unit in which a child six years old or younger resides. Under such local Applicable Law, peeling paint on such surfaces of a residential apartment in any multiple dwelling built prior to 1960 (which includes the Property) is presumed to be hazardous. In addition, if such apartment is occupied by a child six years old or younger, the peeling paint constitutes a Class C immediately hazardous violation, subjecting the owner of the multiple dwelling to penalties. Such presumption is rebuttable.

The Sponsor has no knowledge of any reports regarding the presence (or the abatement of the presence) of lead paint at the Property, and makes no representations with regard thereto.

Alterations and improvements of Units and Common Elements

No Unit Owner (except Sponsor and any Sponsor Successor) may perform any structural Work in or to his Unit or any appurtenant Limited Common Element without the prior written approval of the Condominium Board. Such approval may be conditioned, in the discretion of the Condominium Board, upon any reasonable condition, including but not limited to the execution of an agreement by the Unit Owner, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions upon which such Work may be performed. Except as otherwise provided in the By-Laws, no Unit Owner may perform any Work in or to the Common Elements.

Notwithstanding the foregoing, Sponsor and any Sponsor Successor will have the right, without the approval of the Condominium Board, the Managing Agent, other Unit Owners or Permitted Mortgagees, Mortgage Representatives or any other mortgagees to: (a) perform Work in or to any unsold Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of unsold Units; provided, however, that these actions comply with Applicable Law and do not impinge upon the Common Elements appurtenant to a Unit. See the Section of the Plan entitled **"Changes in Price, Sizes, Layouts and Number of Units."**

At the request of Sponsor or any Sponsor Successor, the Condominium Board will execute any application or other document required to be filed with any Governmental Authority having or asserting jurisdiction in connection with any Work proposed to be performed by Sponsor or any Sponsor Successor, at which time Sponsor or any Sponsor Successor will indemnify and hold harmless the Condominium Board and the Unit Owners from any expense or liability by virtue of the execution of such application or other document.

Rights of access

As more fully set forth in the By-Laws, the Condominium Board, the Managing Agent, the superintendent and other Persons authorized by the Condominium Board will have a right of access to any Unit for the purposes, among others, of making inspections of, or removing violations of Applicable Law against any part of, the Property, curing defaults committed by a Unit Owner under the Condominium Documents or correcting any conditions originating in any Unit and threatening another Unit or any Common Element. In addition, Sponsor and any Sponsor Successor, and their respective contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing certain Work in or about unsold Units and in fulfilling Sponsor's obligations under the Plan.

Self-help

If any Unit Owner shall fail to maintain or repair timely any part of the Property required to be maintained or repaired by such Unit Owner, or in the event of any breach of any requirement set forth in the Condominium Documents, then, as set forth in the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at the Unit Owner's expense.

Insurance

See the Section of the Plan entitled **"Rights and Obligations of Condominium Board/Summary of By-Laws"** for a description of the insurance coverage provided by the Condominium Board and a Unit Owner's rights and obligations with regard to obtaining supplemental or additional insurance. Schedule B contains a summary of the insurance coverage which will be in effect at the First Unit Closing.

Smoking Policy

Pursuant to the Department of Law's guidance memorandum entitled "Disclosures Requirements Regarding Building Smoking Policies Pursuant to Local Law 147" dated August 15, 2018, and pursuant to New York City Local Law 147 of 2017, the following is the smoking policy for the Building:

> The term "smoking" and similar terms means inhaling, exhaling, burning, or carrying any lighted cigar, pipe, cigarette, e-cigarette or other tobacco or non-tobacco smoking product in any manner or in any form.
>
> No Unit Owner, tenant, occupant, or any other person (including, but not limited to, invitees, guests or contractors) occupying or visiting an Apartment shall smoke in any enclosed common area of the Building, including, but not limited to: entrances, elevators, hallways, basement, stairwells, fire stairs, laundry rooms and amenity spaces (all of the foregoing collectively "Prohibited Smoking Locations").
>
> Persons may smoke within an Apartment, and in the yard/patio and the roof garden of the Building (both of which are Limited Common Elements appurtenant and exclusive to their respective Apartments), as long as such smoking does not trigger complaints of smoke odors permeating into other Apartments or common areas of the building. If the Condominium receives, and notifies the Unit Owner of, complaints regarding smoke odors permeating from his/her Apartment, or from a Limited Common Element appurtenant thereto, into other Apartments or common areas of the Building, the Unit Owner will, solely at his/her expense, take all steps necessary to cause such complaints to cease, including but not limited to sealing holes, gaps and cracks in the Apartment, installing air purifiers, and creating necessary pressure differentials.
>
> Each Unit Owner shall inform all persons that do or will occupy or enter an Apartment of this policy and shall be responsible for violations thereof. A fine of $250 per occurrence will be imposed on the common charge account of an Apartment the Unit Owner or any other occupant of, or visitor to, which, shall have been found to be in violation of this policy.
>
> Each Unit Owner shall inform his/her household staff, co-occupants and guests of this policy.

A Unit Owner who leases his/her Unit shall include a copy of this policy as an attachment to such lease.

A Unit Owner who violates this policy, or whose co-occupant, guest or other invitee violates this policy, shall be deemed to have agreed to indemnify, defend and hold harmless the Condominium from, against and with regard to any loss or damage which the Condominium may incur, or any claim that may be asserted against the Condominium, as a result of such violation of this policy, including, without limitation, the amount of reasonable attorneys' fees and disbursements incurred by the Condominium in connection therewith.

Any monetary obligations by a Unit Owner to the Condominium under this policy shall be deemed additional common charges under the Bylaws of the Condominium.

This smoking policy shall be included as part of the House Rules of the Condominium, and shall be included in the purchase and leasing waiver application packages of the Condominium, and as part of all leases of Units in the Condominium.

REAL ESTATE TAXES

After the New York City taxing authorities separately assess the Units for real estate tax purposes, each Unit will be taxed as a separate tax lot. No Unit Owner will be responsible for the payment of, nor will his Unit be subjected to, any lien arising from the non-payment of real estate taxes on any other Unit.

Purchasers should note that delays are anticipated in obtaining separate assessment of the Units by the New York City taxing authorities, and it is likely that the Units will not be separately assessed for real estate tax purposes until some time after the First Unit Closing.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, then at the Closing of the purchase of each Unit, the purchaser thereof will be required to deposit with the Condominium Board an amount equal to ONE HUNDRED AND TWENTY FIVE PERCENT (125%) of the Unit's proportionate share, based on its Common Interest, of the aggregate real estate taxes assessed for the entire Property for the tax year during which such Closing shall occur, in a sum sufficient to permit the Condominium Board to pay the proportionate real estate taxes due for such Unit on the next-ensuing two quarterly, or one semi-annual, tax payment due dates (as the case may be) for the Property. In the event that the amount of such deposit shall be insufficient to pay such proportionate real estate taxes due for such period(s), or in the event that the Units shall not have been separately assessed for real estate tax purposes prior to the tax payment due date next following such period(s), then the Condominium Board shall impose on, and collect from, each Unit Owner a Special Assessment in an amount sufficient to enable the Condominium Board to pay the real estate taxes due for such Units on all ensuing real estate tax payment due dates until the Units shall have been separately assessed for real estate tax purposes.

The assessed valuation, tax rates, and real estate taxes payable to the New York City Department of Finance with regard to the property during recent tax years have been as follows:

Year	Assessed Valuation	Rate	Tax
2016/2017	$710,880	19.991%	$142,112
2017/2018	$753,532	20.385%	$153,607
2018/2019	$566,100	20.385%	$115,399

Real estate taxes for each Unit will be determined by the New York City taxing authorities in accordance with Applicable Law, based on several factors including but not limited to such Unit's assessed valuation and respective Common Interest. However, the real estate taxes payable with regard to each Unit may be different from the real estate taxes payable with regard to similar Units with the same Common Interest.

The Sponsor has brought tax certiorari proceedings to adjust the assessed valuations and real estate taxes due with regard to the Property. Any award or favorable settlement that shall occur following the First Unit Closing: (i) with regard to any tax year preceding the tax year in which the First Unit Closing shall occur shall inure solely to the benefit of the Sponsor; (ii) with regard to any tax year following the tax year in which the First Unit Closing shall occur shall inure solely to the benefit of the Unit Owner(s) of such Unit for such year(s), including, if applicable, the Sponsor or Sponsor Successor; and (iii) with regard to the tax year in which the First Unit Closing shall occur shall be allocated and adjusted pro rata between the Sponsor and the Unit Owner(s) of such Unit(s).

The By-Laws provide that the Board of Managers shall be authorized by all Unit Owners to commence, prosecute and settle tax certiorari proceedings with regard to all Units for any tax year that shall commence following the First Unit Closing.

B·B·G

Belkin · Burden · Goldman, LLP

ATTORNEYS AT LAW

270 Madison Avenue
New York, NY 10016
Tel 212.867.4466
Fax 212.297.1859
www.bbgllp.com

Aaron Shmulewitz
Partner
212. 867. 4466 Ext 390
ashmulewitz@bbgllp.com

February 25, 2020

Hadramant LLC
115 West 29th Street
New York, New York 10001

Re: 350 East 81st Street, New York, N.Y.

Dear Sirs:

You have requested our opinion concerning: (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes to persons who purchase for residential use residential Units (the "Units") in The 350 East 81st Street Condominium (the "Condominium"), at 350 East 81st Street, New York, New York (the "Property"), and (ii) the treatment for such income tax purposes of the common charges to be paid or borne by such Unit Owners. The Property is currently being converted to condominium from a rental apartment building, and houses three residential Units, pursuant to an offering plan to be filed with the New York State Department of Law (the "Plan").

In connection with rendering this opinion, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986 (the "Code"), the Tax Cuts and Jobs Act of 2017 (the "2017 Law"), the New York State Tax Law (the "State Tax Law"), the New York State Real Property Law (the "RPL"), the Administrative Code of the City of New York (the "City Code"), the regulations promulgated under each of the foregoing, regulations promulgated by the New York State Department of Law, and such other materials as we have deemed relevant. Except where otherwise indicated, the terms used in this opinion have the same meanings as in the Plan.

The opinions expressed herein do not apply to Units that are purchased for other than residential use.

I. DEDUCTIBILITY OF MORTGAGE INTEREST AND REAL ESTATE TAXES

A Unit Owner will own his/her Unit and its appurtenant interest in the Common Elements in fee simple. Therefore, each Unit Owner may mortgage his/her Unit and become individually liable for the payment of any finance charges or interest on

such mortgage indebtedness. Also, each Unit will be taxed as a separate tax lot for real estate tax purposes.

In our opinion, a Unit Owner may, for Federal income tax purposes, be entitled to such deductions as may still be permitted under the 2017 Law for mortgage interest under Section 163 and real estate taxes paid under Section 164, in the year paid in the case of cash basis taxpayers, or in the year accrued in the case of other taxpayers. Rev. Rul. 64-31, 1964-1 Cum Bull. 300.

Please note that the 2017 Law limits the deductibility of interest on mortgages obtained on and after January 1, 2018 to mortgages having an aggregate principal amount of $750,000 or less; interest on mortgages with an aggregate principal amount in excess of $750,000, and interest on home equity credit lines, is not deductible under the 2017 Law. The deductibility of interest is also subject to Section 461(g) of the Code which states that no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than "points" or origination fees paid in certain cases).

Please note further that, with regard to real estate taxes, the 2017 Law limits the deductibility of real estate taxes AND state and local income taxes to a maximum of $10,000 IN THE AGGREGATE. Thus, a Unit Owner who qualifies for such deductions will be severely limited in such deductions. In addition, the deductibility of real estate taxes in general may not be available to the extent that a Unit Owner does not itemize deductions on his/her income tax return, and/or to the extent that (s)he is subject to the Alternative Minimum Tax.

It is also our opinion that each Unit Owner may, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for mortgage interest and real estate taxes, in the case of cash basis taxpayers paid, or, in the case of other taxpayers, accrued, during the taxable year paid or accrued, as the case may be. Section 615 of the State Tax Law; Section T46-115.0 of the City Code. It should be noted, however, that for New York State and New York City income tax purposes, the deduction may be reduced if the Unit Owner has more than a specified amount of tax preference items. Sections 615, 622 and 623 of the State Tax Law; Sections T46-115.0, T46-122.0 and T46-123.0 of the City Code. Moreover, the impact of the 2017 Law on New York State and New York City tax laws, and the concomitant deductibility of mortgage interest and real estate taxes for New York State and New York City income tax purposes, is not yet clear. In light of that, we express no definitive opinion on the extent to which any Unit Owner may be able to deduct mortgage interest or real estate taxes for New York State or New York City income tax purposes.

II. COMMON CHARGES

Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board of Managers.

It is our opinion that, under Section 528 of the Code, the Board of Managers should be eligible to elect for the Condominium to be exempt from Federal income tax on Common Charges collected from the Apartment Unit Owners provided that the requirements of Section 528 are met. It is our opinion that the Condominium will qualify under Section 528 of the Code. Furthermore, we understand that New York State and New York City may follow the Federal income tax treatment of condominium associations, such as the Condominium, for purposes of imposing their respective income taxes (including the minimum amounts payable without regard to income) on such associations.

The Condominium By-Laws provide that the Board of Managers will act as the agent of the Unit Owners. Thus, the Board of Managers may take the position that it is simply a conduit for receipts and payments of the Apartment Unit Owners for whom it acts as agent and the Condominium is thus not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from interim investments of the amounts which are assessed and collected from the Unit Owners.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Board of Managers, such as the assessment and expenditure of Common Charges, the Unit Owners (through the Board of Managers) constitute an association taxable as a corporation. See Code Section 7701(a)(3); Treas. Reg. Sec. 301.7701-2; Treas. Reg. Sec. 301.7701-3(b)(2)(B). In such event, such an association may be deemed subject to the Federal corporate income tax (and, therefore, to New York State and New York City corporate income taxes, as well) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the association which are deductible for Federal income tax purposes. In such case, the Condominium would likewise be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax.

In this regard, published rulings indicate that Common Charges which are assessed by a Condominium and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to its Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected (Rev. Rul. 75-370, 1975-2 Cum. Bull. 25) or because the assessed Common

Charges are deemed to be non-taxable contributions to the capital of the association (Rev. Rul. 75-371, 1975-2 Cum. Bull. 25) (cf. Concord Village, Inc., 65 T.C. 14 (1975)). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be subject to tax on his/her pro-rata share of the amounts expended.

In the event that the Condominium shall be required to pay any Federal, New York State or New York City income tax, and the Board of Managers shall make an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929); Rev. Rul. 74-75, 1974-1 Cum. Bull. 19.

III. GENERAL

No representations or warranties are made that the Internal Revenue Service, the New York State Department of Taxation and Finance, or the Department of Finance of the City of New York will allow any of the aforementioned deductions or that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which we, as counsel to the Sponsor, base our opinion, will not change. In no event will we be liable if at any time, for any reason, it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion or as to the tax status and tax consequences of the Plan under the laws of any other United States or foreign jurisdiction. This opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his/her foreign status. This opinion does not deal with the tax consequences which may arise if Units are acquired and/or leased by the Board of Managers, or with respect to whether a Unit Owner may be deemed a resident of New York City due to ownership of a Unit. This opinion does not deal with tax consequences which may result from ownership of unsold or occupied Units. We therefore strongly advise each person contemplating the purchase of a Unit to consult his/her own tax advisor as to all tax consequences of purchasing a condominium Unit, and all tax matters (as well as with respect to the tax matters discussed in this opinion).

We make no warranty or representation that the Internal Revenue Service, the New York State Department of Taxation and Finance, or the Department of Finance of the City of New York will accept any or all of the views stated above. Moreover, the Federal, State and City tax laws and Regulations (and the rulings and decisions thereunder) may change from time to time, thereby affecting the views stated above in whole or in part.

We consent to the filing of this opinion as an Exhibit to the Plan and to the reference to our name under the appropriate caption in the Plan.

Very truly yours,

BELKIN BURDEN GOLDMAN, LLP

Belkin Burden Goldman, LLP

BRANDT, STEINBERG, LEWIS & BLOND LLP

COUNSELORS AT LAW
1430 BROADWAY, SUITE 601
NEW YORK, NY 10018-3308

HUBERT J. BRANDT
RICHARD A. STEINBERG
WILLA I. LEWIS
PETER E. BLOND

KATHRYN WEG BRANDT
MICHAELLE FRANCOIS
JOHN C. HYON†

†ALSO ADMITTED IN NJ & PA

(212) 563-2200
FAX (212) 629-4272
EMAIL: BRANDT@BSL-TAXCERT.COM
WWW.BSL-TAXCERT.COM

PETER H. BRANDT
(1896-1990)

PATRICK F. BURKE*
DIRECTOR OF APPRAISAL

*NOT ADMITTED TO THE BAR

February 21, 2020

Hadramant LLC c/o NYC Management
381 Park Avenue South, 15th Floor
New York, NY 10016
Attn: Mr. Marcos Camhis

Re: Projection of Initial Real Estate Taxes
Conversion to Condominium
Manhattan Block 1543 Lot 32
350 East 81st Street, New York, NY 10028

Dear Mr. Camhis:

This letter is in response to your request for an opinion as to the initial real estate taxes that the New York City Department of Finance (hereinafter "DOF") could calculate for the above referenced property. Our opinion is predicated upon descriptive information provided by you in conjunction with New York State statutes, New York City Administrative Code, published DOF guidelines and their recent as well as historical practices. There are no guarantees, express or implied, that current relevant statutory provisions and DOF valuation methodology will be the utilized approach when post-conversion valuations are ultimately set.

According to New York City DOF and Department of Buildings (hereinafter "DOB") records, the property consists of a 2,486 square foot lot that is approximately 24.33 feet wide and 102.17 feet long/deep. The property is improved with a 9,924 square foot building that is approximately 24.33 feet wide and 90 feet long/deep. The property is presently in tax class one, building class CO (by DOF definition a 3-family walk-up apartment building).

You have advised that the property currently consists of 3 rental apartments spread over 5 floors that include 3 kitchens, 8 bedrooms, 12 baths and total approximately 9,924 square feet. You also advised that the property was originally purchased in December of 2010, as an office building, for $3,750,000. Post-purchase, you advised that a gut renovation converted the property from tax class four commercial property to a tax class one 3-family

walk-up apartment building. You advised the project commenced on or about September 1st, 2011 and was completed on or about May 1st of 2013.

New York City establishes market values of tax class 1 properties using statistical analysis of comparable sales data in your immediate area. A property's assessed value is simply 6% of that indicated market value. We searched for comparable 3 family house sales, within a one mile radius of the subject, to gauge potential impact on the 2019/20 assessed value. Analysis of 2018 & 2019 sale values per square foot were inconclusive due to insufficient sample size. Nonetheless, with history as a guide, DOF typically applies the maximum one year increase of 6% year-over-year until they attain the 20% five year cap. As this letter is being prepared subsequent to the opening of the New York City 2020/21 Tentative Assessment Roll, the taxable value as of July 1st, 2020 has been set by DOF as follows:

2020/21 Tax Year	
Effective Market Value	**$10,601,166**
Assessment Percentage	**6%**
Assessed Value	**$636,070**
Exemption Value	**0**
Taxable Value	**$636,070**
Tax Rate (based on 2019/20 rates)	**21.167%**
Property Taxes July 1, 2020 - June 30, 2021	**$134,636.93**

Section 1802 (a)(ii) of the New York Real Property Tax Law dictates "property which contains no more than three dwelling units held in condominium form of ownership and which was classified within this class on a previous assessment roll" shall remain in tax class one. Accordingly, this opinion will analyze the initial taxes for the 2020/21 NYC tax year premised on the laws and practices with respect to tax class one only.

We have also reviewed the estimated budget, you provided, for the proposed condominium. While the anticipated operating costs of a tax class two condominium typically play a role in valuation, it should not herein, as the City is solely using a market value approach - via comparable sales - your expenses are irrelevant.

By law, the assessed value of tax class one property cannot increase by more than 6% per year or 20% over five years. The only exception to this "cap" is a physical increase due to construction/alteration work. Originally, you advised that no physical/alteration work had taken place subsequent to the May 1st, 2013 renovation completion date, other than ordinary

repairs and maintenance. Now you have advised that some work has been or will be performed in conjunction with the planned conversion to condominium; specifically the addition of building soffits, the replacement of a skylight and installation of railings on the roof. The total estimated cost of the aforementioned work is approximately $66,326. Per DOB, as of the date of this letter, no Alt-1 or Alt-2 permits have been filed. We do not deem the described work or associated costs as assessable events. Accordingly, the statutory maximum 6% represents a worst case scenario for 2021/22, as there should not be a physical increase enabling the statutory limit to be exceeded.

This opinion is rendered to you for inclusion in the anticipated condominium offering plan. The estimate is based strictly on the information provided by you, our client. We specifically set forth that we have performed no independent verification of any of the above assumptions (information provided by you and/or DOF and/or NYC) and any divergence could affect the assessed value and corresponding real estate tax estimate. Our projection for the assessed value is based on our experience in real estate tax matters in the City of New York and does not in any way represent a guarantee that the assessed value as set forth will be attained. We will not be responsible in any way, to any party, if the outcome varies. Our opinion is as of the date of this letter and we have no obligation to advise you of any change in law or fact which may occur after this date.

Very Truly Yours,

Peter E. Blond

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following summary is for informational purposes only and is based upon information provided by Sponsor's Counsel, Belkin Burden Goldman, LLP, set forth in the Section of the Plan entitled **"Opinions of Counsel"**.

Each Unit Owner will own his Unit, together with its appurtenant Common Interest, in fee simple, and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Because each Unit Owner will own his Unit in fee simple, the owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Sponsor's Counsel that, under present law, under certain circumstances Unit Owners who use their Units for residential purposes may, under certain limited circumstances and subject to significant limitations imposed by the Tax Cuts And Jobs Act of 2017 (the "2017 Law"), be entitled for Federal income tax purposes to a deduction for mortgage interest and real estate taxes in the taxable year in which the same are paid or accrued. It is also the opinion of Sponsor's Counsel that, under present law, under certain circumstances each Unit Owner who uses their Unit for residential purposes may, for New York State and New York City income tax purposes, be entitled to the same deduction that is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. However, the impact of the 2017 Law on New York State and New York City tax laws, and the concomitant deductibility of mortgage interest and real estate taxes for New York State and New York City income tax purposes, is not yet clear. In light of that, neither Sponsor nor Sponsor's counsel express any definitive opinion on the extent to which any Unit Owner may be able to deduct mortgage interest or real estate taxes for New York State or New York City income tax purposes.

Any potential deductions are subject to certain exceptions and limitations, which are more particularly discussed in the income tax opinion set forth in the Section of the Plan entitled **"Opinions of Counsel."** Prospective Purchasers are urged to read such income tax opinion, and to consult with their own tax advisors with regard to the availability of any income tax deductions.

Under Section 528 of the Internal Revenue Code, the Condominium Board may be eligible to elect for the Condominium to be exempt from Federal income tax on Common Charges collected from the Unit Owners provided that the requirements of Section 528 are met. However, because of certain tests for qualification, including the composition of the Condominium's receipts and expenditures, and because of certain ambiguities in the language of Section 528 which are not clarified by the legislative history, rulings, or regulations, it is not presently possible to determine the application of Section 528 to the Condominium. Accordingly, while a Section 528 election may be contemplated, such an election may not be applicable to the Condominium. If an election under Section 528 is not available or in effect for a taxable year, the tax status of the Condominium will be governed by the rules in effect prior to the enactment of Section 528. Purchasers should note that, if the Condominium does not qualify for the election under Section 528, no monies have been set aside for possible taxes arising therefrom. Please see the Section of the Plan entitled **"Opinions of Counsel."**

Common Charges will be borne by the Unit Owners and assessed and collected by the Condominium Board. See the income tax opinion in the Section of the Plan entitled **"Opinions of Counsel"** for a further discussion of the tax status of the Condominium.

No representations or warranties are made that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow any of the aforementioned deductions or that the tax laws, or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Sponsor's Counsel has based its income tax opinion will not change. In no event will Sponsor, any principal thereof, the Managing Agent, Sponsor's Counsel, or any other person connected with this offering be liable if, at any time or for any reason, it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid make any representations or warranties with respect to the tax consequences of this Plan or the tax consequences or ownership of any Units offered under the Plan, and no one has been authorized to make such representations or warranties.

NO WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE, THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE, OR THE NEW YORK CITY DEPARTMENT OF FINANCE WILL ALLOW INCOME TAX

DEDUCTIONS. FURTHER, NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE TAX LAWS UPON WHICH SPONSOR'S COUNSEL BASES ITS OPINION WILL NOT CHANGE AND IN NO SUCH EVENT WILL SPONSOR, ANY PRINCIPAL THEREOF, THE SELLING AGENT, THE MANAGING AGENT, SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, COUNSEL TO THE CONDOMINIUM BOARD OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT UNIT OWNERS DO NOT MEET OR CEASE TO MEET APPLICABLE REQUIREMENTS ATTENDANT TO TAX LAWS. MOREOVER, NONE OF THE AFORESAID MAKES ANY REPRESENTATIONS, GUARANTEES OR WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNIT OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS, GUARANTEES OR WARRANTIES OTHER THAN THOSE CONTAINED HEREIN. EACH PURCHASER SHOULD CONSULT HIS/HER OWN TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP.

WORKING CAPITAL FUND AND CLOSING ADJUSTMENTS WITH CONDOMINIUM BOARD

Working capital fund

At the Closing of each Unit, the Purchaser thereof shall contribute to the Condominium Board for its working capital a sum equal to two months' Common Charges in respect of such Unit being purchased (the **"Working Capital Fund"**).

The Working Capital Fund may be held or used for working capital, to make repairs and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Condominium Board in its sole discretion.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of condominium operation, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase the Common Charges and/or to impose assessments on Unit Owners pursuant to the By-Laws.

UNITS ARE OFFERED AND SOLD IN THEIR CURRENT "AS IS" CONDITION ON THE DATE OF THE PURCHASE AGREEMENT, WITHOUT ANY OBLIGATION ON THE PART OF SPONSOR OR THE SELLING AGENT OR MANAGING AGENT TO MAKE ANY REPAIRS OR IMPROVEMENTS, EXCEPT AS EXPRESSLY SET FORTH IN THIS OFFERING PLAN. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

SPONSOR DOES NOT CONTEMPLATE MAKING ANY MAJOR CAPITAL IMPROVEMENTS TO THE BUILDING PRIOR TO THE FIRST UNIT CLOSING. IF THAT SITUATION CHANGES IN THE FUTURE, THAT WILL BE DISCLOSED IN A DULY-FILED AMENDMENT TO THE PLAN.

Closing adjustments with Condominium Board

Immediately prior to the First Unit Closing, Sponsor shall apportion the following items with the Condominium Board as of the day immediately preceding such closing:

(1) Rents as and when collected;

(2) employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building;

(3) fees for assignable permits and licenses, if any;

(4) cost of cooking gas;

(5) charges for electricity and gas for the Common Elements;

(6) payments under service and maintenance contracts and concession agreements;

(7) real estate taxes, water charges and sewer rents on the basis of the tax year for which assessed (unless separately assessed to individual Units);

(8) cost of supplies on hand at Sponsor's cost;

(9) premiums for transferable insurance policies provided coverage of the policies conforms to that set forth in Schedule B; and

(10) senior citizens' rent increase exemptions (if any).

Prepaid rent for a Unit will be credited to the Condominium Board, which in turn will credit such rent against the first Common Charges payable by the owner of such Unit. If the result of the closing adjustments is a net credit in favor of the Condominium, the Sponsor shall pay or credit the amount thereof to the Condominium at the First Unit Closing. If, however, the result of the closing adjustments is a net credit in favor of Sponsor, the amount of such net credit shall be paid to Sponsor at the time of the First Unit Closing out of the Working Capital Fund. In no event, however, shall such payments be made to Sponsor to the extent that they would result in the reduction of the Working Capital Fund to an amount less than $5,000. If, because of the limitation set forth in the preceding sentence, Sponsor is not paid the full amount of the net credit to which it is entitled, at the time of the First Unit Closing, the unpaid balance of the net credit in favor of Sponsor shall be paid to Sponsor by the Condominium Board, without interest, in twelve equal consecutive monthly installments pursuant to the terms of a negotiable promissory note to be executed by the Condominium Board at the First Unit

Closing. The Condominium Board will be entitled to prepay such promissory note in full only, at any time and without penalty.

RESERVE FUND

Purchasers are encouraged to read the memorandum by the Department of Law entitled "Guidance on Compliance with the NYC Reserve Fund Law" dated May 4, 2015, a copy of which is included in Part II of this Plan, and which can be accessed at:

https://ag.ny.gov/sites/default/files/pdfs/bureaus/real estate finance/Effective-memos/Guidance on Compliance with the Reserve Fund Law.pdf.

Within thirty (30) days after the First Unit Closing, Sponsor will establish and transfer to the Condominium Board a Reserve Fund in an amount as set forth below, but in no event less than $418,950, if the "first alternative method" of calculation of the "Reserve Fund Law" of the City of New York, a copy of which is set forth in Part II of this Plan, is used. The Reserve Fund is required to be used exclusively for making capital repairs, replacements and improvements necessary for the health, welfare and safety of the residents of the Property. The Reserve Fund shall never be used to reduce Common Charges. The Reserve Fund shall not be used while Sponsor retains voting control over the Condominium Board. Once Sponsor cedes voting control over the Condominium Board, the Reserve Fund shall be available for use as determined by the Condominium Board in its good faith business-judgment discretion.

Notwithstanding the foregoing, Sponsor anticipates using the "second alternative method" of calculation of the "Reserve Fund Law", more fully described as set forth in (2)(2), below:

1) Definitions: The following terms shall have the meanings ascribed with respect to the Reserve Fund:

(1) "Total Price" means the sum of the cost of all Units in the offering at the last price which was offered to tenants in occupancy prior to the Effective Date of this Plan, regardless of the number of sales made.

(2) "Capital Replacement" means (i) a building-wide replacement of a major component of any of the following systems: (a) elevator, (b) heating, ventilation and air conditioning, (c) plumbing, (d) wiring, (e) windows; or, (ii) a major structural replacement to the Building; provided, however, that replacements made to cure code violations of record shall not be included.

2) Amount of Reserve Fund: The Reserve Fund to be established within thirty (30) days after the First Unit Closing shall be in an amount equal to either:

(1) three percent (3%) of the Total Price ($418,950), based on the prices currently set forth in Schedule A); or

(2) (i) three percent (3%) of the actual sales prices of all Units sold by Sponsor at the time the Plan is declared effective (provided, however, that if such amount is less than one percent (1%) of the Total Price, then the fund shall be established as a minimum of one percent (1%) of the Total Price, or $139,650; plus (ii) supplemental contributions to be made by Sponsor at a rate of three percent (3%) of the actual sales prices of Units for each Unit held by Sponsor and sold to bona fide Purchasers subsequent to the Effective Date of the Plan and within five (5) years of the First Unit Closing, notwithstanding that the total amount contributed may exceed three percent (3%) of the Total Price; and provided, further, that if five (5) years from thirty (30) days after the First Unit Closing the total contributions by Sponsor to the Reserve Fund are less than three percent (3%) of the Total Price, Sponsor shall pay the difference between the amount contributed and three percent (3%) of the Total Price. Supplemental contributions shall be made within thirty (30) days of each sale. The payments by Sponsor under this "Option 2" may be more, and in some cases substantially more, than they would have been had Sponsor funded using "Option 1" above, because Unit prices can be increased over time; under such circumstances, Sponsor will receive no refund or allowance at the conclusion of the five-year period.

Sponsor believes, but does not warrant, that $139,650 would be sufficient to pay for the replacement of capital items, if any, likely to be needed as may be disclosed in the Description of Property and Building Condition Report section of this Plan.

Sponsor believes that, should needed capital expenditures such as renewal or replacement of Building components or systems, or remedying of major building defects, become necessary, if the amount in the Reserve Fund is then inadequate to pay therefor, the Condominium's only realistically available alternative to raise the necessary funds will be to impose assessments on its Unit Owners.

3) Credit against amount of Reserve Fund: The amount of the Reserve Fund to be established pursuant to this Section may be reduced by an amount equal to the actual cost of "capital replacements" which are begun after the Plan is first submitted to the Department of Law and before the Plan is declared effective; provided, however, that any such replacements must be set forth in the Plan, or an amendment to the Plan, together with their actual or estimated costs and further provided that such reduction or credit shall not exceed the lesser of the actual cost of the capital replacements or one percent (1%) of the Total Price. "Capital replacements" is defined in the Reserve Fund Law as a building-wide replacement of a major component of any of the following systems: elevator; heating, ventilation and air conditioning; plumbing; wiring; windows; or a major structural replacement to the Building; provided, however, that replacement made to cure code violations of record shall not be included. There is no such work that commenced after the initial submission of the Plan to the Department of Law that is intended to be completed before the Plan is declared effective; consequently, there are no warranties applicable with regard thereto.

Parenthetically, Sponsor projects that the remaining useful life of the boiler and burner for the Building is 14 years.

As set forth in the section of the Plan entitled **"Working Capital Fund and Closing Adjustments with the Condominium Board"**, above: (i) closing adjustments from the Condominium to Sponsor, if any, may be deducted only from the Working Capital Fund, not from the Reserve Fund, and (ii) in no event, however, shall the payment of any such adjustments to Sponsor reduce the balance in the Working Capital Fund to an amount less than $5,000.

4) Posting of violations: Within thirty (30) days from the date the Plan is accepted for filing by the Department of Law and until the First Unit Closing, Sponsor, if so requested by any Purchaser, will post and maintain in a prominent place accessible to all tenants a listing of all violations of record against the Property as determined by the Department of Buildings and the Department of Housing Preservation and Development. Newly issued violations shall be posted within forty-eight (48) hours of issuance. Alternatively, Sponsor may designate an agent on the premises with whom such listing shall be made available for inspection by the tenants.

5) Report on physical condition of Property: The report prepared by Janet Olmsted Cross, AIA and included as part of the **"Description of Property and Building Condition"** contained in Part II of this Plan shall be submitted to the Department of Buildings.

6) Sponsor's right to withdraw the Reserve Fund: Sponsor reserves the right to withdraw the Reserve Fund from the Offering at any time in the event that Chapter 8 of Title 26 of the Administrative Code of the City of New York is determined to be unconstitutional, illegal or invalid or in the event it is repealed or ceases to become law. If any portion of said chapter ceases to become law, then Sponsor reserves the right to withdraw the provisions of this Section related to such partial change. In the event of withdrawal of the Reserve Fund, each Person who has previously entered into a Purchase Agreement for a Unit shall have the right for thirty (30) days to rescind his Purchase Agreement and receive a prompt refund of any monies paid. Sponsor's right to withdraw the Reserve Fund shall cease on the date of the First Unit Closing.

Chapter 8 of Title 26 of the Administrative Code of the City of New York also provides for civil and criminal penalties for its violation, and further provides that any waiver of its provisions is void as against public policy.

Under the Reserve Fund Law, the Condominium Board will be required to report to the Unit Owners semi-annually with respect to all deposits into, and all withdrawals from, the Reserve Fund.

Article V, section 1 of the Condominium By-Laws also authorizes the Condominium Board to establish a reserve fund.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management agreement

Prior to the First Unit Closing, the Condominium Board will enter into a management agreement with One Manhattan Real Estate, having an office at 177 East 87th Street, New York, New York 10128 (the "Managing Agent") for a term of three years, with provision for automatic renewal under certain circumstances unless such agreement shall be first terminated by either party in accordance with its terms, subject further to the right, among others, of either party to cancel the same for the other party's default in performing a substantial obligation under the management agreement, upon thirty (30) days' prior written notice (unless the defaulting party shall cure its default within such thirty (30) day period).

The Managing Agent is not owned or controlled by, or affiliated with, Sponsor or its principals.

The Managing Agent will receive an annual fee of $20,000 for the first year of Condominium operation (to be increased by 4% per annum for each of the second and third years of the term of the management agreement), each payable in equal monthly installments. The Managing Agent will be entitled to certain additional fees, commissions and reimbursement for certain special services performed by it. All such fees will either: (i) be paid by the Condominium Board and will be charged to all Unit Owners as a Common Expense, or, (ii) if appropriate, be paid by the Unit Owner, or the prospective purchaser or tenant, as the case may be, requesting the applicable special service.

The duties and services to be rendered by the Managing Agent include, among others:

(1) billing and collecting Common Charges;

(2) causing the Common Elements to be serviced, maintained, repaired and altered in the manner deemed advisable by the Condominium Board, except that the Managing Agent shall not enter into any written contract in the name of the Condominium Board in excess of $5,000 for repairs, replacements, alterations, improvements, utilities or services to or of the Property or equipment thereon, without the prior approval of the Condominium Board (other than in case of emergency);

(3) hiring, training, supervising, and discharging such employees of the Condominium Board, as are necessary for the operation and management of the Condominium;

(4) maintaining, in full force and effect, all insurance required by the By-Laws, reasonably required by the Condominium Board;

(5) maintaining records of cost and expenses incurred and income and receipts received in connection with the operation of the Property;

(6) furnishing to the Condominium Board statements of operations of the Property and an annual budget, setting forth a detailed projection of cash receipts, cash receipts, cash expenditures, working capital and other necessary reserves and capital improvements and expenditures;

(7) attending meetings of the Condominium Board and Unit Owners; and

(8) paying, out of the Condominium Board's operating account, bills and invoices for the costs and expenses of operating the Condominium.

The annual financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Condominium Board, whose fees are to be paid by the Condominium Board and charged to the Unit Owners as a Common Expense.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful failure to comply with its obligations under the management agreement.

If requested by the Condominium Board, the Managing Agent shall bond itself and all employees who handle, deal with or are responsible for monies of the Condominium Board under a fidelity bond in the amount of $250,000 for each loss. The cost

of the bond will be borne by the Condominium Board and charged to the Unit Owners as a Common Expense, and has been provided for in the estimate of the Condominium's expenses contained in Schedule B, and will be included in the budgets prepared annually by the Managing Agent.

The Managing Agent shall have no power or right to assign any monies due to it under the management agreement or to delegate any of its obligations or responsibilities thereunder to any other person, firm or corporation without the prior consent of the Condominium Board.

The Managing Agent for the Condominium is required by Section 352-eeee of the General Business Law to be the managing agent of all dwelling units occupied by Non-Purchasing Tenants. The Managing Agent must provide to Non-Purchasing Tenants all services and facilities required by Applicable Law on a non-discriminatory basis. Sponsor guarantees the obligation of the Managing Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Condominium Board.

Other contractual agreements

Upon commencement of condominium operation, the Property will be subject to the then existing service and concession agreements (see the Footnotes to Schedule B for full details of the agreements in effect or proposed at the date of presentation of the Plan). The projected insurance coverage to be obtained for the first year of condominium operation is contained in the Footnotes to Schedule B.

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace the existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided Sponsor may not enter into any binding service or maintenance, or concession agreement for longer than two (2) years, unless same contains a provision permitting the Condominium Board to cancel the agreement from and after the second anniversary of the First Unit Closing, upon giving not less than thirty (30) days' prior written notice.

IDENTITY OF PARTIES

Sponsor

The Sponsor is Hadramant LLC, a limited liability company formed under the laws of the State of New York in 2010. The sole principal of the Sponsor is Marcos Camhis, having an address at 115 West 29th Street, New York, New York 10001.

The Sponsor acquired the Property on December 22, 2010.

Mr. Camhis has more than ten years' experience as an investor in many different types of assets, including but not limited to real estate, all over the world, including but not limited to in New York City. Mr. Camhis has not previously been a sponsor, or a principal in an entity that acted as a sponsor, for any other condominium offering in New York State.

During the past five years, Mr. Camhis has not offered properties for sale as cooperatives, condominiums, planned unit development homes or time shares in New York State. Mr. Camhis, as an individual, general partner, or principal, does not own ten percent or more of the unsold shares or units in any cooperative, condominium or homeowners association within New York State.

There are no prior bankruptcies, convictions, injunctions or judgments against any individual who owns or controls ten perent (10%) or more equity interest in the Sponsor that may be material to the Plan or to an offering of securities generally that occurred within the 15 years prior to the submission of the proposed Plan.

Sponsor's attorneys

Sponsor has retained the law firm of Belkin Burden Goldman, LLP, 270 Madison Avenue, New York, New York 10016, to represent it in connection with the Plan. Aaron Shmulewitz, a member of that firm, prepared the Plan and the opinion rendered to Sponsor with respect to the availability of income tax deductions to Purchasers. Such law firm is not related to Sponsor or its principals. Such law firm will also act as Escrowee with regard to deposits made pursuant to purchase agreements executed by Purchasers.

Managing Agent

The Sponsor will cause the Condominium to engage New York City Management, 381 Park Avenue South, New York, New York 10016, as the Managing Agent. See section of Plan entitled **"Management Agreement, Contracts and Leases"**, above. The Managing Agent is not affiliated with the Sponsor.

The Managing Agent currently manages more than 80 residential and commercial properties in New York City, including the following representative properties in Manhattan:

140 West 86th Street
71 Irving Place
322 East 82nd Street
324 East 82nd Street
326 East 82nd Street

Selling Agent

The Selling Agent is One Manhattan Real Estate, a real estate broker licensed by the New York State Department of State, with its principal office at 177 East 87th Street, New York, New York 10128. The principals of the Selling Agent are Lia Ben Shoshan and Ori Degani, each of whom is also a licensed real estate broker or salesperson. The Selling Agent is not related to Sponsor or its principals. The Selling Agent has been in existence for approximately 15 years, and it and the persons named herein have been engaged in the sale of condominiums and cooperatives during that time. The Selling Agent is currently serving as selling agent for the condominium offering of the building at 233 West 137th Street in Manhattan.

Neither the Selling Agent nor its principals have any prior felony convictions. Neither the Selling Agent nor its principals have had entered against them any prior convictions, injunctions or judgments that may be material to this Plan or an offering of securities generally, that occurred during the fifteen years prior to submission of this Plan.

Sponsor's Architect

The report on the physical condition of the Building included as part of the "Description of Property and Building Condition" contained in Part II of this Plan was prepared by Janet Olmsted Cross, AIA, 167 Madison Avenue, New York, New York 10016 (the "Architect"). The Architect has had more than 10

years' experience as an architect, and has had extensive experience with the conversion of New York City properties to condominium ownership, and the offering of new construction condominiums in New York City. The Architect is not related to Sponsor or its principals, and has no financial interest in the Property, Sponsor, the Managing Agent or any other party interested in this transaction, except for its fees for services rendered in connection with said report.

SPONSOR'S PROFIT

The Property was acquired by Sponsor in 2010. Sponsor intends to make a profit in connection with the conversion of the Property to condominium ownership, but the amount of such profit is currently unknown.

REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board pursuant to the By-Laws:

i. To submit to all Unit Owners within three (3) months after the end of each fiscal year of the Condominium an annual report of the receipts and expenditures of the Condominium, which report will be certified by an independent certified public accountant for as long as the Sponsor is in control of the Board;

ii. To give not less than ten (10) days, and not more than forty (40) days, notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting prior to the date fixed for the meeting; and

iii. To prepare and distribute to all Unit Owners, at least annually, budget information setting forth its projection of the Common Expenses for the coming fiscal year of the Condominium not later than thirty (30) days prior to the date upon which the first installment of newly determined Common Charges is due; which report will be certified by the Board of Managers for as long as the Sponsor is in control of the Board;

DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan on file and available for inspection without charge, and for copying at a reasonable charge, at the office of the Managing Agent for a period of six years from the date of the First Unit Closing. Sponsor shall deliver to the Condominium Board a copy of all Condominium Documents filed with the appropriate recording office at the time of the First Unit Closing.

The Declaration and the By-Laws will be recorded in the Register's Office prior to the First Unit Closing. In addition, a set of the Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate Governmental Authority of the City of New York as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. The Plan contains a summary of all the provisions of the various documents referred to herein, and prospective purchasers are urged to review the full text of each such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, against Sponsor that could materially affect this offering, the rights of Purchasers of Units, the Property, the Condominium, or the operation thereof.

In accordance with the provisions of Applicable Law, neither Sponsor nor any of its agents will discriminate against any person because of sex, race, creed, color, national origin, ancestry, or other ground proscribed by Applicable Law in the sale of the Units offered by Sponsor pursuant to this Plan or in the leasing of any such Units or any other portion of the Property.

The Property has not been the subject of a prior condominium offering by Sponsor; to the best knowledge of Sponsor, the Property has not been the subject of a prior condominium offering by any prior owner.

As of the Presentation Date, neither Sponsor nor any representative or agent thereof have, in violation of Applicable Law, raised funds from, or made any preliminary offering to, or binding agreement with, tenants, subtenants, or non-occupant prospective Purchasers for the sale of Units in the Property.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers, or prospective Purchasers, without obtaining the consent of such Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of uncured default), nor unilaterally change the Purchase Price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting in any material respect the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations

of Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder, with interest earned thereon, if any, within thirty (30) days after the presentation of the amendment. However, such rescission, as to a Purchaser who first became a tenant of the Property after the Presentation Date of this Plan, will be conditioned on the cancellation of any Interim Lease and surrender of possession of his Unit within thirty (30) days thereafter.

All statements and representations made in this Plan with respect to items prepared by others have been made by Sponsor in reliance upon the Persons responsible for the preparation of such items and their authority as experts.

Unless the context otherwise requires, words used in the singular in Part I of this Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine, or neuter, includes the other two.

No Person has been authorized to make any statement or representation or to 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.

DEVELOPMENT RIGHTS

The Property does not include or benefit from any development rights.

SPONSOR'S STATEMENT OF BUILDING CONDITION

General

Sponsor hereby adopts the report prepared by Janet Olmsted Cross, AIA, which is included as part of the **"Description of Property and Building Condition"** contained in Part II of this Plan. Sponsor represents that, to the best of its knowledge, said report accurately states the description and condition of the Property as of the date of the inspection. Sponsor further represents that it has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Condition.

The most recent certificate of occupancy for the Property was issued in 2014, and reflects that the Property contains the three Units.

Each Unit and the Common Elements are offered in "as is" condition as of the date of the Purchase Agreement therefor, subject to Sponsor's obligation to: (a) maintain the Common Elements until the First Unit Closing in substantially the same condition and manner as on the Presentation Date of the Plan, reasonable wear and tear excepted, and (b) cause certain violations of record to be cured as described below.

Prior to the First Unit Closing or within a reasonable period of time thereafter, Sponsor will cause to be cured all violations of record against the portions of the Property comprising the Common Elements as of the date of the First Unit Closing (except violations caused by acts or omissions of tenants in Building in their own Units).

Prior to the First Unit Closing, Sponsor will also eliminate any dangerous or hazardous conditions of which Sponsor has notice, including but not limited to any "C" violations as defined in the New York City Administrative Code.

The Property is not subject to New York City Local Law 11.

Violations of record found pursuant to a search of the records of various municipal departments of the City of New York are referenced in Part II of this Plan.

Notwithstanding the above, once the Plan is declared effective, Sponsor may nonetheless abandon the Plan on the terms and conditions set forth in the Section of the Plan entitled **"Effective Date,"** and upon such abandonment Sponsor shall have no liability to Purchasers hereunder.

As set forth in the report prepared by Janet Olmsted Cross, AIA, and included as part of the **"Description of Property and Building Condition"** contained in Part II of this Plan, there are, in its opinion, no conditions at the Property that warrant repair or remediation.

Lead-Based Paint Disclosure

The United States Department of Housing and Urban Development, and the New York City Department of Health, have recently enacted various Applicable Laws that require, in properties that are subject to such Applicable Laws: disclosure by Sponsor of information and reports in its possession regarding the presence of lead-based paint, and under certain circumstances, periodic inspections of Units and, under certain circumstances, remediation and repair of areas on which lead-based paint is present and/or may be deteriorated. Since the Building was constructed before 1978, the Property is subject to such Applicable Laws.

As of the date the Plan was first submitted to the Department of Law, Sponsor has no knowledge, records or reports of the presence of lead-based paint and/or lead-based paint hazards at the Property. Any knowledge, records or reports of the presence of lead-based paint and/or lead-based paint hazards that hereafter become known or available to Sponsor will be disclosed to each prospective Purchaser under the Plan as and to the extent required by Applicable Law, but need not be disclosed in an amendment to this Plan.

A copy of New York City Local Law 1, and a copy of the brochure entitled "Protect Your Family From Lead In The Home", are included in Part II of this Plan.

Buildings constructed prior to 1979 may contain lead paint; buildings constructed before 1960 are presumed to contain lead paint. The ingestion of lead paint poses serious health risks, especially in young children. Purchasers are advised to familiarize themselves with New York City Local Law 1 of 2004, a copy of which is included in Part II of this Plan. 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.

ARCHITECT'S DESCRIPTION OF PROPERTY AND BUILDING CONDITION

DATE: 08 JANUARY 2020

The 350 East 81st Street Condominium

350 East 81st Street, New York, NY 10028

13 CRR-NY 23.7 Description of property and building condition

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23.7 Description of property and building condition:

a. Location and use of property:

1. Address: 350 East 81st Street, New York, NY 10028
2. Block and Lot Numbers: Block 1543/ Lot 32
3. Zoning: R 8B
4. Permissible Use: J-2 Class A Apartments R-2 Use Group
5. Zoning Compliance: Current Zoning and Use Requirements Comply

b. Status of construction:

1. Year built: 1920
2. Class of Construction: Class 3 Non Fire Proof NFP Old Code: Prior to 1968
3. Certificate of Occupancy: #120713040 issued 06/05/2014 3 Unit Apartment Building
4. DOB Alterations: Architectural, Structural, Mechanical, Plumbing and Fire Protection EXHIBITS A-G 24 x 36 Plan Sets, pdf. Existing Building Renovations were completed 06/05/2014, no enlargements. Renovated Building is in "Like New" Condition, 5 years.
   EXHIBIT A: **Alteration Type 1 #120713040** RA Gumuysan 0015369 signed off 06/05/2014 (AI 2.4) Alterations to amend CO 77324 to convert existing commercial building to 3 group J-2 Class "A" apartments including new finishes, windows, roof, façade finish and related plumbing work. 13 PAGES
   EXHIBIT B: **Alteration Type 2 #121359430** PE Sideris 0065574 signed off 09/05/2013 HVAC CEL, ROF, 001-004 6 PAGES
   EXHIBIT C: **Alteration Type 2 #121167281** PE Sideris 0065574 signed off 05/05/2014 Boiler CEL 3 PAGES
   EXHIBIT D: **Alteration Type 2 #121003591** signed off 04/14/2014 PE Kefalas 0066710 Automatic Smoke/Heat Detection SP AL CEL, MEZ, ROF 001-004 1 PAGE
   EXHIBIT E: **Alteration Type 2 #120790689** signed off 10/07/2013 PE Sideris 0065574 Sprinkler System CEL, 001-004 6 PAGES
   EXHIBIT F: **Alteration Type 2 #120732350** signed off 04/25/2013 PE Anastos 0052369 Structural CEL, MEZ, ROF 001-004 12 PAGES
   EXHIBIT G: **Alteration Type 2 #120637757** signed off 08/31/2012 RA Gumusyan 0015369 Demolition OT PL CEL-ROF 1 PAGE

c. Site:

1. Lot Size: (24'-4" x 102'-2") = 2485.5 sq. ft.
   Lot Coverage: (24'-4" x 91'-10") = 2234.2 sq. ft.
   Property consists of (1) building occupying 80% of the site.
2. No. buildings, Use (1) building, permissible use (3) Class A Apartments, Common Areas
3. Streets owned Not applicable No streets are owned or maintained by property. The site is located on the south side of East 81st Street between 1st and Second Avenues and East 80th Street. These Streets are owned and maintained by the City of New York.

i. Paving material: asphalt NYC DOT compliant

ii. Curbing: cold rolled steel, NYC DOT compliant
iii. Catch Basins, drainage: Storm runoff to city sewer drains
iv. Street lighting: Standard City Street Lighting at block. Not Applicable at this building.
New Steel and glass Canopy is accented by lighting strip illuminating sidewalk front of building.
v. All items are in conformity with local fire district, town or municipal building codes per Old Code filing or Prior to 1968 Building Code for R-2. Building is in "like new" condition. Renovation completed and signed off 6/5/2014.

4. Drives, sidewalks and ramps: (Drives and Ramps not Applicable at this building)
Sidewalks:
I. Paving: All components compliant with NYC DOT code
ii. Curbing: Existing Concrete with rolled steel edging per NYC DOT code
iii. Catch Basins Drains: Gravity drain to NYC storm sewer beneath street
iv. Street Lighting: Not Applicable to this building
v. Compliance: Items are compliant with NYC fire district, town, municipal building codes R-2
vi. Street Trees: Not applicable to this location

d. Utilities:
Gas, Water, Electrical enter building cellar below grade at the South Side of 81st Street
Sewer and Storm Drain exit building cellar below grade at the South Side of 81st Street
Gas Service: Gas supplied to boiler and units by existing meter 2" gas piping (920 CFH) black steel (1) gas meter measures use for entire building. Con Edison gas charges allocated to units.
Water Service: (1) DEP meter measures use for entire building. DEP water charges allocated to units.
Electrical Service: (3) individual meters 1A 2A 3A and (2) common meters track electrical use. (3) units and board of managers for condominium pay separate utility bills to Con Edison
Telephone: (3) units and board of managers for condominium pay separate telephone and cable
Sewer: The charges for sewer provide to the building are levied on the basis of master city meters and borne by the condominium as common expense applied to each condominium unit.
Water Service: 4" service from street cast iron no hub: split to copper 2" domestic water supply, copper 2" sprinkler, separate water supply lines to each of (3) units: cold water copper 1 ¼," hot water copper 1" common charged to unit owners
Metered Service owned by the city of New York. Water valve access panel is located at sidewalk.
Sewer Service: The Sanitary Service and Storm Systems are connected to the City of New York public combined sewer drainage system through (1) existing 4" combined storm and sewer outflow pipe in accordance with the New York City Department of Environmental Protection

e. Sub-soil Conditions
Subsoil conditions Tested and compliant with BC 109.3.1, BC 1704.19, BC 3704.4.1

1. Foundation:	No uneven foundation movement or settling such as cracking, mortar joint decay, or other material displacement is noted.
2. Moisture:	No evidence of moisture, seepage or ground water infiltration.
3. Flood Zone	No apparent danger from flooding, due to water table or overflow from other bodies of water, or potential mudslides or erosion.

f. Landscapes and Enclosures:

1. The property does not include grass cover or hardscape. Not Applicable
2. Grass Decorative plantings have been installed in teak planters at the roof terrace level.
3. The property does not include trees, fencing, gates, or garden walls Not Applicable
4. The property does not include retaining walls Not Applicable
5. The property and street frontage does not include display pools or fountains. Not Applicable

g. Building Size

1. Total height of building from ground level to highest part of roof parapet is 54'-7" roof height bulkhead height is 62'-3 1/2"
2. A "crawl space" or "ventilation areaway" exists above foundation between South wall of cellar to the South property line. This space contains air handling equipment MH ductwork The grade at areaway is irregular and is 3-4 Ft higher than Cellar finish floor. The surface is coated with durable cementitious waterproof coating.
3. One (1) cellar exists at -9'-11 ½" below line of grade for utilities, recreation and storage. There are no sub-cellars.
4. Total number of stories: 4 including 001 002 003 004/4MZ, not including CEL and ROF
5. Equipment rooms: CEL (5) and ROF (1) are provided for utilities and elevator
6. Parapet height above roof is 33" AFF parapet guard rail height is 42" AFF

h. Structural System

1. Exterior of Buildings

Method of Installation: Renovation of Existing 1920 Masonry Building, No enlargement Structural Steel used for reinforcement of openings and canopy
Materials used: solid grouted masonry and CMU infill, Structural Steel
Type of Foundation: Existing Masonry with new Concrete Underpinnings
Masonry BC 1704.5, Underpinnings BC 1704.9.1, Structural Safety-Structural Stability BC 1704.19, Footings and Foundation BC 109.3.1 have been inspected certified as complete by PE Chris Anastos 052369 per TR1 report JN 120732350 (AI 7.8)
No uneven foundation movement or settling such as cracking, mortar joint decay, or other material displacement is noted. No evidence of moisture, seepage or ground water infiltration is noted.
h. Subgrade Drainage system is not provided
Waterproofing is provided by new concrete Underpinnings with 2'-6" footings, 2" min dry pack and new 5" slab on grade at 6" -8" above approximate water level.
Floor/ceiling assemblies between dwelling units or between a dwelling unit and a public or service area stair, exterior mechanical equipment, or other mechanical equipment space, including boiler rooms, are constructed of assemblies having an impact insulation class (IIC) rating of not less than 50 per Impact Noise Requirements BC 1207.3 Impact Insulation Class (IIC) rating not less than 50. Typical assembly 2 layers 3/4" plywood subfloor 3/4" solid white oak 2 layers gyp bd at ceiling R-19 Sound Batt insulation at joists.

i. Walls:

Existing exterior walls are masonry solid grouted normal density.
New Interior walls are galvanized metal studs with 2 or 3 hr rated gyp bd cladding typ.

New Exterior Wall Construction: New exterior walls are solid grouted structural masonry with solid grouted CMU infill clad with 1-3/4" Indiana Limestone slab exterior cladding, and metal furring, New glazed Assemblies as detailed in Section 4.
Local Law 10 not applicable as building is less than 6 stories
The Building envelope system has been designed to meet the 2010 New York Energy Conservation Construction Code Requirements in COMcheck 3.8.2.
Insulation: Exterior Walls: R-19, U Factor .046, Roof insulation above deck: R-21, U Factor .046
ii. Windows
Minimum of 50% of required glazing operable as required per Multiple Dwelling Code, NYC BC
All windows new: Metal Frame with Thermal Break, Double Pane Low E Clear SHGC 0.37
All joints and penetrations are caulked, gasketed, weather-stripped or otherwise sealed
Windows, Doors and Skylights are certified as meeting leakage requirements
Lot Line Windows (LL) are each provided with fire sprinkler protection
Lot line windows are excluded from mandatory light and ventilation requirements
Glazing at North façade (FH = Full Height Floor to Ceiling, AFF = Above Finish Floor)
001 Lobby 1 aluminum double glazed FH fixed panel, 2 FH doors, clear 10'-6 ½" high Kawneer
001 Service 2 aluminum double glazed FH fixed panels, 1 FH door, frosted 10'-6 ½" high Kawneer
002 2 aluminum double glazed FH fixed panels 1 sliding door, clear 9'-8" high Arcadia ULT-5000
003 2 aluminum double glazed FH fixed panels 1 sliding door, clear 9'-6" high Arcadia ULT-5000
004 2 aluminum double glazed FH fixed panels 1 sliding door, clear 8'-8" high Arcadia ULT-5000
MEZ 3 aluminum double glazed Transom fixed panels, clear 5'-6" high Arcadia ULT-5000
North façade facing 81st has no adjacent property line, so lot line window does not apply.
Glazing at South façade
001 2 aluminum double glazed Tilt & Turn windows 5'-0" high x 3'-0" wide 3'-2" AFF Capri LL
002 2 aluminum double glazed fixed panels 2 doors to terrace, clear 8'-3" high 0'-0" AFF Capri
003 4 aluminum double glazed Tilt & Turn windows 5'-11" high 2'-0" AFF Capri
004 4 aluminum double glazed Tilt & Turn windows 5'-0" high 2'0" AFF Capri
MEZ 4 aluminum double glazed Tilt & Turn windows 5'-10" high 2'0" AFF Capri
Glazing at East façade (LL = Lot Line Window with Fire Sprinkler Head)
002 3 aluminum double glazed LL Tilt & Turn windows 5'-0" high x 3'-0" wide 4'-6" AFF Capri LL
003 5 aluminum double glazed LL Tilt & Turn windows 4'-10" high x 3'-4 wide 3'-1" AFF Capri LL
004 4 aluminum double glazed LL Tilt & Turn windows 4'-0" high x 3'-0" wide 3'-0" AFF Capri LL
Lot line windows are excluded from light and ventilation calculations.
Glazing at West façade (LL = Lot Line Window with Fire Sprinkler Head)
002 3 aluminum double glazed LL Tilt & Turn windows 4'-10" high x 3'-2" wide 3'-1" AFF Capri LL
003 2 aluminum double glazed LL Tilt & Turn windows 4'-11" high x 3'-4 wide 3'-0" AFF Capri LL
004 1 aluminum double glazed fixed LL windows 4'-0" high x 6'-2" wide 3'-0" AFF Capri LL
Lot line windows are excluded from light and ventilation calculations
Lot Line Windows are labeled on 350 E 81 AG CONDO PLAN SET 080719
iii. Landmark Status: Not Applicable: The building does not have Landmark Status
2. Parapets and Copings: The parapets are masonry and are firmly secured in place with no indication of leakage, spalling, deterioration of mortar, cracking. Height with metal rail 42" typ. Flashing at Parapets protects entire parapet wall corrugated steel with silver powder coating Roofing membrane is applied to parapet wall and is protected by corrugated metal.

3. Chimneys and Caps:

1. Chimneys and Caps: Not Applicable: the building has no fireplaces
2. Fireplaces: Not Applicable: the building has no fireplaces
3. Vent stacks: Four (4) 4" soil stacks/3" vent stacks are provided at min. 7'0" above roof
4. Kitchen Exhaust: is provided for each of (3) existing kitchen range hoods at roof
3. Boiler Exhaust: is provided from Cellar (1) 16" Metal Chimney Flue directed vertically to Roof within existing solid grouted masonry open air shaft 2'-6" x 10'-0" adjacent to boiler room.

New 6" D Schedule PVC Boiler vent to roof
New 6" D Schedule PVC Boiler combustion air intake

4. Balconies and Terraces: The building has no balconies.

Duplex Unit 1A 001-002 is provided with (1) roof terrace 10'-4" x 25'-0" 258 SF at 002 a new 4'-0" W x 11'-0" L motorized fully operable skylight at terrace provides natural light to Duplex 1A kitchen on 001.

Duplex Unit 3A 004-MEZ accesses (1) 40'-5" L-shaped (15'-0" to 25'0" roof terrace 900 SF

i. Deck finish Decks are finished with masonry pavers on 6" pedestal supports
Manufacturer is Tile Tech: Porce-Pave Porcelain Pavers 24" x 24" x 3/4" on Stack Cap Pipe and Stack Adjustable PVC Bison Pedestals on Buffer Pads. Paver Manufacturer Warranty 10 years.
24" x 24" Pavers are installed with a 3" separation between pavers, Paver Terrace Underlayment platform comprised of Bison IPE tiles and Astroturf infill.
Roof Pavers on Pedestal Supports are installed to comply with Roof Manufacturer Warranty.
Roof Drains are serviced by building maintenance staff.

ii. Balustrade Not Applicable

iii. Railing at 1A is composed of solid grouted masonry 42" Above Finish Floor
Unit 3A railing consists of a parapet 36" +/- with metal safety rail extension to 42" height
Unit 3A Terrace is also provided with 1/2" safety glass rail wind screen 48" High

iv. Coping 1A is a solid masonry coping 42", 3A has solid masonry coping with metal rail to 42"

v. Soffits: Not Applicable

vi. Doors to Terrace There are (2) 8'-0" x 2'8" Glass/Metal Doors to Unit 1A Terrace.
Doors to Terrace are Aluminum by Capri and are provided with a Thermal Break built in insulated continuous barrier between the inside and outside window frames to prevent conductive thermal energy loss. The barrier securely bonds the interior and exterior metal frames of the window sash. This thermal break creates thermal energy loss resistance and combined with gas-filled triple pane glazing, keeps the interior space of the glazing at a comfortable temperature.
(2) 8'-0" x 2'8" Tempered Glass/Metal Doors are provided to Unit 1A Terrace
(1) 8'-0" x 2'10" Tempered Glass/Metal Doors is provided to Unit 3A Terrace

5. Exterior Entrances

Residential Lobby Entrance for Units 1-3 is located on the South Side of 81st Street
Exterior Main Entrance is provided with Steel and clear Glass Awning 10'-8" H above grade
At sidewalk, size of canopy is 10'-0" D x 17'-10" W x 2'-1"H
Canopy is cantilevered Structural Steel supporting a roof of 3 glass panels, accented

by lighting strip at the façade above.
The Canopy steel structural frame is comprised (5) W 12 x 26 beams
Supported by W 12 x 26 beam at façade and across at interior framing penetrating into building 12'-0" with additional W 12 x 26 below existing beams for canopy support.
i. Exterior doors and frames: Lobby Entrance is provided with (2) 3'-2" x 10'4" steel and clear tempered glass self-closing doors stainless steel pulls: Kawneer 400 mortise locksets at floor
ii. Vestibule doors and frames: double glazed with aluminum frames
iii. Exterior stairs: A 3'-3" W service access stair to Cellar Level is provided at sidewalk Flush steel hatch door 4'-0 x 6'-0" at sidewalk adjacent to Service Entrance
iv. Railings: structural glass railings provided at 42" AFF North Façade 002- 004
v. Mailboxes: Provided at Level 001 Reception AF Florence USPS-STD-4C Model 4CB2-3
vi. Lighting: Interior and Exterior lighting compliant with NYCECC 2016 Recessed LED Downlight Fixtures are provided at Lobby Ceiling

6. Service Entrances:

i. Door and Frame: Service Entrance is provided with (1) 3'-0" x 7'0" steel and frosted Glass self-closing door. Kawneer 400 Mortise Lockset at Floor
ii. Gate Not Applicable
iii. Exterior Stairs A 3'-3" W service access stair to Cellar Level is provided at sidewalk Flush steel hatch door 4'-0 x 6'-0" at sidewalk adjacent to Service Entrance
iv. Railings: Not Applicable

7. Roof and Roof Structures

Roof Pavers on Pedestal Supports are installed to comply with Roof Manufacturer Warranty.
i Existing Main Roof is Firestone APP-180 MBR membrane roofing system, Bulkhead Roof Assemblies are standing seam metal
a. Material Firestone APP-180 MBR membrane roofing system Flat roof membrane per manufacturer's instructions 2014- 2034 base sheet over 3/4" Marine Plywood,
b. Insulation R-21 rigid insulation installed above deck
c. Surface Finish: silver roof paint
d. Bond or Guarantee: 20 year guarantee 2014-2034 TECNY GROUP INC 212-697-4040
e. Flashing Materials: aluminum flashing or metal furring over waterproofing membrane

ii. Roof Drains:
a. Two 3" (RD-A1 11225SQFT) Steel Roof Drains are provided at North and South of Elevator Bulkhead portion of Roof as indicated on AI 1.2G A-106.00 Roof Plan. Secondary (emergency) roof drainage is provided (2) at Terrace on 001, and (4) on main roof to provide a means to remove the likely standing (ponding) water from the roof if the primary drain becomes blocked/clogged and to minimize the potential for roof leaks. Per Prior-to-1968 (1938) Code new Plumbing work filed after 2011 to be regulated by the 2008 NYC Plumbing Code 1107,
b. Gutters and Leaders: Not Applicable, storm drainage concealed, BC 1938
iii. Skylights: 4 new Skylights made by Gamco were installed for renovation completed 2014
(1) motorized fully operable skylight at 002 Terrace 4'-0" W x 11'-0" Glass/Metal
(1) skylight at North Roof Main Egress Stair Bulkhead 4'-2" x 4'-2" wire glass
(1) skylight at South Roof above 3A Roof Access Stair Bulkhead 4'-2" x 4'-2" acrylic/aluminum
(1) skylight at South Roof above 3A Mezz Bulkhead 4'-2" x 4'-2" acrylic/aluminum
iv. Bulkheads:

a. Stairs: Main Egress Stair Bulkhead has metal furring at walls
b. Elevator: Bulkhead has metal furring
c. Other: 3A access Roof Access Stair Bulkhead and Mezzanine Bulkhead have metal furring
v. Metal Work at Roof Levels:
a. Exterior, Metal Stairs: Not Applicable
b. Vertical Ladders, including gooseneck: Not Applicable
c. Railings, Metal: safety rail 1" x 1" square tubing attached to masonry parapet for 42" height
d. Hatches to Roof: Not Applicable
e. Other: Mechanical/HVAC area includes steel dunnage for HVAC
vi. Rooftop Facilities:
Unit 3A 900 SQ FT terrace includes masonry pavers and hardwood planters
Common Area includes Main Egress Stair, HVAC, FDNY Roof Access Path 6'-0" W typ.

8. Fire Escapes: Not Applicable

Note: No fire escapes are provided or required for egress per 6.1.2.2.2 Per **504.4.1 Rooftop Access** is provided to building rooftops shall be provided for fire operations by providing unobstructed path 1. For each 12 linear feet (3658 mm) of building perimeter accessible from the frontage space of the building and from any other exposure accessible to fire apparatus, a minimum clearance of 6 feet (1829 mm) in width and 6 feet (1829 mm) in depth from any obstruction shall be provided at the parapet wall or other perimeter of the rooftop.

9. Yard and Courts: Not Applicable

10. Interior Stairs:

i. Number of stairs of Each Type:
Note: R= Riser T= Tread
STAIR 1 Main Egress Stair: CEL-ROF 98 steps; 7-1/4" R 10-1/4" T steel stringers concrete treads
STAIR 2 Cellar Egress CEL-001: 14 Steps; 7-1/4" R 10-1/4" T Steel stringers concrete treads
STAIR 3 Cellar Service Stair to Sidewalk Hatch; 14 Steps 8-1/2" R 8-3/4" T no stringer all concrete
STAIR 1A Interior Convenience Stair; 001-002 19 steps 7-1/4" R 10-1/4" all white oak
STAIR 3A1 Interior Convenience Stair; 004-4MZ: 14 steps 7-1/4" R 10-1/4" all white oak
STAIR 3A2 Interior Convenience Stair; 4MZ-ROF: 14 Steps 7-1/4" R 10-1/4" all white oak
ii Enclosure
STAIR 1 2 HR fire rated partition 2 layers 5/8" gyp bd on both sides of 3 5/8" metal studs to full height to slab with acoustical batt insulation per BS&A CAL 301-60-SM, or original walls terra cotta exterior wall masonry, 1 1/2 HR fire protected self-closing door
STAIR 2-3 2HR same as Stair 1
STAIR 1A Open, 1 HR fire rated partition 2 layers 5/8" gyp bd on both sides of 3 5/8" metal studs
STAIR 3A1 Interior Convenience Stair; 004-4MZ: 14 steps 7-1/4" R 10-1/4" all white oak
STAIR 3A2 Interior Convenience Stair; 4MZ-ROF: 14 Steps 7-1/4" R 10-1/4" all white oak
iii. Stair Construction: Described in 10i
iv. Stringers (material): Described in 10i
v. Treads: Described in 10i
vi. Risers: Described in 10i
vii. Guardrails: Metal Handrails provided at Stairs 1-3, Guard Rails or Handrails at Stairs 1A 3A1-2
viii. Balustrades: Not Applicable

11. Interior Doors and Frames

FPSC: 1 1/2 HR fire rated 3'-0" W x 7'-0" H typ with automatic closers compliant NYCBC FDNY
i. Unit entrance and interior doors and frames Entrance FPSC, Interior doors solid core wood typ

ii. Corridor Doors and Frames: FPSC 3'-0" W x 7'-0" H typ
iii. Stair hall doors and frames: FPSC 3'-0" W x 7'-0" typ
iv. Roof doors, basement doors and frames: FPSC 3'-0" W x 7'-0" typ

12. Elevators

i. Number of Passenger and Service Elevators: 1 Passenger Elevator (also used for Service)
ii Manufacturer: CEC Elevator Cab Corp. cab and controls, installed by PS Marcato Elevator, Inc.
Age: Installed 7/11/1988 renovated for new Certificate of Occupancy 6/5/2014
Capacity: 2000 LBS max load, 6 persons max capacity, Speed 350 ft/sec
Device: Device Number 1P32216 PS Marcato Elevator, Inc.
Interior Finishes: Like New. Stainless Steel Walls, Powder Coat steel Ceiling with recessed LED lights.
Elevator door assembly complies with smoke and draft assembly requirements Section 711.5.2 UL 1784 tests
All violations are cured.
Modernization of Cab and controls by CEC Elevator Cab Corp and Mercato Elevator Inc
New Overhead Gear Traction, New Cab, New Controls, New doors
iii. Type of Operation: Passenger
iv. Automatic Type of Controls: CEC Elevator Cab Corp
v. Floors Served: 6 Floors served: CEL 001 002 003 004 04MZ
vi. Machine Type: Overhead Gear Traction Mode Operation: Automatic Push
vii: Doors: Automatic Sliding Doors
viii. Location of machine rooms: (1) Elevator Machine Room 009 6'-0" x 8'-2 1/2" Cellar adjacent South of existing elevator shaft
ix. DC motor manufacturer PS Marcato Elevator, Inc.
x. AC motor manufacturer PS Marcato Elevator, Inc.
xi. Other DOB Record 9035

13. Elevator Cabs

i. Kind: Passenger Elevator Cab by CEC Elevator Cab Corp
ii. Floor: Masonry Tile
iii. Walls: Stainless Steel Panels
iv. Ceiling: metal suspended ceiling panel assembly
v. Lights: Recessed LED downlights
vi. Alarm, safety system: CEC Elevator Cab Corp Safety type: Instantaneous

i. Auxiliary Facilities

1. Laundry Rooms

i. Location and Number of Laundry Rooms:
Unit 1A laundry room (105) is adjacent to powder room (108) level 001, side by side installation
Unit 2A laundry room (313) is adjacent to Hallway (311) level 003, stacked installation
Unit 3A laundry room (419) is adjacent to Hallway (420) level 004, stacked installation
ii. Clothes Washers Number and Type: Each Unit 1A-3A Laundry Room is provided with (1) Bosch 800 24" Compact Electric Washer, WAT28402UC, White, 15 Wash Cycles, 240V 3 prong
iii. Clothes Dryers Number and Type: Each Unit 1A-3A Laundry is provided with (1) Bosch 800 24" Compact Electric Condensation Dryer, WTG86402UC, White, 240V 3 prong

iv. Room Ventilation: Dryer is Condensation type no ducting is required
v. Pick-up Schedule: Not Applicable

2. Refuse Disposal:

i. Incinerators: Not Applicable
ii. Compactors: Not Applicable
iii Approvals by Authorities Having Jurisdiction: Regulations per NYC Sanitation Dept. refuse and recycling shall be placed at curbside by owners per NYC regulations
iv. Initial Storage Location: Trash is stored by tenants and management until sidewalk pick-up common refuse storage facility is not provided by building management.
v. Pick-up Schedule: sidewalk pick-up schedule provided by NYC Sanitation, 311 for info

3. Storage:

Individual Units are each provided with cellar storage closets. The finish is gyp board, painted 3 coats white. The doors are metal Fire Proof Self Closing with metal frames and locking hardware. The storage access hall is protected by security camera.

j. Plumbing and Drainage

1. Water Supply

System: 3" water supply main is located underground at the South side of 81st Street. 2" domestic water supply enters building from water main at the North wall of cellar to Utility Room 006. Water main shut-off access is located at the 81st St Sidewalk.
One main domestic water system serves the entire building. Sanitary hot and cold piping is insulated with 3/4" K-Flex 2-1/8" Pipe (O.D.) x 3/8" Wall Insul-Lock Pipe Insulation (typ)
Water Meter: DEP Aclara Technologies Digital meter at 81st street façade -service entry
Water Piping: Domestic water supply piping is copper. Cold water supply lines to each unit: 1" 1/4" Hot water supply lines to each unit: 1"
Pumps: Water pressure for building is served by Duplex Water Booster Pump and Cushion Tank
Storage: Hot water Storage Tank is 82 Gallon Squire indirect Water Heater 150 PSI. 171,000 BTU HR No Water storage tower is provided to building.
Location: Water Service and Booster: Utility Room CEL (006) Water Tank: CEL Boiler Room (008)

2. Fire protection system

i. Standpipes: Not Applicable
ii. Hose racks, hoses and nozzles: Not Applicable
iii. Sprinkler Heads: Automatic sprinkler Wet Pipe system provided throughout building Designed per R-2 Light Hazard Requirements Max 225 Square Feet Per Head BC 1704.21 Pipe Material 2" or less: Schedule 40 Black Steel; 2 1/2" or more Schedule 10 Black Steel Filed Under Alt 2 Application 121003591 PE Chris Anastos
iv. Siamese connection 3"x 3" x 4"-5" Flush: installed at 81st St 3 ft above grade at service area

3. Water storage tank(s) and enclosures: Hot water Storage Tank is 82 Gallon Squire indirect Water Heater 150 PSI. 171,000 BTU HR No Water storage tower is provided to building.

4. Water Pressure and how maintained: Duplex Water Booster Pump and Cushion Tank is provided at Cellar Utility Room (006) to boost water pressure. The system is serviced by building management.

5. Sanitary Sewage System:

i. Sewage piping materials: New 8 cast-iron pipe ASTM A 74; ASTM A 888; CISPI 301 per NYC BC provided at Existing House Sewer Connection at Cellar level at 81st Street.
ii. Sewage Pumps:
(1) Sewer Ejector Pump Liberty AE21L 2 year Warranty provided at Cellar min 3 FT from invert.
(1) Elevator Sump Pump Liberty Model 287 3 year Warranty provided at Elevator per NYC BC.
iii. Sewage Disposal: Sewage Disposal system is a gravity type that is connected through a 4" combined trap in the cellar, connecting to the building's 4" combined storm and sewer main beneath the front of the building provided with "relay" of existing sewer with new 8" pipe per NYC BC. Sewer Ejector Pump at Cellar to augment Sewage Disposal.

6. Permits Required:
Not Applicable. Construction Permits are detailed in this report on page 3 **Status of Construction b.** 4 Permits. All construction Work has been completed signed off as of 6/5/2014.
7. Storm Drainage System
System: The storm drainage outflow uses Municipal storm sewer system maintained by NYC with drains that direct flow by gravity into the Municipal system. The Municipal sewerage system is located underground at East 81st Street. It is owned and maintained by the City of New York.
i. Catch Basins: Not Applicable
ii. Yard and Roof Drains. There no yard drains. (2) 3" Steel Roof Drains are provided at North and South ends of existing roof.
iii. Piping: 4" cast Iron storm drain sized per flow rate through roof drain NYC BC Table 1106.2
iv. Eject or Sump Pumps: (1) Sewer Ejector Pump Liberty AE21L is provided at Cellar min 3 FT from Invert. (1) Sump Pump Provided at Elevator per NYC BC

k. Heating
1. Heating and distribution of domestic hot water provided :
Squire Lochivar High Efficiency Indirect hot water storage tank SIT080 82 Gallons 171000 BTU 14 GPM 5 year warranty Lifetime Limited Warranty AHRI Certified Product Performance
Weil McLain Ultra 550 Boiler filed under ALT 2 121167281
2. (1) Boiler serves the entire building hot water and heating coil
3. Boiler Model is Weil-McLain Ultra 550 Condensing Boiler with an estimated useful life 20 years from installation date of 2014 Input 550,000 BTU/HR Gross Output 517,000 BTU/HR Natural Gas, Condensate Neutralizing Kit is provided. Expansion Tank TAC Model CBX-84, 18 GAL Acceptance 125 PSI. Boiler Combustion Efficiency 94% Ec
4. Boiler Burner Device Number 37935-1
5. Controls: Tekmar 258 Boiler Controller and Tekmar 132 Pump Sequencer.
6. Radiators, Piping, Insulation, Valves and Pumps:
Radiators: Not Applicable. Heating coils at Air Handlers
Piping: Brass 2"-3" Hot Water Return, Specifications per ALT 2 121167281
Insulation: Complies with 2010 NYECCC COMCheck 3.9.1
Valves: 2-way valves at heating coils
Hot Water Pipe: Insulation 1.5" for pipes <=1.5" 2" for pipes > 1.5"
Cold Water Pipe: Insulation 1.5" for pipes <=1.5" 3" for pipes > 1.5"

Steam Pipe Insulation: 1.5" for pipes <=1.5" 3" for pipes > 1.5"
Pumps: All Pumps Bronze Fitted
P-1 Boiler Circulator: TACO-1400-70
P-2A Heating System Loop: TACO-KV1507 Lead Pump
P-2B Heating System Loop: TACO-KV1507 Stand-by Pump
P-3 Turbomax 65 Loop: TACO-1507

7. Fuel: Gas is supplied to boiler by 2" gas meter, capacity 931 CFH
8. Location of Oil Tank, Materials, Enclosure: Not Applicable
9. Capacity of Oil Tank: Not Applicable
10. Gas type and supply system: Natural gas supplied to boiler by 2" gas meter, capacity 931 CFH

l. Gas supply:

1. Type: 2" gas meter provides natural gas for domestic hot water and residential cooking:
2. Meters: (1) 2" gas meter for boiler 931 CFH connected load 550 CFH diversified load 460 CFH
3. Piping: Gas supplied to boiler and units from existing meter 2" gas piping (920 CFH) black steel
   1 1/2" Gas piping at Cellar (550 CFH) for gas supply Boiler black steel
   Floors 1-4 fitted with black steel piping 1 1/2"(370 CFH) for gas supply to Units 1A 2A 3A
   Floors 1-4 fitted with black steel piping 1" (75 CFH) for gas supply to Ranges Units 1A 2A 3A
   Roof fitted with black steel piping 1 1/4" (115 CFH) for gas supply to RTU-1 HVAC Units

Note also see **k** 10 for gas information

m. Air Conditioning

The Mechanical system is comprised of Split Units with separate Air-Cooled condensing units ACCU installed on structural steel dunnage over South Section of Roof, Common Area. System is provided with Automatic Controls for freeze protection, compliant with 2010 NYCECC and interior air handling units AHU located at building interior to serve common areas and 3 apartments 1A 2A 3A. Load Calculations meet ASHRAE/ACCA Minimum Efficiency 13.00 SEER. Ducts are Insulated R5-R8. HVAC system was installed 2014 ALT 2 121359420.
Exterior metals, including fasteners are protected with Silver Rustoleum spray painted coating.
Rooftop Equipment is provided with 3/8" neoprene sound vibration isolation pads.
Insulation for refrigerant piping is K-FLEX 1/2" Thick, Pre-Slit/Pre-Glued with Overflap NBR/PVC Pipe Insulation

1. Type

Quan	System Type & Description
2	AHU/ACCU-1-1, 1-2 (Single Zone): Cooling: 2 each - Split System, Capacity = 28 kBtu/h, Efficiency = 14.00 SEER Air Cooled Condenser
3	AHU/ACCU-2;3;4 (Single Zone): Cooling: 3 each – Split System, Capacity = 60 kBtu/h, Efficiency = 13.50 SEER Air Cooled Condenser, Air Economizer
1	HVAC RTU-1 (Single Zone) Heating: 1 each - Central Furnace, Gas, Capacity = 115 kBtu/h, Efficiency = 80.08 Et

Cooling: 1 each – Split System, Capacity = 43 kBtu/h, Efficiency = 13.50 SEER Air Cooled Condenser

1 AHU/ACCU-1 (Single Zone):
Cooling: 1 each – Split System, Capacity = 18 kBtu/h, Efficiency = 14.50 SEER Air Cooled Condenser

2. Central system: Not Applicable
3. Cooling Towers, condensers:
(6) Carrier Roof Top Air Cooled Condensing Units. R-410 A Refrigerant
ACCU-C-1 2.0 TON Roof Top Air Cooled Condensing Unit Carrier Model 3 24ABB324A310
ACCU-1-1 2.5 TON Roof Top Air Cooled Condensing Unit Carrier Model 3 24ABB330A510
ACCU-C-1 2.0 TON Roof Top Air Cooled Condensing Unit Carrier Model 3 24ABB330A510
ACCU-C-1 2.0 TON Roof Top Air Cooled Condensing Unit Carrier Model 3 24ABB360A520
ACCU-C-1 2.0 TON Roof Top Air Cooled Condensing Unit Carrier Model 3 24ABB360A520
ACCU-C-1 2.0 TON Roof Top Air Cooled Condensing Unit Carrier Model 3 24ABB360A520
4. Individual Units covered by the offer: Not Applicable

n. Ventilation

1A Kitchen mechanically vented with 350 CFM Hood Exhaust Fan 8x8 Duct Fire rated to 002 ROF
2A Kitchen mechanically vented with 350 CFM Hood Exhaust Fan Discharge sidewall terminal
3A Kitchen mechanically vented with 350 CFM Hood Exhaust Fan Discharge sidewall terminal
Bathrooms are mechanically vented Ceiling Exhaust Fans CEF-1 50 CFM Greenheck SP 850
Natural Ventilation at living spaces is provided by operable windows that comply with NYCBC requirements for light and ventilation: 5% min area operable windows are provided per unit floor area per NYC Multiple Dwelling Law and NYCBC.
Windowless spaces are provided with mechanical exhaust/ventilation fans 50 CFM in compliance with NYCBC for affected room areas.

o. Electrical System:

1. Service from main service switch gear 400 amperes 3 phase, 120 Volt, 3 phase, #3, #10 wire, encased in NAV-TECH INC TS-400-208 painted steel protective equipment;
2. Service to individual units: Each unit is provided by #10 wire riser 101-200 AMP service
3. Compartment switch gear (location and floor of sectional meter boards and transformers supplying power to meter boards): Service switches and gears located in Cellar Meter Room 005
4. Unit service (ratings of fuses and circuit breakers): Each Unit served by 101 up to 200 AMPS adequate for Fixtures, receptacles A/C switches. Electrical system is adequate to handle modern usage and appliances such as air conditioners, dishwashers and dryers:
(5) adequacy: The electrical service upgraded for 2014 Certificate of Occupancy is adequate for service to the common areas and the 3 Class A apartments for residential usage.
(i) service—average number of circuits per apartment and capacity to handle modern appliances—specifically air conditioners, dishwashers and electric dryers;
(3) service switches 101 up to 200 AMPS provided for 3 apartments
(1) service switch 201 up to 600 Amps provided for main
(5) 3-phase over 225 AMP panels provided at cellar

(ii) lighting and fixtures per Application M321895 signed off 7/29/2013; ATT= ATTACHED
CEL-BAS: 44 Fixture Outlets 40 ATT receptacles 2 AC receptacles 30 switches 140 Light fixtures
LOB: 2 Fixture Outlets 25 ATT receptacles 1 AC receptacles 4 switches 22 Light fixtures
1A: 4 Fixture Outlets 50 ATT receptacles 1 AC receptacles 20 switches 100 Light fixtures
2A: 10 Fixture Outlets 68 ATT receptacles 1 AC receptacles 10 switches 100 Light fixtures
3A: 8 Fixture Outlets 68 ATT receptacles 2 AC receptacles 18 switches 110 Light fixtures
Electrical Systems were permitted and inspected in accordance with BEC code
Generator is not provided to building for outages
Electrical Systems installed by Electrician John Pylarinos, License 010819 Spiro Electric

p. Intercommunication and/or door signal systems, security closed circuit TV
Mode of operation: Closed Circuit DIGITAL WATCHDOG TV Surveillance System is provided at Cellar with Cameras at sidewalk and lobby for surveillance. Cable and Phone service is provided by Verizon at Cellar Meter Room for service to common areas apartments 1A 2A 3A
DGA Alarm System is provided for Building Security.

q. Public Area Lighting
Entrance is provided with strip lighting at Canopy
Lobby, common areas are provided with ceiling recessed downlights LED 75 Watt Equivalent.
Egress stairs are provided with wall mounted lights LED 75 Watt Equivalent per NYC MDL R-2 .

r. Garages and Parking Areas: Not Applicable
s. Swimming Pools: Not Applicable
t. Tennis Courts, Playgrounds Recreational Facilities:
No Tennis Courts or Pools are provided.
(1) Tenant Recreation Room 400 sq ft provided for Exercise Equipment it is located at the South portion of Cellar adjacent to tenant storage rooms. All tenants have access to recreation room.

u. Permits and Certificates
Permits for type 2 Alterations are listed in Section b 4. All construction permits have been signed off under Certificate of Occupancy Alteration Type 1 #120713040 6/5/2014
RA Gumuysan RA 0015369
Board of Managers coordinates annual Elevator Inspections for Device Number 1P32216

v. Violations
Board of Managers is responsible for the cure of Violations prior to offering plan.
(1) There are no Existing DOB Violations.

w. Unit Information:
Number of Units, Unit Designations, Type of Rooms, useable Residential SQ FT
The 350 E 81st Street Condominium is a 5 story 3 unit Class A Apartment Building R-2
Unit 1A is a 2478 SQ FT Duplex Unit on CEL, 001 and 002 including the following rooms:
105 SQ FT Cellar Level (1) Tenant Storage Room

1400 SQ FT Level 1 of Duplex 001: (1) Kitchen (1) Gallery (1) Powder Room (1) Laundry (2) Closet
2218 SQ FT Level 2 of Duplex 002: (1) Kitchen (1) Gallery (1) Powder Room (1) Laundry (2) Closet
260 SQ FT Level 2 Duplex OSP: (1) Roof Terrace
(1) Elevator (1) Stair 1 and (1) convenience stair serve levels CEL 1 and 2 of Duplex
Unit 2A is a 2218 SQ FT Floor Through Unit on CEL and 003 including the following rooms:
120 SQ FT Cellar Level (1) Tenant Storage Room
2218 SQ FT 3rd Floor Level: (1) Living Room (1) Dining Room (1) Kitchenette (1) Foyer (1) Office
(2) Bedrooms (2) Bathrooms (1) Powder Room (1) Laundry (4) Closets
(1) Elevator (1) Stair 1 and (1) convenience stair serve levels CEL 1 and 2 of Duplex
Unit 3A is a 4434 SQ FT Duplex Unit on CEL, 004, 4MZ and ROF including the following rooms:
132 SQ FT Cellar Level (2) Tenant Storage Rooms
2218 SQ FT Level 1 of Duplex 004: (1) Living Room (1) Dining Room (1) Kitchenette (1) Foyer (1)
(2) Bedrooms (2) Bathrooms (1) Powder Room (1) Laundry (3) Closets
1184 SQ FT Level 2 of Duplex 4MZ: (1) Bedroom (1) Bathroom (1) Powder Room (2) Closets
900 SQ FT Roof Level: Roof Terrace
(1) Elevator (1) Stair 1 and (1) convenience stair serve levels CEL 1 and 2 of Duplex
Common Area occupies 4696 SQ FT on CEL, 001-004, 4MZ, ROF including the following rooms:
2148 SQ FT Cellar Level (1) Meter Room (1) Utility Room (1) MH Room (1) Boiler Room
(1) Storage Room (1) Elevator MH Room (1) WC (2) Hallways (1) Recreation Room (1) MH Area
(1) Elevator (1) Stair 1 and (1) Stair 2 (1) Stair 3 to OSP serve levels CEL and 001
2148 SQ FT Cellar Level (1) Meter Room (1) Utility Room (1) MH Room (1) Boiler Room
(1) Storage Room (1) Elevator MH Room (1) WC (2) Hallways (1) Recreation Room (1) MH Area
(1) Elevator (1) Stair 1 and (1) Stair 2 (1) Stair 3 to OSP serve levels CEL and 001
2148 SQ FT Cellar Level (1) Meter Room (1) Utility Room (1) MH Room (1) Boiler Room
(1) Storage Room (1) Elevator MH Room (1) WC (2) Hallways (1) Recreation Room (1) MH Area
(1) Elevator (1) Stair 1 and (1) Stair 2 (1) Stair 3 to OSP serve levels CEL-001
2148 SQ FT Cellar Level (1) Meter Room (1) Utility Room (1) MH Room (1) Boiler Room
(1) Storage Room (1) Elevator MH Room (1) WC (2) Hallways (1) Recreation Room (1) MH Area
(1) Elevator (1) Stair 1 and (1) Stair 2 (1) Stair 3 to OSP serve levels CEL and 001
1078 SQ FT 1st Floor Level: (1) Main Entry (1) Lobby (1) Reception (1) Mailbox (1) Service Entry
(1) Service Hallway (1) Unit 1A Entry
(1) Elevator serves levels CEL-4MZ (1) Stair 1 serve CEL-ROF (1) Stair 2 serves 001-CEL
1078 SQ FT 2nd Floor Level: (1) Main Entry (1) Lobby (1) Reception (1) Mailbox (1) Service Entry
152 SQ FT 4MZ Level: (1) 4MZ Stair 1 Area
(1) Elevator serves levels CEL-4MZ (1) Stair 1 serve CEL-ROF (1) Stair 2 serves 001-CEL
1318 SF ROF level: (1) ROF Stair 1 Area (1) Common Roof and Mechanical Area

1. Type and Grade of Finish Material used in Each type of Unit

Apartment Finishes

Note: All Finishes are "Like New" per 2014 Renovation. Typical Unit Finishes are uniform.

1. Apartment Floors: 3/4" plywood subfloor 3/4" white oak plank flooring, clear finish
2. Apartment Walls: flat white painted gypsum board 1 coat primer 2 coats paint typ
3. Apartment Ceilings: flat white painted gypsum board 1 coat primer 2 coats paint typ
4. Cabinetry is gloss white painted or clear natural wood with stainless steel handles

5. Roof Terraces are provided with 24" x 24" grey masonry pavers supported by pedestals

2. Presence, type and condition of all Bathroom Fixtures

Plumbing Fixtures are "new" condition are listed by floor below also see Schedule B (AI 18.5)

LOCATION	FLOOR	Item
COMMON AREA	CEL:	(1) Lav common Washbasin
		(1) Toilet white Porcelain
LOCATION	FLOOR	Item
Unit A1 level 1	001:	(1) Lavatory Common Washbasin Duravit white porcelain
		(1) Toilet Porcelain Duravit white porcelain
Unit A1 Level 2	002:	(4) Lav common Washbasin Duravit white porcelain
		(3) Toilets Duravit white porcelain
		(3) Bathtubs Duravit white porcelain
		(1) Stall Shower Duravit white acrylic pan
Unit 2A	003:	(4) Lavatory Common Washbasin Duravit white porcelain
		(3) Toilets Duravit white porcelain
		(3) Bathtubs Duravit white porcelain
		(3) Stall Shower Duravit white acrylic pan
3A	004:	(3) Lavatory Duravit white porcelain
		(3) Toilets Duravit white porcelain
		(2) Bathtubs Duravit white porcelain
3A	4MZ:	(3) Lavatory Duravit white porcelain
		(2) Toilets Duravit white porcelain
		(1) Bathtub Duravit white porcelain
		(1) Shower Duravit white acrylic pan

2. Presence, type and condition of all Kitchen and Laundry Fixtures

Plumbing Fixtures are "new" condition are listed by floor below also see Schedule B (AI 18.5)

LOCATION	FLOOR	Item
Unit 1A Level 1 Kitchen	001:	(1) 36" Viking Professional Gas Cooktop + Oven Stainless Steel
		(1) 36" Viking Professional Microwave
		(1) 24" Viking Professional Dishwasher Stainless Steel
		(1) 18" x 26" Residential Sink Elkay Stainless Steel Undercounter
		(1) 36"W x 80"H x 24"D Subzero 736TCI-6 Stainless Steel
		Capacity: Refrigerator 13.3 CU FT Freezer 7.1 CU FT
Unit 1A Level 1 Laundry	001:	(1) 24" Bosch 800 Series Washer White
		(1) 24" Bosch 800 Series Condensation Dryer White
Unit 2A Kitchen	003:	(1) 36" Viking Professional Gas Cooktop-Oven Stainless Steel
		(1) 36" Viking Professional Microwave
		(1) 24" Viking Professional Dishwasher Stainless Steel
		(1) 18" x 26" Residential Sink Elkay Stainless Steel Undercounter
		(1) 36"W x 80"H x 24"D Subzero 736TCI-6 Stainless Steel
		Capacity: Refrigerator 13.3 CU FT Freezer 7.1 CU FT
Unit 2A Kitchen	003:	(1) 24" Bosch 800 Series Washer White

LOCATION	FLOOR	Item
		(1) 24" Bosch 800 Series Condensation Dryer White
Unit 3A	Kitchen 004:	1) 36" Viking Professional Gas Cooktop-Oven Stainless Steel
		(1) 36" Viking Professional Microwave
		(1) 24" Viking Professional Dishwasher Stainless Steel
		(1) 18" x 26" Residential Sink Elkay Stainless Steel Undercounter
		(1) 36"W x 80"H x 24"D Subzero 736TCI-6 Stainless Steel
		Capacity: Refrigerator 13.3 CU FT Freezer 7.1 CU FT
Unit 3A	Laundry 004:	(1) 24" Bosch 800 Series Washer White
		(1) 24" Bosch 800 Series Condensation Dryer White
		3 Lavatory Duravit white porcelain
		3 Toilets Duravit white porcelain
		2 Bathtubs Duravit white porcelain

x. Finish Schedule of spaces other than units

Room	Floor	Walls
Cellar Service and Utility	Painted Concrete Slab	Gypsum Bd 1 coat primer 2 coats paint
Cellar Tenant Recreation	Resilient Rubber	Gypsum Bd 1 coat primer 2 coats paint Mirror at North Wall
Lobby and Reception	Polished grey stone tile	Gypsum Bd 1 coat primer 2 coats paint
Circulation, Corridors	Concrete	Gypsum Bd 1 coat primer 2 coats paint
Common Area Roof	Firestone APP-180 MBR membrane roofing system, silver roofing paint	Metal furring panels typ.

y. Safety and Warning Devices

Smoke Detection and Fire Alarm system has been provided PE Sideris 121003591

- Fire Alarm Central Station is installed at Service Entrance Level 001 adjacent to door
- Fire Alarm System Legend is mounted to wall adjacent to Fire Alarm Equipment
- Fire Alarm System includes:
    - Manual Fire Pull Station
    - Smoke Detector- Photoelectric Type
    - Smoke/Heat Combination Detector
    - Heat Detector Fixed Temp Type
    - Control Modules: Door Release, Elevator Recall
    - Fire Smoke Damper
    - Fire Alarm Control Panel by DGA Security Systems

z. Additional Information Required

1. Site Plan, Survey: INDEX OF EXHIBITS AI 2 350 East 81st Survey
2. Area Map: INDEX OF EXHIBITS AI 1.1 2 350 East 81st Area Map
3. Floor Plan for Each type of Unit drawn to scale: INDEX OF EXHIBITS AI 1.2A-1.2E graphic scale
4. Floor to Ceiling Heights of Units: INDEX OF EXHIBITS AI 1.2F 1/16" dimensioned section detail
5. Approximate Total Area of Each Unit: INDEX OF EXHIBITS AI 1.2A-1.2E SQ FT Noted in Tables
6. Master Floor Plans : Unit Boundaries: INDEX OF EXHIBITS AI 1.2A-1.2E Red Outlines

Floor Plans (AI 1.2A-1.2F) Floor Area Allocation and Room Layouts

1.2A	CEL: Cellar Service, recreational and storage
1.2B	001: Lobby and 1/2 of Apartment 1A
1.2C	002: 1/2 of Apartment 1 A
1.2D	003: Apartment 2 A
1.2E	004: 1/2 of Apartment 3
1.2F	MEZ: 1/2 of Apartment 3 A
1.2G	ROF: Roof Plan
1.2F	Section Detail 1/16" = 1'-0" with Floor-to-ceiling heights of unit

aa. Further Inspection of Building Conditions

Additional tests or inspections may be carried out as required by Department of Law if conditions cannot be adequately evaluated by a visual examination, i.e. settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, firestopping, etc.

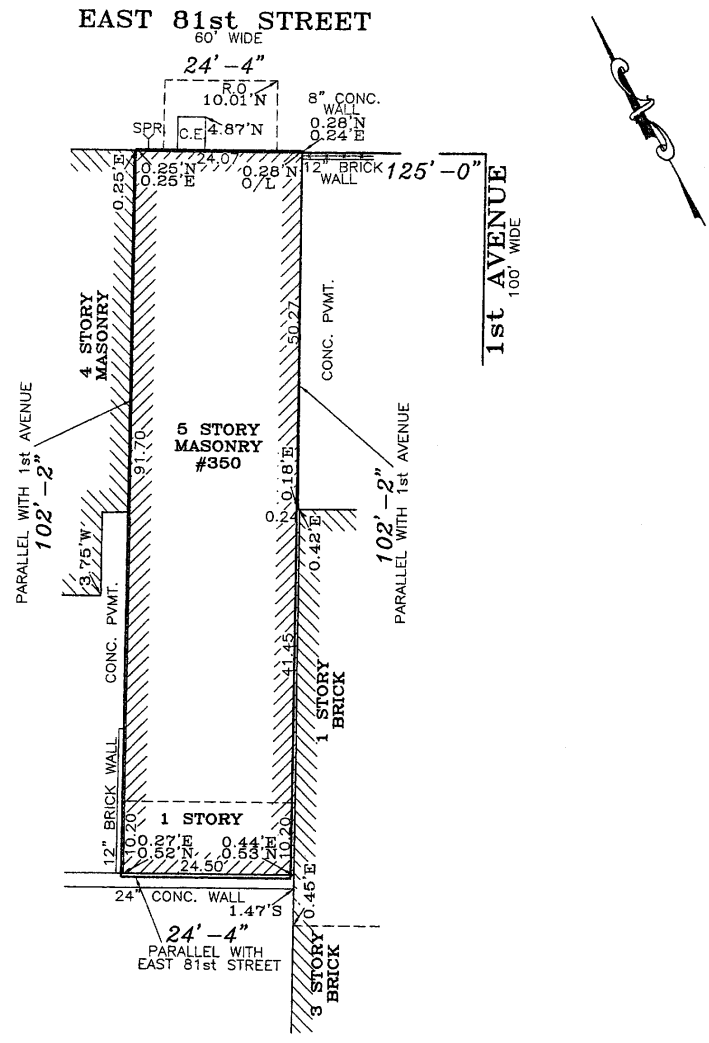
ab. Further Development: Not Applicable

ac. Asbestos

No asbestos is present at site or has been previously abated in accordance with NYCBC and DEP requirements. See attached ACP-7 AND ACP-5 forms (AI 31)

ad. Lead-based paint

Lead paint is not present at site or has been abated in accordance with NYCBC DOB and DEP requirements.



LEGEND:

ROOF OVER — R.O.
CONCRETE — CONC.
PAVEMENT — PVMT.
PLATFORM — PLT.
CHAIN LINK FENCE — C.L.F.
CELLAR ENTRANCE — C.E.

TOTAL LOT AREA IS 2485.8 sq.ft.
FOR BUILDING DEPARTMENT USE ONLY

THE OFFSETS OR DIMENSIONS SHOWN FROM THE STRUCTURES TO THE PROPERTY LINES ARE FOR A SPECIFIC PURPOSE AND USE AND THEREFORE ARE NOT INTENDED TO GUIDE THE ERECTION OF FENCES, RETAINING WALLS, POOLS, PLANTING AREAS, ADDITIONS TO STRUCTURES AND ANY OTHER CONSTRUCTION.

THE EXISTENCE OF RIGHT OF WAYS AND/OR EASEMENTS OF RECORD, IF ANY, NOT SHOWN ARE NOT CERTIFIED.

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PRECISION SURVEYS
TITLE • ARCHITECTURAL • BOUNDARY • CONSTRUCTION
40 FRANKLIN AVE. FRANKLIN SQUARE, N.Y. 11010
Ph. • (718)472-1571 • (516)488-1608
CHRISTOPHER M. BUCKLEY
PROFESSIONAL LAND SURVEYOR

SURVEY OF: Described Property

LOCATED AT:
350 East 81st Street
Borough of Manhattan
City, County and State of New York

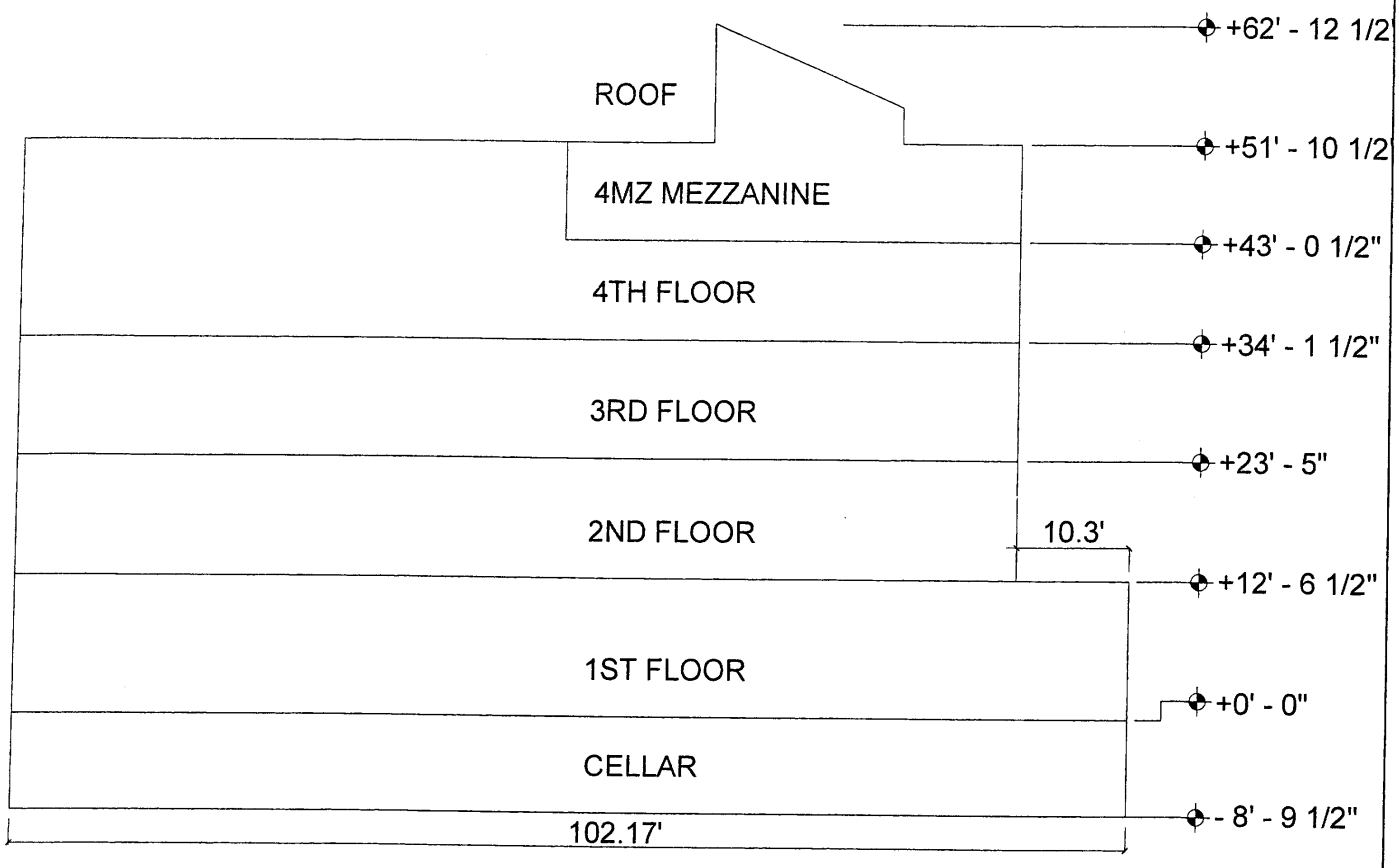
TAX DESIG: Block 1543, Lot 32

CERTIFIED TO:

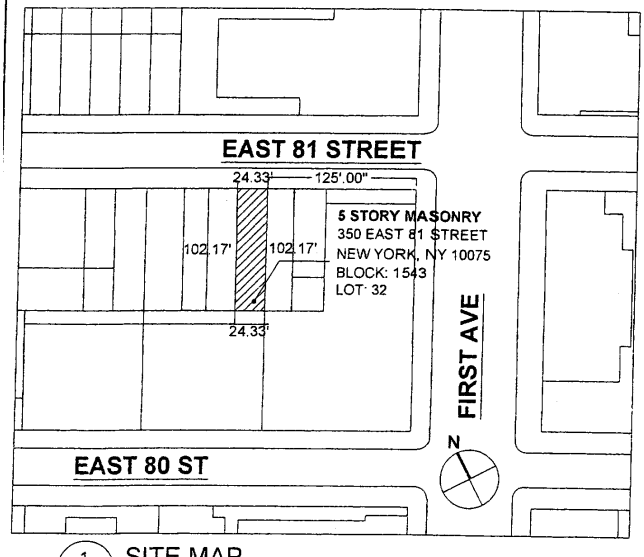
Cross Architecture

DATE: November 9, 2017
SCALE: 1"=20'

Job No. 41092
Drawn By: MM



2 T-100 SCHEMATIC BUILDING SECTION
1:200



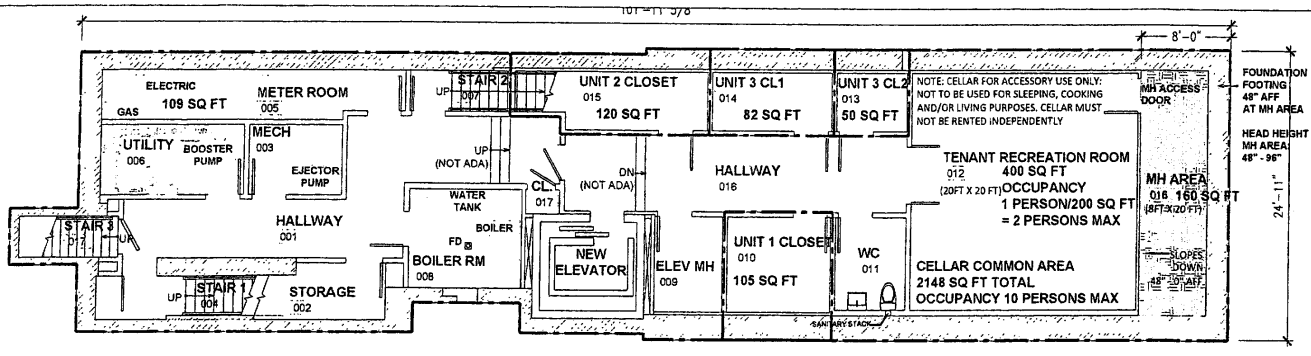
1 T-100 SITE MAP
1/64" = 1'-0"

350 E 81 TOTAL ALLOCATED SQUARE FOOTAGE			
AREA	TAX LOT	ITEM	SQ. FT.
COMMON AREAS		INTERIOR	3530
		EXTERIOR	1166
		TOTAL	4696
UNIT 1 DUPLEX	1401	INTERIOR	3723
		EXTERIOR	260
		TOTAL	3983
UNIT 2	1402	INTERIOR	2338
UNIT 3 DUPLEX	1401	INTERIOR	3534
		EXTERIOR	900
		TOTAL	4434
BUILDING TOTAL INTERIOR AREA			13125
BUILDING TOTAL EXTERIOR AREA			2326
BUILDING TOTAL AREA			15451

THE 350 EAST 81ST STREET CONDOMINIUM
350 EAST 81ST STREET, NEW YORK, NY 10075
CONDOMINIUM NO. 2845
TAX BLOCK 1543
TAX LOT(S) 1401-1403

CROSS ARCHITECTURE
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: SITE MAP SQ FT SUMMARY SCHEMATIC SECTION
SHEET NUMBER: AI 1.1
T-100.00
SCALE: AS NOTED 1 OF 12



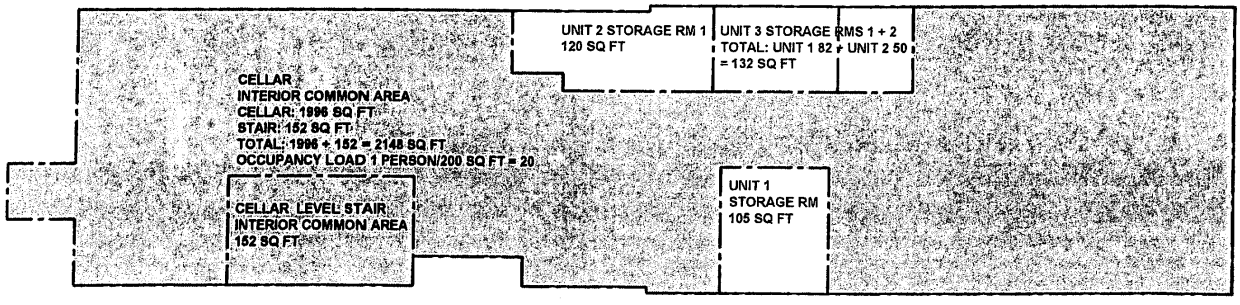
1 A-100 CELLAR PLAN
1/16" = 1'-0"

SCALE: 1/16" = 1'-0

0 5 10 20 50 FEET

N

Note: All dimensions and ceiling heights are approximate and subject to normal construction variances and tolerances.
Square footage exceeds the usable floor Area. Sponsor reserves the right to make changes in accordance with the Offering Plan.



2 A-100 CELLAR AREA ALLOCATION DIAGRAM
1/16" = 1'-0"

CELLAR ALLOCATED UNITS 1-3 SQUARE FOOTAGE			
UNIT	TAX LOT	ITEM	SQ. FT.
1	1401	STORAGE	105
2	1402	STORAGE	120
3	1403	STORAGE	132

CELLAR COMMON SQUARE FOOTAGE	
COMMON ELEMENTS	SQ. FT.
RECREATION, UTILITY, CIRCULATION, OTHER	2148
CELLAR TOTAL SQUARE FOOTAGE	2505

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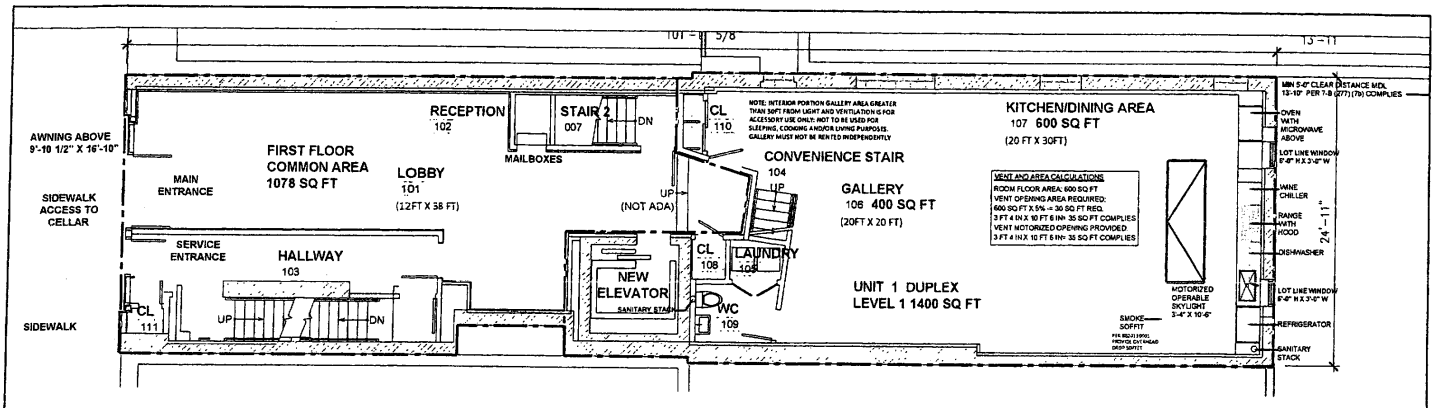
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: CELLAR FLOOR PLAN SQUARE FOOTAGE
SHEET NUMBER: AI 1.2A
A-100.00
SCALE: AS NOTED 2_05_12



1 A-101 FIRST FLOOR PLAN
1/16" = 1'-0"

SCALE: 1/16" = 1'-0

0 5 10 20 50 FEET

N

Note: All dimensions and ceiling heights are approximate and subject to normal construction variances and tolerances.
Square footage exceeds the usable floor Area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

2 A-101 FIRST FLOOR AREA ALLOCATION DIAGRAM
1/16" = 1'-0"

FIRST FLOOR ALLOCATED UNIT 1 SQUARE FOOTAGE			
UNIT	TAX LOT	ITEM	SQ. FT.
1	1401	DUPLEX L1	1400
FIRST FLOOR COMMON SQUARE FOOTAGE			
COMMON ELEMENTS			SQ. FT.
LOBBY, SEATING AREA, STAIR, OTHER			1078
FIRST FLOOR TOTAL SQUARE FOOTAGE			2478

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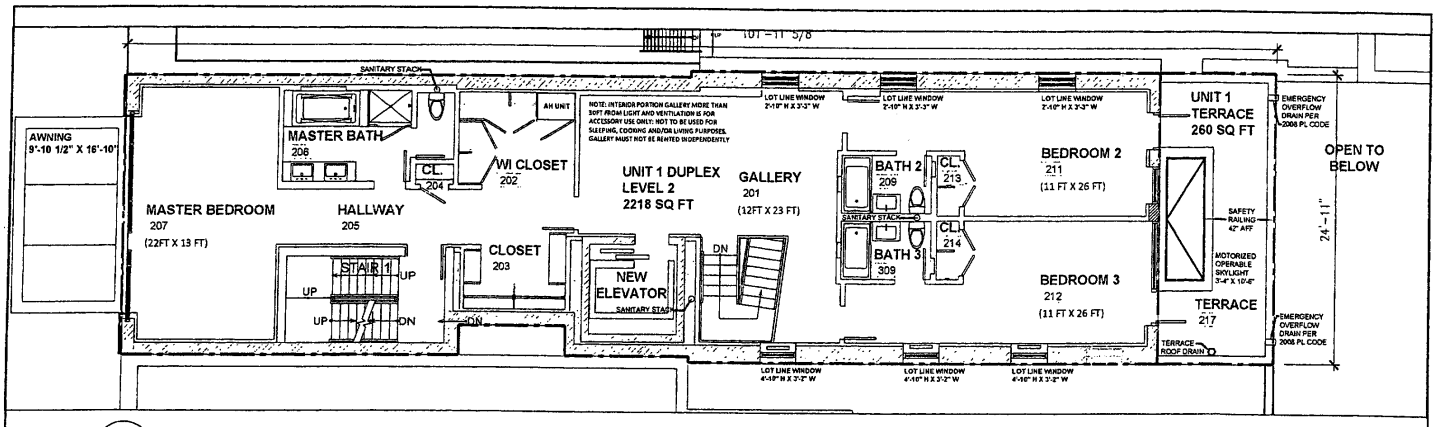
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: FIRST FLOOR PLAN SQUARE FOOTAGE
SHEET NUMBER: AI 1.2B
A-101.00
SCALE: AS_NOTED 3_OF_12



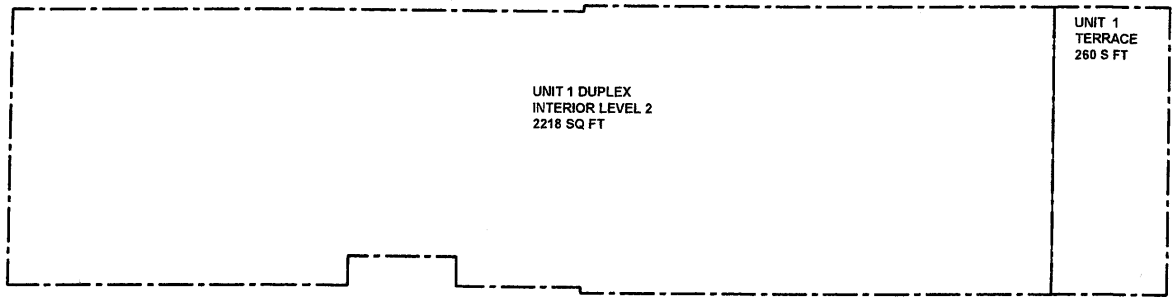
1 A-102 SECOND FLOOR PLAN
1/16" = 1'-0"

SCALE: 1/16" = 1'-0

0 5 10 20 50 FEET

N

Note: All dimensions and ceiling heights are approximate and subject to normal construction variances and tolerances.
Square footage exceeds the usable floor Area. Sponsor reserves the right to make changes in accordance with the Offering Plan.



2 A-102 SECOND FLOOR AREA ALLOCATION DIAGRAM
1/16" = 1'-0"

SECOND FLOOR ALLOCATED UNIT 1 SQUARE FOOTAGE			
UNIT	TAX LOT	ITEM	SQ. FT.
1	1401	CEL STORAGE	105
1	1401	L1 DUPLEX 1	1400
1	1401	L2 DUPLEX 1	2218
1	1401	SUM INTERIOR	3723
1	1401	L2 EXTERIOR	260
1	1401	UNIT 1 TOTAL	3983
SECOND FLOOR TOTAL SQUARE FOOTAGE			2478

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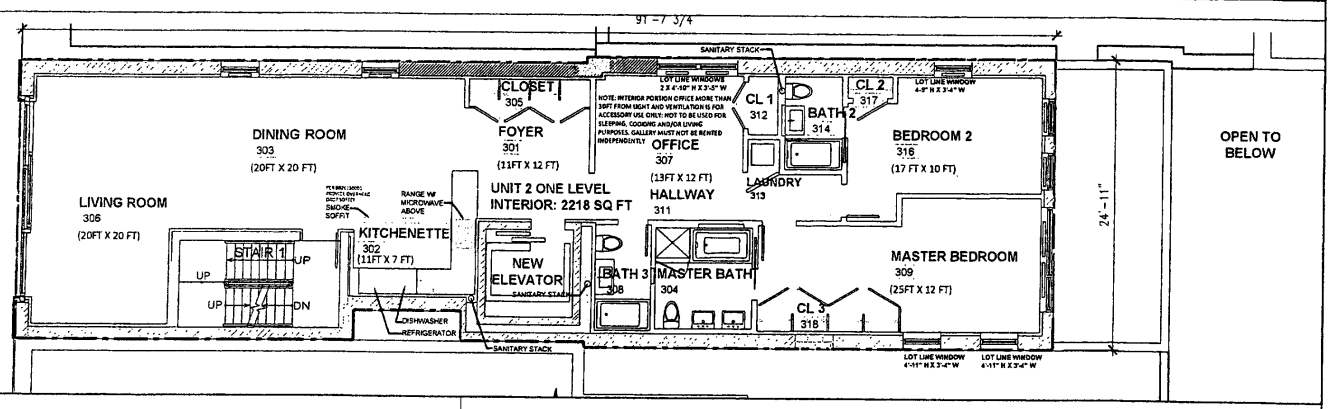
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: SECOND FLOOR PLAN SQUARE FOOTAGE
SHEET NUMBER: AI 1.2C
A-102.00
SCALE: AS_NOTED 4_OF_12



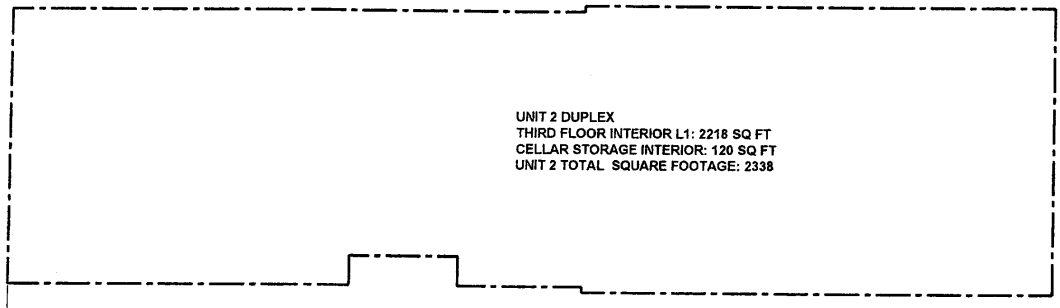
1 A-103 THIRD FLOOR PLAN
1/16" = 1'-0"

SCALE: 1/16" = 1'-0

0 5 10 20 50 FEET

N

Note: All dimensions and ceiling heights are approximate and subject to normal construction variances and tolerances.
Square footage exceeds the usable floor Area. Sponsor reserves the right to make changes in accordance with the Offering Plan.



2 A-103 THIRD FLOOR AREA ALLOCATION DIAGRAM AND UNIT TOTAL SQ FT
1/16" = 1'-0"

THIRD FLOOR ALLOCATED UNIT 2 SQUARE FOOTAGE			
UNIT	TAX LOT	ITEM	SQ. FT.
2	1402	CEL STORAGE	120
2	1402	NET INTERIOR	2218
2	1402	UNIT 2 TOTAL	2338
THIRD FLOOR TOTAL SQUARE FOOTAGE			2218

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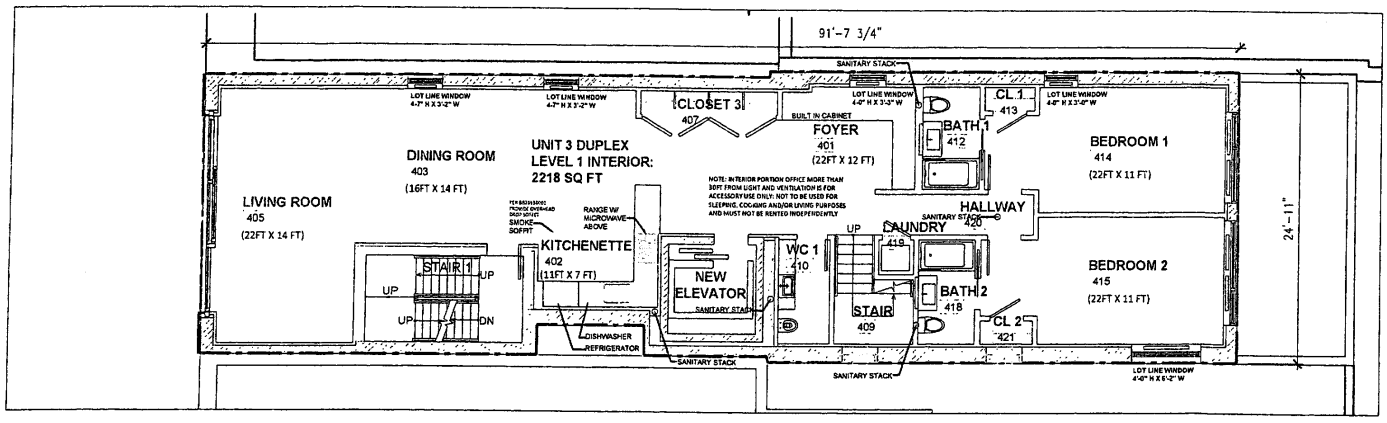
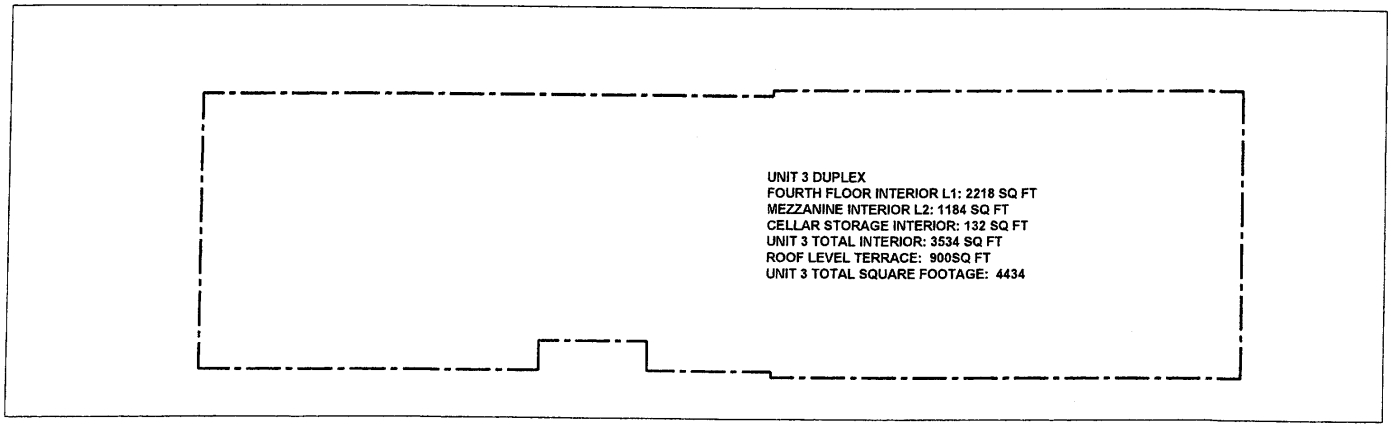
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: THIRD FLOOR PLAN SQUARE FOOTAGE
SHEET NUMBER: AI 1.2D
A-103.00
SCALE: AS_NOTED 5_OF_12



1 / A-104 FOURTH FLOOR PLAN
1/16" = 1'-0"



2 / A-104 FOURTH FLOOR AREA ALLOCATION DIAGRAM
1/16" = 1'-0"

FOURTH FLOOR ALLOCATED UNIT 2 SQUARE FOOTAGE			
UNIT	TAX LOT	ITEM	SQ. FT.
3	1403	CEL STORAGE	132
3	1403	L1 DUPLEX	2218
3	1403	L2 DUPLEX	1184
3	1403	INTERIOR	3534
3	1403	EXTERIOR	900
3	1403	UNIT 3 TOTAL	4434
FOURTH FLOOR TOTAL SQUARE FOOTAGE			2218

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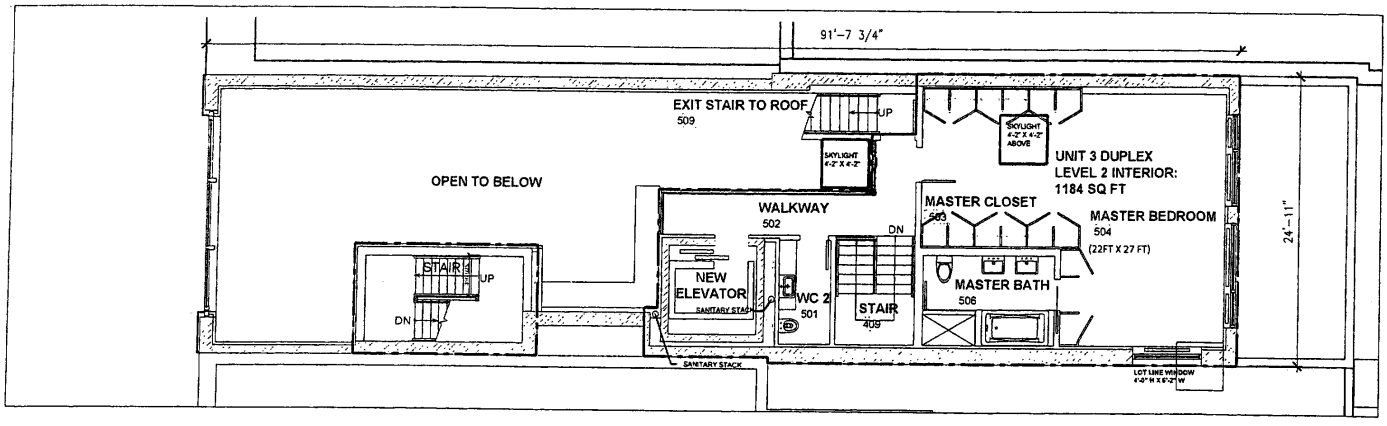
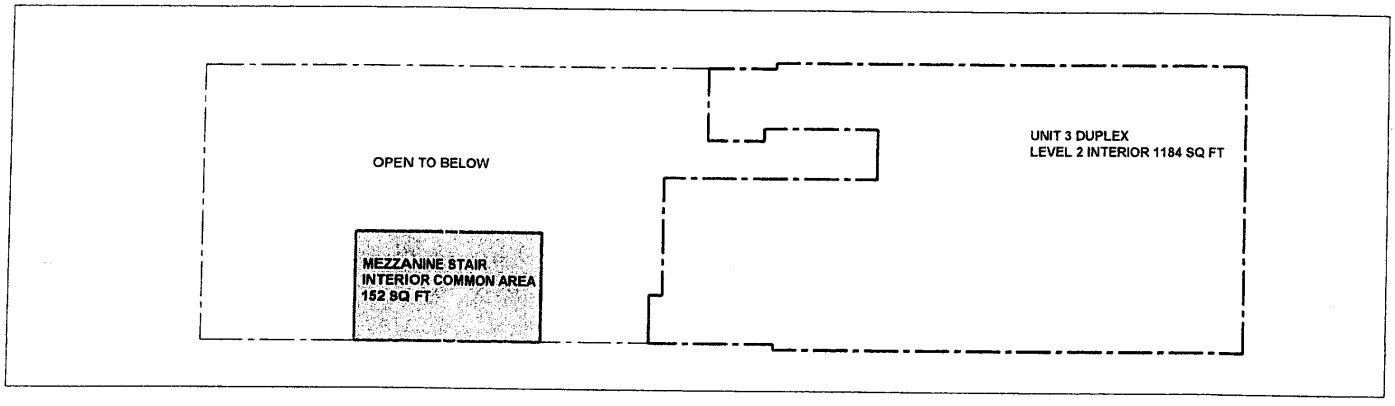
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: FOURTH FLOOR PLAN SQUARE FOOTAGE
SHEET NUMBER: AI 1.2E
A-104.00
SCALE: AS_NOTED | 6_OF_12



1 A-105 MEZZANINE FLOOR PLAN
1/16" = 1'-0"



2 A-105 MEZZANINE FLOOR AREA ALLOCATION DIAGRAM
1/16" = 1'-0"

MEZZANINE ALLOCATED UNIT 3 SQUARE FOOTAGE			
UNIT	TAX LOT	ITEM	SQ. FT.
3	1403	L2 DUPLEX	1184
MEZZANINE COMMON SQUARE FOOTAGE			
COMMON ELEMENTS			SQ. FT.
CIRCULATION			152
MEZZANINE TOTAL SQUARE FOOTAGE			1336

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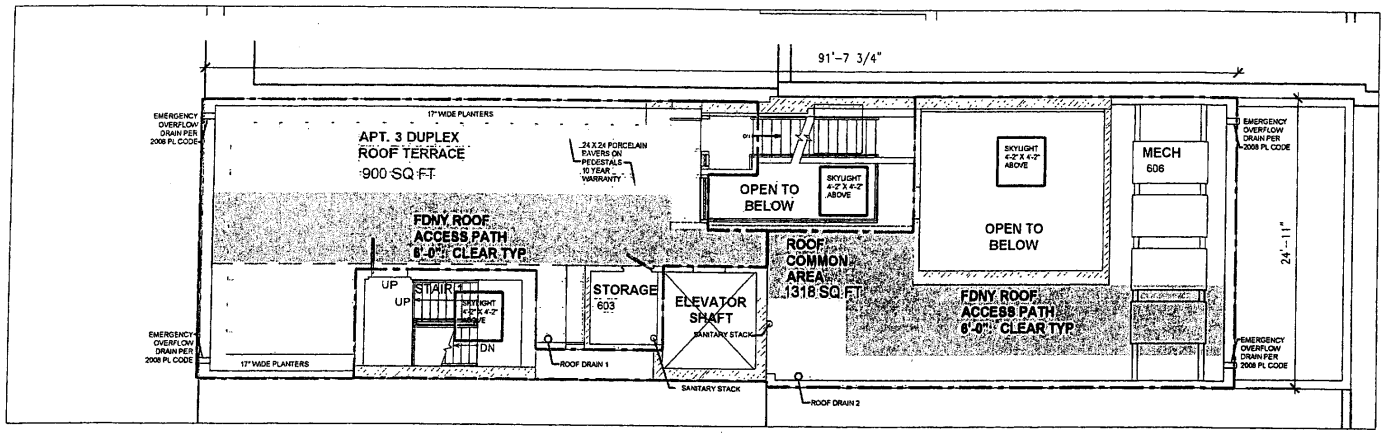
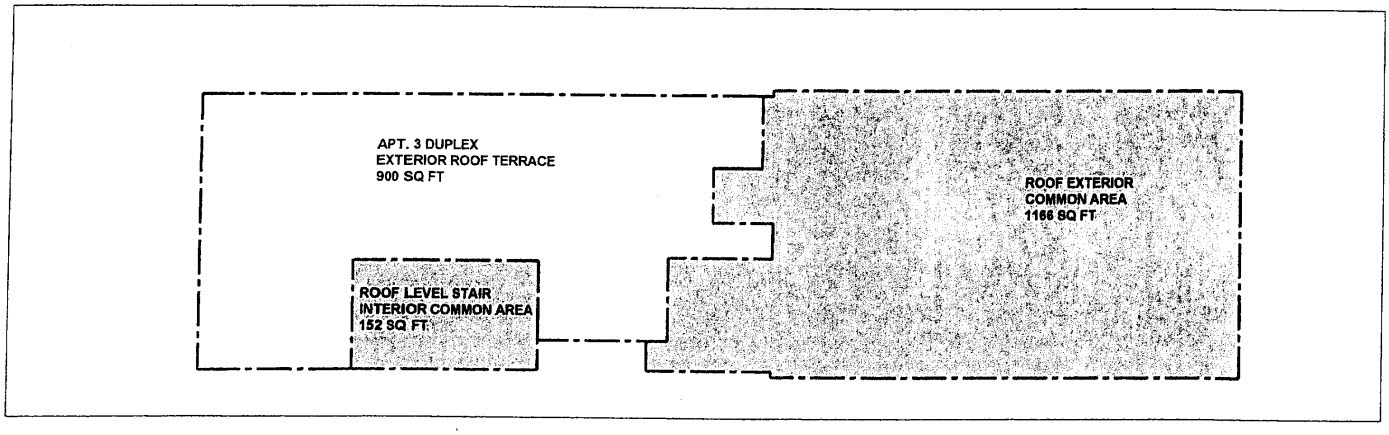
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: MEZZANINE FLOOR PLAN SQUARE FOOTAGE
SHEET NUMBER: AI 1.2F
A-105.00
SCALE: AS_NOTED | 7_OF_12



1 A-106 ROOF FLOOR PLAN
1/16" = 1'-0"



2 A-106 ROOF FLOOR AREA ALLOCATION DIAGRAM
1/16" = 1'-0"

ROOF ALLOCATED SQUARE FOOTAGE	
COMMON ELEMENTS	SQ. FT.
UNIT 3 ROOF TERRACE	900
EXTERIOR COMMON AREA	1166
INTERIOR COMMON AREA, CIRCULATION	152
ROOF AREA TOTAL SQUARE FOOTAGE	2218

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477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: ROOF PLAN SQUARE FOOTAGE
SHEET NUMBER: AI 1.2G
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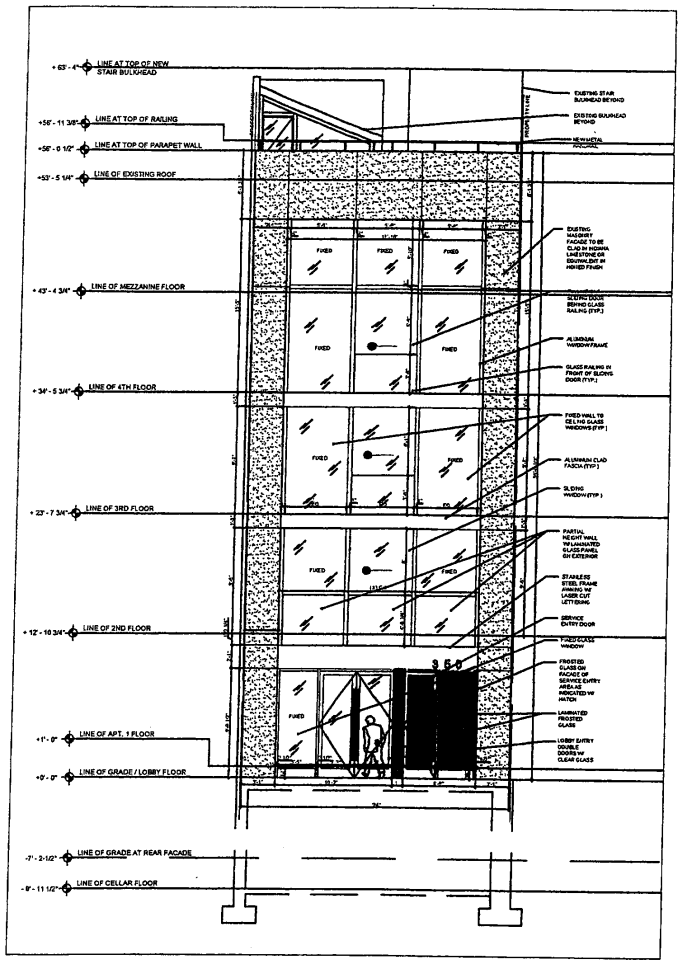
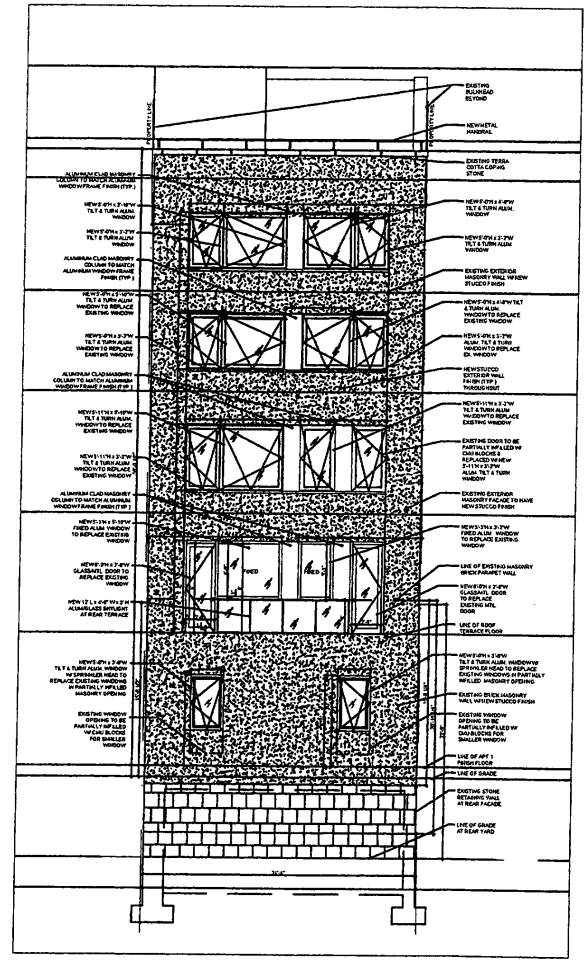
SCALE: AS_NOTED 8_OF_12



1 A-107 NORTH ELEVATION
1/16" = 1'-0"



2 A-107 SOUTH ELEVATION
1/16" = 1'-0"

SCALE: 1/16" = 1'-0

0 5 10 20 50 FEET

Note: All dimensions and ceiling heights are approximate and subject to normal construction variances and tolerances.
Square footage exceeds the usable floor Area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

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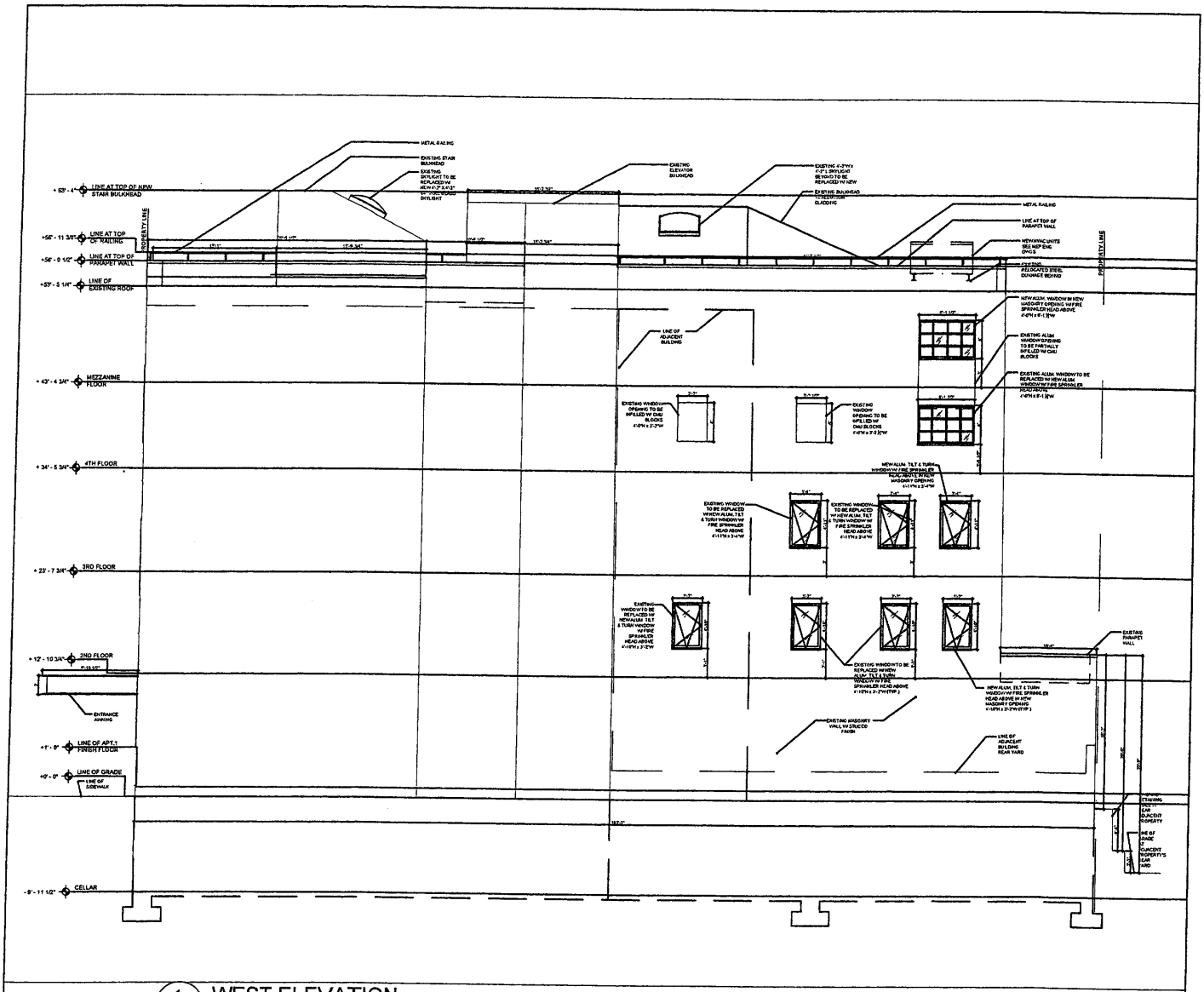
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: NORTH ELEVATION SOUTH ELEVATION
SHEET NUMBER: AI 1.2H
A-107.00
SCALE AS_NOTED | 9_OF_12



1 A-108 WEST ELEVATION
1/16" = 1'-0"

SCALE: 1/16" = 1'-0

0 5 10 20 50 FEET

Note: All dimensions and ceiling heights are approximate and subject to normal construction variances and tolerances.
Square footage exceeds the usable floor Area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

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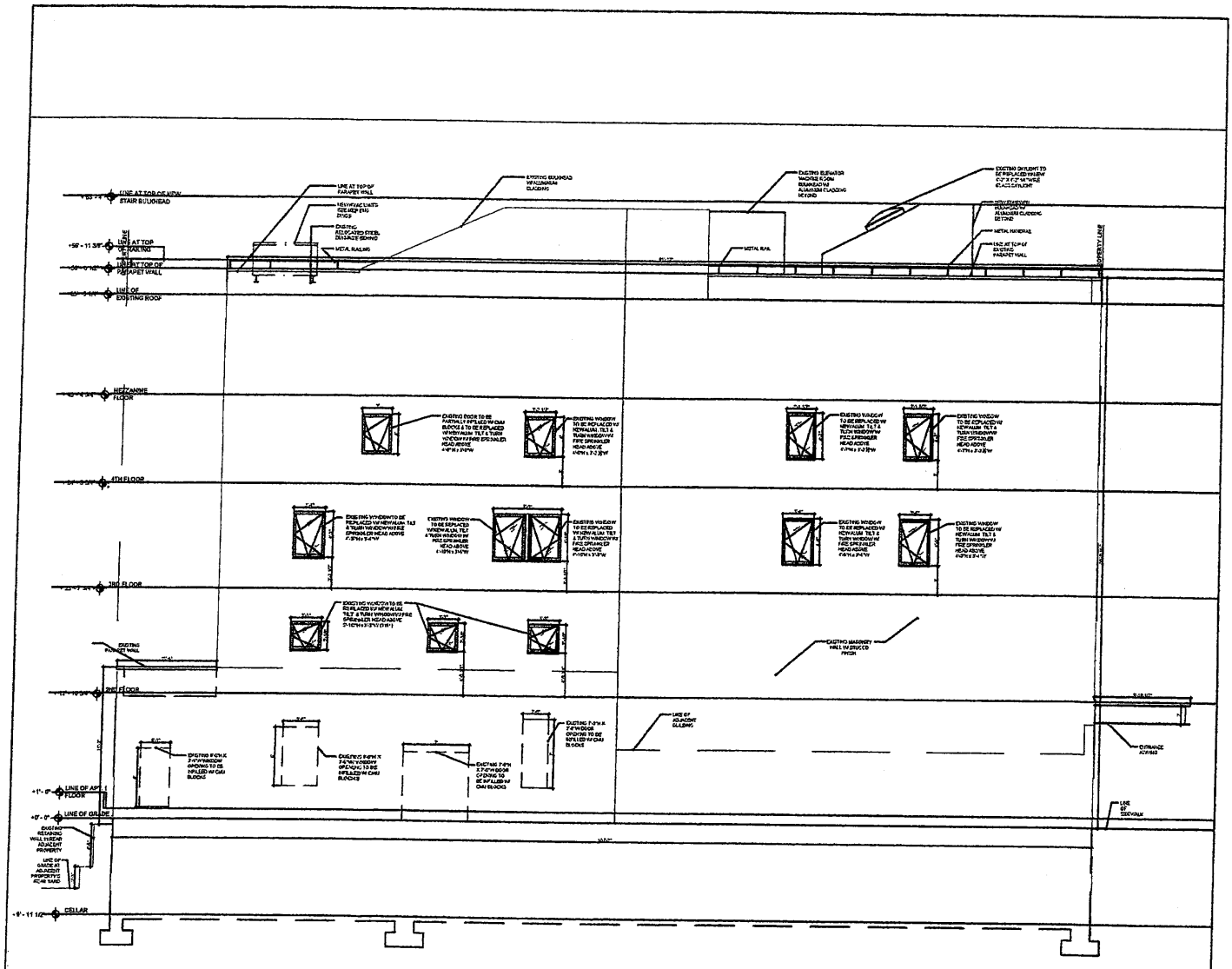
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: WEST ELEVATION
SHEET NUMBER: AI 1.2I
A-108.00
SCALE: AS_NOTED | 10 OF 12



1 / A-109 EAST ELEVATION
1/16" = 1'-0"

SCALE: 1/16" = 1'-0

0 5 10 20 50 FEET

Note: All dimensions and ceiling heights are approximate and subject to normal construction variances and tolerances.
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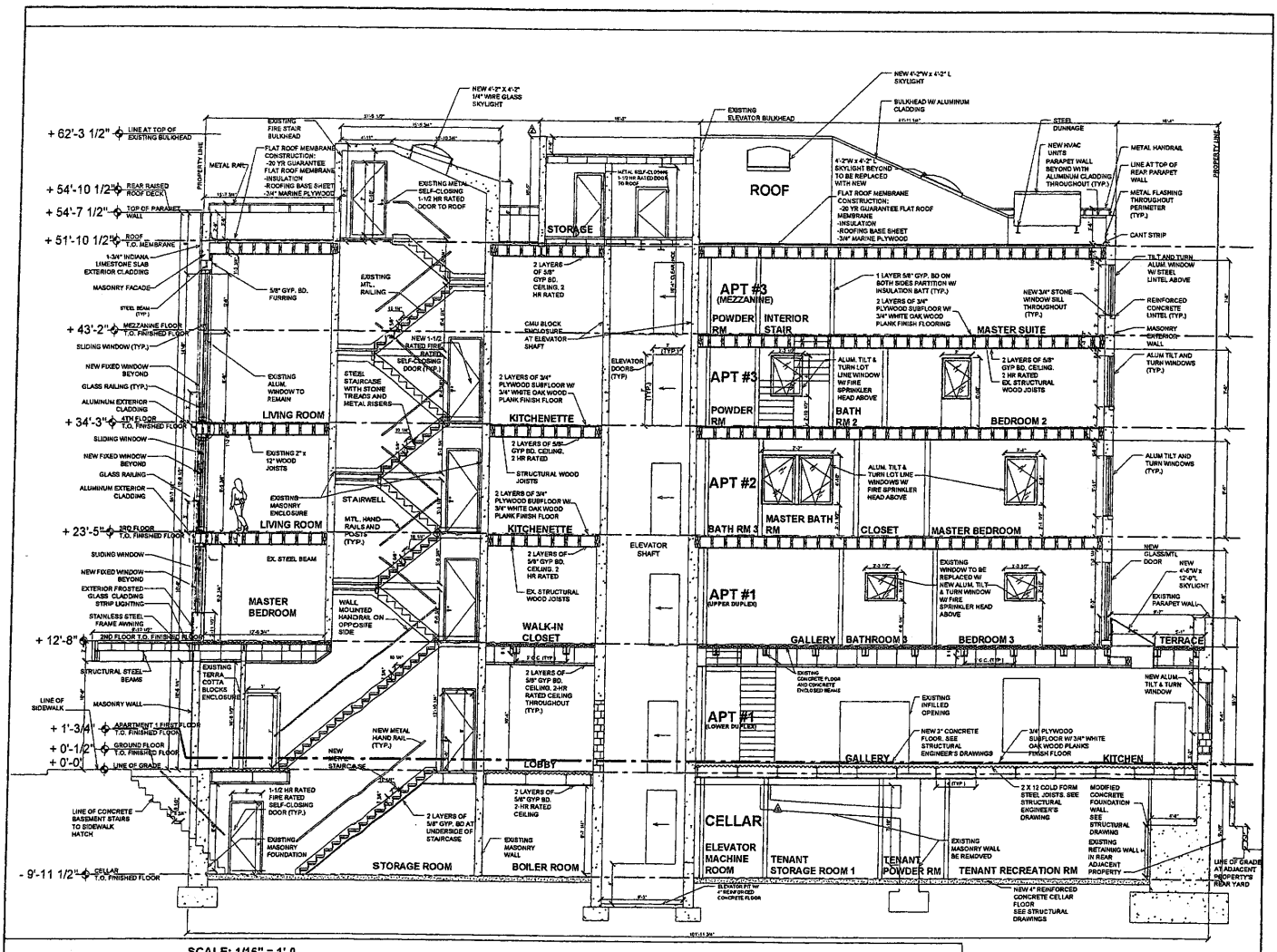
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: EAST ELEVATION
SHEET NUMBER: AI 1.2J
A-109.00
SCALE: AS NOTED | 11 OF 12



Note: All dimensions and ceiling heights are approximate and subject to normal construction variances and tolerances.
Square footage exceeds the usable floor Area. Sponsor reserves the right to make changes in accordance with the Offering Plan.

1 / A-110 LONGITUDINAL SECTION DETAIL
1/16" = 1'-0"

THE 350 EAST 81ST STREET CONDOMINIUM
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TAX BLOCK 1543
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CROSS ARCHITECTURE
477 Madison Ave Sixth Floor
New York, NY 10022-5827
T: 212.683.0480
F: 646.706.5401
E: janet@crossarchitecture.com

DATE: 02/12/20
DRAWING TITLE: LONGITUDINAL SECTION
SHEET NUMBER: AI 1.2K
A-110.00
SCALE: AS_NOTED | 12_OF_12

ID-9743494-040

ABSTRACTERS' INFORMATION SERVICE

3000 MARCUS AVE, SUITE 2W02 LAKE SUCCESS NY 11042
PHONE:(516) 918-4600 FAX:(516) 918-4540

HOUSING AND BUILDING SEARCH

Prepared For: Royal Abstract of New York LLC

Title No.0541-911083

DATE: 6/4/2018

PREMISES: 350 EAST 81 STREET

COUNTY: Manhattan

The findings of this search are limited to violation(s) posted against the address(es) shown above and may not include violations posted against other addresses or against a block and lot.

BUILDING DEPARTMENT:

A search of the Building Department Records indicates the following violations.

Copies and/or an abstract of the violations, if any, are attached.

NO VIOLATIONS AS PER SEARCH DATED: 6/4/2018

OFFICE OF RENT AND HOUSING MAINTENANCE:

A search of the Housing Department Records indicates the following violations.

Copies and/or an abstract of the violations, if any, are attached.

NO VIOLATIONS AS PER SEARCH DATED: 6/4/2018

CLASSIFICATION:

Multiple Dwelling

Number of apartments: 3

CLASSIFIED AS COMMERCIAL ALTERED CLASS A

Registration Number: 144047

NOTE: TO IDENTIFY RESOLVED BUILDING DEPARTMENT VIOLATIONS WITH UNPAID ECB FINES, PLEASE ORDER OUR ECB-DOB PENALTY SEARCH.

IMPORTANT NOTICE ABOUT SEARCH INFORMATION ABOVE

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ID-9743495-041

ABSTRACTERS' INFORMATION SERVICE

3000 MARCUS AVE, SUITE 2W02 LAKE SUCCESS NY 11042
PHONE:(516) 918-4600 FAX:(516) 918-4540

CERTIFICATE OF OCCUPANCY

Prepared For: Royal Abstract of New York LLC

County: Manhattan

Title No: 0541-911083

DATE: 6/4/2018

PREMISES: 350 EAST 81 STREET

BLOCK: 01543 LOT: 00032

THE FOLLOWING INFORMATION IS ON FILE:

MANHATTAN BLOCK: 01543 LOT: 00032

CO 120713040F
ISSUED 06/05/2014
ALT 120713040
4 STORY, CONSTRUCTION CLASS 3
3 FAMILY MULTIPLE DWELLING
COMPLETED

THE PURPOSE OF THIS SERVICE IS TO PROVIDE THE LATEST CERTIFICATE OF OCCUPANCY ON FILE. THE SERVICE MAY NOT INCLUDE THE REPORTING OF MINOR APPLICATIONS WHICH MAY BE INDEXED AGAINST THE ABOVE BLOCK AND LOT BUT DO NOT REQUIRE A NEW CERTIFICATE OR OCCUPANCY OR APPLICATIONS OF ANY KIND THAT ARE INCOMPLETE.

IMPORTANT NOTICE ABOUT SEARCH INFORMATION ABOVE

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NYC Buildings

Certificate of Occupancy

CO Number: **120713040F**

This certifies that the premises described herein 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. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

A.

Borough: Manhattan
Address: 350 EAST 81ST STREET
Building Identification Number (BIN): 1049816

Block Number: 01543
Lot Number(s): 32
Building Type: Altered

Certificate Type: Final
Effective Date: 06/05/2014

This building is subject to this Building Code: Prior to 1968 Code

For zoning lot metes & bounds, please see BISWeb.

B.

Construction classification: 3 (Prior to 1968 Code designation)
Building Occupancy Group classification: R-2 (2008 Code)
Multiple Dwelling Law Classification: CAA

No. of stories: 4 **Height in feet:** 74 **No. of dwelling units:** 3

C.

Fire Protection Equipment:
None associated with this filing.

D.

Type and number of open spaces:
None associated with this filing.

E.

This Certificate is issued with the following legal limitations:
None

Borough Comments: None

Borough Commissioner

Acting Commissioner

DOCUMENT CONTINUES ON NEXT PAGE

NYC Buildings

Certificate of Occupancy

CO Number: 120713040F

Permissible Use and Occupancy

All Building Code occupancy group designations below are 2008 designations.

Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
CEL		OG	R-2		2	TENANT STORAGE, RECREATION ROOM AND BOILER ROOM
MZ4		40	R-2	0.5	2	ONE-HALF (1/2) APARTMENT
001		100	R-2	0.5	2	LOBBY, ONE-HALF (1/2) APARTMENT
002		100	R-2	0.5	2	ONE-HALF (1/2) APARTMENT
003		100	R-2	1	2	ONE (1) APARTMENT.
004		40	R-2	0.5	2	ONE-HALF (1/2) APARTMENT
RO F			R-2			BULKHEAD

END OF SECTION

Borough Commissioner

Acting Commissioner

END OF DOCUMENT

120713040/000 6/5/2014 1:04:33 PM

ID-9743496-042

ABSTRACTERS' INFORMATION SERVICE

3000 MARCUS AVE, SUITE 2W02 LAKE SUCCESS NY 11042
PHONE:(516) 918-4600 FAX:(516) 918-4540

FIRE DEPARTMENT * CITY OF NEW YORK
BUREAU OF REVENUE MANAGEMENT

9 Metro Tech East
Brooklyn, N.Y. 11201-3857

RECORD SEARCH REQUEST

Title No. 0541-911083 FV

MAIL TO:

Abstracters' Information Service
3000 Marcus Avenue – Suite 2W02
Lake Success, New York 11042

CHECKED BY:

Search No. _____

The undersigned requests the following information re: Premises

350 EAST 81 STREET — Address

MANHATTAN — Borough

[X] 1. Record of existing Fire Department Violations _____ FEE: $10.00

[ ] 2. Record of Permit for _____ FEE: $10.00

_____ TOTAL FEE: $10.00

(The City of New York is not being sued, nor is there any intention to sue the City of New York)

Abstracters' Information Service

Search Date: 6/4/2018

DO NOT WRITE BELOW THIS LINE

In reply to your request concerning the premises mentioned above, please be advised that as of 9 A.M May 20 2018 our records show the following: NO VIOLATIONS

Searched by _____

VIOLATION RECORDED ABOVE ARE ONLY THOSE WHICH ARE A MATTER OF RECORD IN HEADQUARTERS OF THE BUREAU OF FIRE PREVENTION, AND MAY NOT INCLUDE VIOLATIONS ISSUED BY LOCAL UNITS.

IMPORTANT NOTICE ABOUT SEARCH INFORMATION ABOVE

DATA TRACE INFORMATION SERVICES LLC DISCLAIMS ANY AND ALL LIABILITY TO ANY PERSON OR ENTITY FOR THE PROPER PERFORMANCE OF SERVICES REFLECTING THE CONDITION OF TITLE TO REAL PROPERTY. THE SERVICES ARE PROVIDED 'AS IS' WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES BASED ON COURSE OF DEALING OR USAGE IN TRADE OR ERRORS OR OMISSIONS RESULTING FROM NEGLIGENCE. THIS IS NOT AN INSURED SERVICE. THIS DISCLAIMER SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS UNDERSTANDINGS. THE SERVICES ARE EXCLUSIVELY FOR Royal Abstract of New York LLC AND NOT FOR THE BENEFIT OF ANY THIRD PARTIES.

ID-9743497-043

ABSTRACTERS' INFORMATION SERVICE

3000 MARCUS AVE, SUITE 2W02 LAKE SUCCESS NY 11042
PHONE:(516) 918-4600 FAX:(516) 918-4540

EMERGENCY REPAIR SEARCH

Prepared For: Royal Abstract of New York LLC

Title No: 0541-911083 DATE: 6/4/2018

PREMISES: 350 EAST 81 STREET

County: Manhattan

Emergency Repair Lien Book Charges Prior To July 1, 1999

A search of the Department of Housing Preservation and Development's Emergency Repair Mainframe System show the following:

Lien Book Date: February 2018
Amount: $ .00

Emergency Repair Work in Progress Subsequent To July 1, 1999

A search of the Department of Housing Preservation and Development's Building Charge Report shows the following:

There were no open work orders found indexed against the above-captioned premises as of the date of this search.

IMPORTANT NOTICE ABOUT SEARCH INFORMATION ABOVE

DATA TRACE INFORMATION SERVICES LLC DISCLAIMS ANY AND ALL LIABILITY TO ANY PERSON OR ENTITY FOR THE PROPER PERFORMANCE OF SERVICES REFLECTING THE CONDITION OF TITLE TO REAL PROPERTY. THE SERVICES ARE PROVIDED 'AS IS' WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES BASED ON COURSE OF DEALING OR USAGE IN TRADE OR ERRORS OR OMISSIONS RESULTING FROM NEGLIGENCE. THIS IS NOT AN INSURED SERVICE. THIS DISCLAIMER SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS UNDERSTANDINGS. THE SERVICES ARE EXCLUSIVELY FOR Royal Abstract of New York LLC AND NOT FOR THE BENEFIT OF ANY THIRD PARTIES.

ID-9743499-045

ABSTRACTERS' INFORMATION SERVICE

3000 MARCUS AVE, SUITE 2W02 LAKE SUCCESS NY 11042
PHONE:(516) 918-4600 FAX:(516) 918-4540

BANKRUPTCY SEARCH

Prepared For: Royal Abstract of New York LLC

County: MANHATTAN

TITLE NO. 0541-911083

DATE: 06/04/18

Corporation Name: HADRAMANT LLC

The Entire SOUTHERN District of NEW YORK has been checked:
The result of the investigation as per last posted date: 04/16/18

There is no record of a Bankruptcy Filing for the above-mentioned individual or company.

IMPORTANT NOTICE ABOUT SEARCH INFORMATION ABOVE

DATA TRACE INFORMATION SERVICES LLC (COMPANY) DISCLAIMS ANY AND ALL LIABILITY TO ANY PERSON OR ENTITY FOR THE PROPER PERFORMANCE OF SERVICES REFLECTING THE CONDITION OF TITLE TO REAL PROPERTY. THE SERVICES ARE PROVIDED AS IS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES BASED ON COURSE OF DEALING OR USAGE IN TRADE OR ERRORS OR OMISSIONS RESULTING FROM NEGLIGENCE. NOTWITHSTANDING, THE COMPANY ACCEPTS RESPONSIBILITY FOR ERRORS AND OMISSIONS IN AGREGATE AMOUNT NOT TO EXCEED $1,000 PER SERVICE. THIS IS NOT AN INSURED SERVICE. THIS DISCLAIMER SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS UNDERSTANDINGS. THE SERVICES ARE EXCLUSIVELY FOR Royal Abstract of New York LLC AND NOT FOR THE BENEFIT OF ANY THIRD PARTIES.

ID-9743500-028

ABSTRACTERS' INFORMATION SERVICE

3000 MARCUS AVE, SUITE 2W02 LAKE SUCCESS NY 11042
PHONE:(516) 918-4600 FAX:(516) 918-4540

PATRIOT SEARCH

Prepared For: Royal Abstract of New York LLC

TITLE NO. 0541-911083 DATE: 06/04/18

Corporation Name: HADRAMANT LLC

The result of the investigation as per last posted date: (SDN): 05/31/18 (FSE): 04/06/18

The above name does not match any record found on the Specially Designated Nationals, and as of 08/07/14 The Foreign Sanctions Evaders and Blocked Persons List published by the Office of Foreign Assets Control (OFAC).

IMPORTANT NOTICE ABOUT SEARCH INFORMATION ABOVE

DATA TRACE INFORMATION SERVICES LLC (COMPANY) DISCLAIMS ANY AND ALL LIABILITY TO ANY PERSON OR ENTITY FOR THE PROPER PERFORMANCE OF SERVICES REFLECTING THE CONDITION OF TITLE TO REAL PROPERTY. THE SERVICES ARE PROVIDED AS IS WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES BASED ON COURSE OF DEALING OR USAGE IN TRADE OR ERRORS OR OMISSIONS RESULTING FROM NEGLIGENCE. NOTWITHSTANDING, THE COMPANY ACCEPTS RESPONSIBILITY FOR ERRORS AND OMISSIONS IN AGREGATE AMOUNT NOT TO EXCEED $1,000 PER SERVICE. THIS IS NOT AN INSURED SERVICE. THIS DISCLAIMER SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS UNDERSTANDINGS. THE SERVICES ARE EXCLUSIVELY FOR Royal Abstract of New York LLC AND NOT FOR THE BENEFIT OF ANY THIRD PARTIES.

DEPT. BLDGS. 120732350 Job Number

SC100219011 Scan Code

NYC Environmental Protection

NYC DEPARTMENT OF ENVIR(

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

EIVED 2/17/2011 DEP BUREAU OF ENVIRONMENT REMEDIATION & ENFORCEMENT ASBESTOS CONTROL PROGRAM TRU 1

ASBESTOS PROJECT NOTIFICATION (Form ACP7)

This form must be submitted to the DEP not less than one week in advance of the start of abatement activities.

I. FACILITY

1. Premise No. 350 Street Name East 81st Street Borough Manhattan Zip 10075
2. AKA _____ Type of Facility Residence BIN _____ Block 1543 Lot 32
3. Is the abatement activity not associated with a building / structure (ie., a street activity job)? ☐ Yes ☒ No
4. If yes, specify location, on _____ between _____ and _____
5. Is this building a one-or-two family residence? ☐ Yes ☒ No Is the building height more than 75 feet? ☐ Yes ☒ No
6. Is the abatement activity conducted in a Government owned building? ☐ Yes ☒ No

II. BUILDING OWNER

7. Name Hadramant, LLC Address 115 West 29th Street
8. City New York State NY Zip 10001 Contact Person Solomon Asser
9. Tel. # (212) 697-4040 Fax # (212) 687-1003 Email _____

III. APPLICANT

10. Applicant's Affliation ☐ Owner ☒ Asbestos contractor ☐ Third Party Air Monitor ☐ Other _____
11. Name Jabco Contracting, Inc. Address 896 Manhattan Ave
12. City Brooklyn State NY Zip 11222 Contact Person Andrzej Jablonka
13. Tel. # 7183891100 Fax # 7183891105 Email jabcocontr@aol.com

IV. ASBESTOS ABATEMENT CONTRACTOR

14. Name Jabco Contracting, Inc. DOL Lic. # 28794 Address 896 Manhattan Ave. #37
15. City Brooklyn State NY Zip 11222 Contact Person Jabco Contracting, Inc.
16. Tel. # 718-389-1100 Fax # 718-389-1105 Email JabcoContr@aol.com

V. THIRD PARTY AIR MONITOR

17. Name People's Environmental, Inc. DOL Lic. # 34052 Address 22 Rutgers Street Suite B1
18. City New York State NY Zip 10002 Contact Person People's Environmental, Inc.
19. Tel. # 212-693-4050 Fax # 212-693-4051 Email peoplesenviro@aol.com
20. Sample Analysis Laboratory AmeriSci NYS DOH ELAP # 11480

VI. PROJECT INFORMATION

21. Start date 2/28/2011 Projected completion date 8/28/2011
22. Asbestos work schedule Monday 8:00AM - 5:00PM, Tuesday 8:00AM - 5:00PM, Wednesday 8:00AM - 5:00PM, Thursday 8:00AM - 5:00PM, Friday 8:00AM - 5:00PM

Access to inspect the premises must be provided during the work schedule indicated above.

23. Total amount of asbestos-containing material 1,682 Square Feet, and/or _____ Linear Feet

TRU #	ACP7 Fee	EN #
TRU0290MN11	$1,200.00	

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2/17/2011 2:50:58 PM

ADDITIONAL INFORMATION 31

24. Is the area under containment on any single floor equal to or more than a. 15,000 sq.ft ☐Yes ☒No b. 7,500 sq.ft. ☐Yes ☒No

25. TYPE OF ABATEMENT: Removal

26. ABATEMENT PROCEDURE: Interior Foam

VII. PROJECT DETAILS

27. DOES THE ASBESTOS PROJECT INVOLVE

(Checking "Yes" to any of the following subsections will require notice to FDNY as per Section 901.7 NYC Fire Code, Local Law 26 of 2008)

A. Disengagement or obstruction of any component of exit signage or exit lighting system? ☐Yes ☒No

B. Disengagement of any fire alarm system component including any fire alarm-initiating device? ☐Yes ☒No

C. Shut-off of the sprinkler system water supply? ☐Yes ☒No

D. Shut-off of any part of a standpipe system or standpipe system components, including valves or fire pumps? ☐Yes ☒No

28. DOES THE ASBESTOS PROJECT INVOLVE

(If you answer "Yes" to any of the following, you must submit a complete Work Place Safety Plan and obtain an Asbestos Abatement permit from DEP before commencing abatement activities. Please see section 1-26 of the DEP Asbestos Rules and the instructions for this form)

A. Obstruction of an exit door leading to an exit stair or the exterior of the building? ☐Yes ☒No

B. Obstruction of an exterior fire escape or access to that fire escape? ☐Yes ☒No

C. Obstruction of a fire-rated corridor leading to an exit door? ☐Yes ☒No

D. Removal of handrails in an exit stair or ramp within the work area*? ☐Yes ☒No

E. Removal or dismantling of any fire alarm system component including any fire alarm-initiating device (e.g. smoke detectors and manual pull stations) within the work area*? ☐Yes ☒No

F. Removal or dismantling of any exit sign, including directional signs, or any component of the exit lighting system, including photoluminescent exit path marking within the work area*? ☐Yes ☒No

G. Removal or dismantling of any part of a sprinkler system including piping or sprinkler head within the work area*? ☐Yes ☒No

H. Removal or dismantling of any part of a standpipe system, including valves or fire pumps within the work area*? ☐Yes ☒No

29. DOES THE ASBESTOS PROJECT INVOLVE

(If you answer " Yes" to any of the following, you must obtain an Asbestos Abatement Permit from DEP before commencing abatement activities. Please see section 1-26 of the DEP Asbestos Rules and the instruction form that will be generated once you submit this application)

A. Removal of any fire-resistance rated portions of a wall, ceiling, floor, door, corridor, partition, or structural element enclosure including spray on fire-resistance rated materials within the work area*? ☐Yes ☒No

B. Removal of any fire dampers, smoke dampers, fire stopping materials, fireblocking or draft stopping within fire-resistance rated assemblies or within concealed spaces? ☐Yes ☒No

C. Removal of any non-load bearing / non-fire-resistance rated wall (greater than 45 sq.ft or 50% of a given wall) within the work area*? ☐Yes ☒No

D. Any plumbing work other than the repair or replacement of plumbing fixtures within the work area*? ☐Yes ☒No

TRU #	ACP7 Fee	EN #
TRU0290MN11	$1,200.00	

VIII. ASBESTOS HAULER

Asbestos Hauler Dial Transport, Inc NYS DEC Permit # 2A-594 TEL.# (888) 646-9903

30. Disposal Site(s) Athens Hocking Reclamation Rt 33, Box 946 Logan NY 43138

IX. LOCATION OF ABATEMENT

Total amount of asbestos-containing material 1,682 Square Feet, and/or _____ Linear Feet

Floor	Entire Floor	Section of Floor	Type Of Abatement	Abatement Procedure	Type of Asbestos Containing Material	Amount of ACM		A-TRU Review/ Approval/Permit Required	Variance Required
						Square Feet	Linear Feet		
2	Yes		Removal	Interior Foam	VAT Floor Tiles	1,682		No	No
					TOTAL ACM	1,682			

Please note:

1. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion
2. Any modification of information provided on this form must be reported immediately in writing directly to the NYC DEP Asbestos Control Program

TRU #	ACP7 Fee	EN #
TRU0290MN11	$1,200.00	

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Facility Address:

Premise No 350 Street Name Bast 81st Street Borough Manhattan Zip 10075

X. SIGNATURES

31. I hereby declare that the information provided herein is true and complete to the best of my knowledge. I am familiar with Federal, State and NYC laws and regulations applicable to asbestos-related work.

People's Environmental, Inc.	Jabco Contracting, Inc.	Jabco Contracting, Inc.
Print Name of Air Monitor	Print Name of Asbestos Contractor	Print Name of Applicant
Signature	Signature	Signature
2/16/11		
Date	Date	Date

33. I understand that as the owner of a building where asbestos abatement activity occurs, I am responsible for the performance of the asbestos abatement activities in accordance with the Asbestos Control Program Rules. I have contracted the third party air monitor who is completely independent of all parties involved in the asbestos project. I hereby declare that I have authorized the filing of this notification for the work specified herein.

Hadramant, LLC		2/16/2011
Print Name of Owner	Signature	Date

Please note:

1. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion
2. Any modification of information provided on this form must be reported immediately in writing directly to the NYC DEP Asbestos Control Program

ACP7 Fee	EN #
$1,200.00	

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Environmental Protection

NYC DEPARTMENT OF I
Asbesto:
59-17 Junction Bouleva

DEPT. BLDGS. 120732350 Job Number
SC100219010 Scan Code

RECEIVED
2/25/2011
DEP
BUREAU OF ENVIRONMENT
REMEDIATION & ENFORCEMENT
ASBESTOS CONTROL
PROGRAM
TRU 1

ASBESTOS PROJECT AMENDMENT FORM (FORM ACP8)

A modification is valid only if it is received by the NYCDEP prior to the previously filed date of completion, except for start date changes that must be received by the original start date. A notification may be modified no more than twice.
Only the building owner may amend items II and III. The original applicant or building owner may amend all other tems.
If you answered "No" to the questions listed under Items 27, 28, or 29 of the ACP7, but this amendment changes one or more of these answers to "Yes", then you are required to file a new ACP7 and obtain an Asbestos Permit from DEP before proceeding with the work.

Date ACP7 was filed 2/17/2011 Var# _____

Was this ACP7 amended before? ☐ Yes ☒ No If yes, please specify date _____

I. FACILITY

1. Premise No. 350 Street Name East 81st Street Borough Manhattan Zip 10075
2. AKA _____ Type of Facility Residence BIN _____ Block 1543 Lot 32
3. Is the abatement activity not associated with a building / structure (ie., a street activity job)? ☐ Yes ☒ No
4. If yes, specify location, on _____ between _____ and _____
5. *Will you be using an existing A-TRU permit for this portion of the additional work?* ☐ Yes ☒ No
   If Yes please ensure that the thresholds triggers are same as in the original ACP7.
6. Is this a request to extend or reinstate an existing Asbestos Work permit? ☐ Yes ☐ No

PLEASE ENTER THE INFORMATION THAT IS BEING CHANGED

II. ASBESTOS ABATEMENT CONTRACTOR

7. Name _____ DOL Lic. # _____ Address _____
8. City _____ State _____ Zip _____ Contact Person _____
9. Tel. # _____ Fax # _____ Email _____

III. THIRD PARTY AIR MONITOR

10. Name Ecotech Enterprises International DOL Lic. # 49207 Address 28 North Pennell Rd.
11. City Media State PA Zip 19063 Contact Person Ecotech Enterprises International
12. Tel. # 908-218-1108 Fax # 908-218-0378 Email e.houseknecht@yahoo.com
13. Sample Analysis Laboratory EMSL Analytical, Inc. NYS DOH ELAP # 11506

IV. PROJECT INFORMATION

14. Start date _____ Projected completion date _____ ☐ Project Cancelled ☐ Project Postponed
15. Asbestos work schedule _____
16. Additional amount of asbestos-containing material 0 Square Feet, and/or 0 Linear Feet (from page 2)
17. Reduction in amount of asbestos-containing material 0 Square Feet, and/or 0 Linear Feet (from page 2)
18. ABATEMENT PROCEDURE: _____

TRU #	Amendment	Total Fee
TRU0290MN11	1	$0

165338

2/25/2011 9:08:10 AM

Rev7 Form ACP8 7/2009

V. LOCATION OF ABATEMENT- Additional material

Floor	Entire Floor	Section of Floor	Type Of Abatement	Abatement Procedure	Type of Asbestos Containing Material	Amount of ACM	
						Square Feet	Linear Feet
					TOTAL		

VI. LOCATION OF ABATEMENT- ACM not being abated (to be deleted)

Floor	Entire Floor	Section of Floor	Type Of Abatement	Abatement Procedure	Type of Asbestos Containing Material	Amount of ACM	
						Square Feet	Linear Feet
					TOTAL		

19. OTHER CHANGES

20. Applicant's Affiliation ☐ Owner ☒ Asbestos Contractor ☐ Third party Air Monitor ☐ Other

21. Name of the Company/ Owner Jabco Contracting, Inc. Email jabcocontr@aol.com

22. Address 896 Manhattan Ave City Brooklyn State NY Zip 11222

I hereby declare that the information provided herein is true and complete.

Andrzej Jablonka		2/24/2011
Print Name	Signature	Date
Solomon Asser		2/24/2011
Building Owner Name	Building Owner Signature	Date

TRU #	Amendment	Total Fee
TRU0290MN11	1	$0.00

156330

2/24/2011 10:58:54 AM

Rev7 Form ACP8 7/2009

DEPT. BLDGS. 120732350 Job Number
SC100219041 Scan Code

Environmental Protection

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Flushing, NY 11373

RECEIVED 2/17/2011
DEP BUREAU OF ENVIRONMENT REMEDIATION & ENFORCEMENT ASBESTOS CONTROL PROGRAM TRU 1

ASBESTOS PROJECT NOTIFICATION (Form ACP7)

This form must be submitted to the DEP not less than one week in advance of the start of abatement activities.

I. FACILITY

1. Premise No. 350 Street Name East 81st Street Borough Manhattan Zip 10075
2. AKA _____ Type of Facility Residence BIN _____ Block 1543 Lot 32
3. Is the abatement activity not associated with a building / structure (ie., a street activity job)? ☐ Yes ☒ No
4. If yes, specify location, on _____ between _____ and _____
5. Is this building a one-or-two family residence? ☐ Yes ☒ No Is the building height more than 75 feet? ☐ Yes ☒ No
6. Is the abatement activity conducted in a Government owned building? ☐ Yes ☒ No

II. BUILDING OWNER

7. Name Hadramant, LLC Address 115 West 29th Street
8. City New York State NY Zip 10001 Contact Person Solomon Asser
9. Tel. # (212) 697-4040 Fax # (212) 687-1003 Email _____

III. APPLICANT

10. Applicant's Affiliation ☐ Owner ☒ Asbestos contractor ☐ Third Party Air Monitor ☐ Other _____
11. Name Jabco Contracting, Inc. Address 896 Manhattan Ave
12. City Brooklyn State NY Zip 11222 Contact Person Andrzej Jablonka
13. Tel. # 7183891100 Fax # 7183891105 Email jabcocontr@aol.com

IV. ASBESTOS ABATEMENT CONTRACTOR

14. Name Jabco Contracting, Inc. DOL Lic. # 28794 Address 896 Manhattan Ave. #37
15. City Brooklyn State NY Zip 11222 Contact Person Jabco Contracting, Inc.
16. Tel. # 718-389-1100 Fax # 718-389-1105 Email JabcoContr@aol.com

V. THIRD PARTY AIR MONITOR

17. Name People's Environmental, Inc. DOL Lic. # 34052 Address 22 Rutgers Street Suite B1
18. City New York State NY Zip 10002 Contact Person People's Environmental, Inc.
19. Tel. # 212-693-4050 Fax # 212-693-4051 Email peoplesenviro@aol.com
20. Sample Analysis Laboratory AmeriSci NYS DOH ELAP # 11480

VI. PROJECT INFORMATION

21. Start date 2/28/2011 Projected completion date 8/28/2011
22. Asbestos work schedule Monday 8:00AM - 5:00PM, Tuesday 8:00AM - 5:00PM, Wednesday 8:00AM - 5:00PM, Thursday 8:00AM - 5:00PM, Friday 8:00AM - 5:00PM

Access to inspect the premises must be provided during the work schedule indicated above.

23. Total amount of asbestos-containing material 1,682 Square Feet, and/or _____ Linear Feet

TRU #	ACP7 Fee	EN #
TRU0290MN11	$1,200.00	

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2/17/2011 2:50:58 PM

24. Is the area under containment on any single floor equal to or more than a. 15,000 sq.ft ☐Yes ☒No b. 7,500 sq.ft. ☐Yes ☒No

25. TYPE OF ABATEMENT: Removal

26. ABATEMENT PROCEDURE: Interior Foam

VII. PROJECT DETAILS

27. DOES THE ASBESTOS PROJECT INVOLVE

(Checking "Yes" to any of the following subsections will require notice to FDNY as per Section 901.7 NYC Fire Code, Local Law 26 of 2008)

A. Disengagement or obstruction of any component of exit signage or exit lighting system? ☐Yes ☒No

B. Disengagement of any fire alarm system component including any fire alarm-initiating device? ☐Yes ☒No

C. Shut-off of the sprinkler system water supply? ☐Yes ☒No

D. Shut-off of any part of a standpipe system or standpipe system components, including valves or fire pumps? ☐Yes ☒No

28. DOES THE ASBESTOS PROJECT INVOLVE

(If you answer "Yes" to any of the following, you must submit a complete Work Place Safety Plan and obtain an Asbestos Abatement permit from DEP before commencing abatement activities. Please see section 1-26 of the DEP Asbestos Rules and the instructions for this form)

A. Obstruction of an exit door leading to an exit stair or the exterior of the building? ☐Yes ☒No

B. Obstruction of an exterior fire escape or access to that fire escape? ☐Yes ☒No

C. Obstruction of a fire-rated corridor leading to an exit door? ☐Yes ☒No

D. Removal of handrails in an exit stair or ramp within the work area*? ☐Yes ☒No

E. Removal or dismantling of any fire alarm system component including any fire alarm-initiating device (e.g. smoke detectors and manual pull stations) within the work area*? ☐Yes ☒No

F. Removal or dismantling of any exit sign, including directional signs, or any component of the exit lighting system, including photoluminescent exit path marking within the work area*? ☐Yes ☒No

G. Removal or dismantling of any part of a sprinkler system including piping or sprinkler head within the work area*? ☐Yes ☒No

H. Removal or dismantling of any part of a standpipe system, including valves or fire pumps within the work area*? ☐Yes ☒No

29. DOES THE ASBESTOS PROJECT INVOLVE

(If you answer " Yes" to any of the following, you must obtain an Asbestos Abatement Permit from DEP before commencing abatement activities. Please see section 1-26 of the DEP Asbestos Rules and the instruction form that will be generated once you submit this application)

A. Removal of any fire-resistance rated portions of a wall, ceiling, floor, door, corridor, partition, or structural element enclosure including spray on fire-resistance rated materials within the work area*? ☐Yes ☒No

B. Removal of any fire dampers, smoke dampers, fire stopping materials, fireblocking or draft stopping within fire-resistance rated assemblies or within concealed spaces? ☐Yes ☒No

C. Removal of any non-load bearing / non-fire-resistance rated wall (greater than 45 sq.ft or 50% of a given wall) within the work area*? ☐Yes ☒No

D. Any plumbing work other than the repair or replacement of plumbing fixtures within the work area*? ☐Yes ☒No

TRU #	ACP7 Fee	EN #
TRU0290MN11	$1,200.00	

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VIII. ASBESTOS HAULER

Asbestos Hauler Dial Transport, Inc NYS DEC Permit # 2A-594 TEL.# (888) 646-9903

30. Disposal Site(s) Athens Hocking Reclamation Rt 33, Box 946 Logan NY 43138

IX. LOCATION OF ABATEMENT

Total amount of asbestos-containing material 1,682 Square Feet, and/or _____ Linear Feet

Floor	Entire Floor	Section of Floor	Type Of Abatement	Abatement Procedure	Type of Asbestos Containing Material	Amount of ACM		A-TRU Review/ Approval/Permit Required	Variance Required
						Square Feet	Linear Feet		
2	Yes		Removal	Interior Foam	VAT Floor Tiles	1,682		No	No
					TOTAL ACM	1,682			

Please note:

1. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion
2. Any modification of information provided on this form must be reported immediately in writing directly to the NYC DEP Asbestos Control Program

TRU #	ACP7 Fee	EN #
TRU0290MN11	$1,200.00	

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Facility Address:

Premise No 350 Street Name East 81st Street Borough Manhattan Zip 10075

X. SIGNATURES

31. I hereby declare that the information provided herein is true and complete to the best of my knowledge. I am familiar with Federal, State and NYC laws and regulations applicable to asbestos-related work.

People's Environmental, Inc	Jabco Contracting, Inc.	Jabco Contracting, Inc.
Print Name of Air Monitor	Print Name of Asbestos Contractor	Print Name of Applicant
Signature	Signature	Signature
2/10/11		
Date	Date	Date

33. I understand that as the owner of a building where asbestos abatement activity occurs, I am responsible for the performance of the asbestos abatement activities in accordance with the Asbestos Control Program Rules. I have contracted the third party air monitor who is completely independent of all parties involved in the asbestos project. I hereby declare that I have authorized the filing of this notification for the work specified herein.

Hadramant, LLC		2/10/2011
Print Name of Owner	Signature	Date

Please note:

1. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion
2. Any modification of information provided on this form must be reported immediately in writing directly to the NYC DEP Asbestos Control Program

ACP7 Fee	EN #
$1,200.00	

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PART II

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PURCHASE AGREEMENT

THE 350 EAST 81ST STREET CONDOMINIUM
NEW YORK, NEW YORK

Unit No.:		Percentage of Common Interest: %
Purchaser		Tel. No.
Address		Fax No.
		SSN:
Purchaser		Tel. No.
Address		Fax No.
		SSN:
Purchaser's Attorney		Tel. No.
Address		Fax No.
		Email:
Co-Broker		Tel. No.
Address		Fax No.
Purchase Price	$	
Down Payment	$	
Balance Due at Closing	$	

Statement of Seller. Hadramant LLC, with an address at 115 West 29th Street, New York, New York 10001 (the "Seller"), has promulgated a Plan of Condominium Ownership ("Plan") for The 350 East 81st Street Condominium, 350 East 81st Street, New York, New York 10028 (the "Condominium") pursuant to which the land, with appurtenances, and the units ("Units") therein, located in the City of New York, County of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser. Purchaser acknowledges as follows:

Purchaser has received and read a copy of the Plan and all filed amendments thereto. The Plan and amendments (including the Declaration to be made by the Seller and to be recorded in the Office of the City Register, New York County, the schedules, the By-Laws, and the Rules and Regulations attached thereto) are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

PURCHASER HAS HAD THE OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) DAYS.

Purchaser desires to purchase the above-referenced Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid City Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit").

Agreement Between Seller and Purchaser. For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. Payment for Unit. Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Purchase Price stated above. The Down Payment stated above has been paid on the signing of this Agreement, receipt of which by check, subject to collection, is hereby acknowledged by Seller. The balance due at closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified check or official bank check of Purchaser, drawn on a bank or trust company which is a member of the New York Clearing House Association, to the order of the Seller or as Seller may direct.

2. Acceptance by Seller. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or

(b) reject this Agreement offer and refund the Down Payment tendered by Purchaser. If Seller takes no action within the aforesaid twenty (20) day period, the Purchase Agreement shall be deemed null and void and the Down Payment shall be returned.

3. Closing of Title. The closing of title shall take place on no less than thirty (30)

days written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. The closing of title may be adjourned by Seller to such later date as the parties may agree upon in writing, or otherwise as set forth in the following Paragraph, and the adjourned date shall then be deemed the Closing Date hereunder. Purchaser shall be entitled to one reasonable adjournment of up to thirty (30) days, on five (5) days written notice by Purchaser to Seller, subject to the provisions of Paragraph 7. However, Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph 18 herein. **TIME WILL BE OF THE ESSENCE AS TO THE ADJOURNED CLOSING DATE.**

The Seller shall be entitled to reasonable adjournments in the closing of title in the event of delays by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other requirements.

At the closing of title, Seller shall deliver to Purchaser a bargain and sale deed in the form contained in Part II of the Plan, with covenants against grantor's acts, conveying the Unit to Purchaser, executed and acknowledged by Seller in form for recording.

Title to the Unit will close only after, or concurrently with, the occurrence of the events set forth in the section of the Plan entitled "Closing of Title to Units and Terms of Sale."

4. Power of Attorney to Board of Managers. At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller at the closing of title for recording and to pay the recording fee.

5. Financing Contingency.

The obligations of Purchaser hereunder are **NOT** contingent on financing.

6. Condition of Title.

(a) Seller agrees to convey to Purchaser title in fee simple to the Unit, free and clear of all liens and encumbrances other than those set forth in the Plan. Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of Closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of Closing. Purchaser shall be free to select whichever title company (s)he desires without incurring any penalty or additional costs to Seller.

(b) Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage now or hereafter encumbering the Property thereon, and any payments or expenses which at any time were or may be incurred

pursuant to the terms thereof, incidental thereto or to protect the security thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply whether such lien is voluntary or involuntary and whether made in accordance with the loan documents or accelerated thereunder by virtue of lender's rights to make advances in the event of a default by Seller. However, at closing the Unit will be conveyed free and clear of all mortgage liens.

7. Expenses of Closing and Closing Adjustments.

(a) Purchaser will pay the closing costs and expenses set forth in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments".

(b) If Purchaser adjourns the Closing at Purchaser's behest, the Purchaser will be liable for all common charges and real estate taxes assessed against the Unit from and after the scheduled Closing Date, and interest on the Purchase Price as set forth in the Plan from the scheduled Closing Date until the actual Closing Date.

8. Default by Purchaser.

(a) If Purchaser shall: fail to pay any portion of the Purchase Price when due; fail to close on the date, hour and place specified by Seller; fail to perform any of Purchaser's other obligations hereunder; or if any of Purchaser's representations in this Agreement shall be untrue in any respect, Purchaser shall be in default, and Seller may send a notice to Purchaser to cure the default within thirty (30) days. If within the thirty (30) day period Purchaser shall fail to cure the default, Seller, at its option, may cancel this Agreement by notice of cancellation to Purchaser. If Seller shall elect to cancel this Agreement, Seller shall certify to its Counsel that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof. Counsel shall thereupon pay over to Seller as liquidated damages the Down Payment and the interest earned thereon, if any. Upon such payment being made, each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Agreement shall be canceled by Seller, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Counsel may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

(b) **TIME IS OF THE ESSENCE AS TO PAYING THE BALANCE DUE, AND AS TO CURING ALL DEFAULTS WITHIN ANY GRACE PERIODS GRANTED HEREUNDER. FAILURE TO MAKE A PAYMENT WITHIN THE GRACE PERIOD AFTER A PURCHASER IS REQUIRED TO MAKE SUCH PAYMENT MAY RESULT IN LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE PURCHASE AGREEMENT.** Purchaser should consult his or her own attorney prior to executing a Purchase Agreement.

(c) In the event of an uncured default by Purchaser in his or her obligations under the Purchase Agreement, no more than ten percent (10%) of the Purchase Price, plus any interest earned thereon and the cost of any special work performed for the Purchaser, may be

retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser before the First Unit Closing.

9. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed canceled, and the plan terminated and not later than five (5) days thereafter, all monies paid by Purchaser hereunder shall be refunded in full, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. Seller may cancel this Agreement if any of the following occur: (a) any governmental agency having jurisdiction thereover shall impose restrictions on the manufacture, sale, distribution, or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction or completion of the dwellings; or (b) Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed. If Seller elects at any time to cancel this Agreement pursuant to any rights granted under the Plan, Seller's cancellation shall be effective by forwarding its check in the full amount paid by the Purchaser and interest earned, together with a notice in writing, addressed to the Purchaser at his address set forth on page 1.

10. Agreement May Not Be Assigned by Purchaser. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller, and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller.

11. Survival. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Agreement, except as to any item specifically listed and excepted therefrom.

12. No Representations. Except as specifically set forth herein or in the Plan, Seller has not made any representations as to the condition, income, expenses, tenants, use, operation or any other matter or thing affecting or relating to the Property or title thereto or the transactions contemplated hereby. No oral representations or statements shall be considered a part of this Agreement. The Purchaser agrees that the Seller and its agents and contractors will have no liability to the Purchaser nor shall the Purchaser be relieved of any of its obligations hereunder if there is a minor error or inaccuracy in the layout or dimensions of the Unit(s) or of the Common Elements or any Limited Common Elements, if any, of the Condominium as shown on the Floor Plans.

13. Recording of Deed and Power of Attorney. At the Closing, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the City

Register, County of New York. Such deed and power of attorney will be in the forms set forth in Part II of the Plan.

14. Binding Effect. This Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

15. Monies to be Held in Trust, Payment of Purchase Price; Notice of Closing. The Down Payment shall be deposited by Seller in a segregated escrow account at Sterling National Bank, 25 West 45th Street, New York, New York 10036. The law firm Belkin Burden Goldman, LLP, having an address at 270 Madison Avenue, New York, New York 10016, is the escrow agent under this Agreement ("Escrow Agent"). All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited in an account of Escrow Agent at Sterling National Bank in an account or accounts entitled "Belkin Burden Goldman, LLP As Escrow Agent for Hadramant LLC/[name of Purchaser]" or similar name, which account or accounts shall be interest-bearing for the benefit of the Purchaser. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2)(b) of the New York State General Business Law, and Regulations of the New York State Department of Law promulgated thereunder. Such funds will be disbursed only as follows: (i) to Seller if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is canceled (without default by either party) in accordance with its terms. Down Payments, with any accumulated interest, shall remain the property of the Purchaser except as provided by law.

Down Payments will be retained in the Escrow Account as set forth above until: (i) Seller performs under the terms of the Purchase Agreement; (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Seller; (iii) release or discharge of Seller's liability to refund such Down Payment; (iv) upon transfer of title to the Unit to the Purchaser; or (v) by mutual consent of Seller and Purchaser.

The parties acknowledge that the Escrow Agent for the Down Payment is also Counsel for the Sponsor. Purchaser agrees that in case of any dispute relating to the disposition of the Down Payment, Counsel for the Sponsor may continue to represent the Sponsor.

16. Equipment and Furnishings. If the Purchaser is purchasing a vacant Unit, Seller will provide Purchaser only with fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the Purchase Price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office that are not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Agreement. The cost of any such special items will be an addition to the Purchase Price. In all other respects, section 18 hereof shall apply.

17. Acceptance of Condition of Unit; Risk of Loss.

(a) Purchaser shall accept title without abatement in or credit against the Purchase Price, and without provision for escrow, notwithstanding that Seller may not have completed construction of (i) minor details of the Unit or the Building; (ii) another Unit; or (iii) portions of the Common Elements that do not materially affect Purchaser's access to and use of the Unit.

(b) (i) The risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the closing of title, but without any obligation or liability by Seller to repair or restore the Unit. In case of damage or destruction of a Unit due to fire or other casualty prior to the closing, Seller will have the right to elect whether to repair or restore the Unit, which election shall be in the Seller's sole discretion. If the Seller elects to restore the Unit, this Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the Purchase Price. In that event the Seller shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Seller. If the Seller elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium but before closing of title to the Unit) and the Board of Managers elects not to restore the Common Elements of the Condominium, this Agreement shall be deemed cancelled, the Seller shall return to Purchaser all sums deposited thereunder (together with any interest), and the parties shall have no further liability to each other. Purchaser may nullify such cancellation (provided the damage relates solely to an individual Unit and does not affect the Common Elements of the Condominium) by notice given within ten days thereafter, agreeing to take title subject to the damage without abatement or reduction in the Purchase Price, but with an assignment of all insurance proceeds allocable to the repair of the Unit. In that case, at closing the Seller shall assign to the Purchaser all insurance proceeds allocable to the Unit and the Seller shall have no further responsibility to repair the Unit. The foregoing rights apply only if Purchaser is not in default. If Purchaser is in default under the Purchase Agreement at such time, the Purchaser may not nullify the Seller's option to cancel and the Seller may retain all sums paid as liquidated damages.

(ii) Notwithstanding subparagraph (i) hereof, if Purchaser enters into actual possession of a Unit prior to the closing of title, the Purchaser shall bear the risk of loss or other casualty with respect to that Unit, i.e., the Purchaser will be obligated to bear the cost of restoring the Unit to the same extent as if the Purchaser had already taken title.

18. Inspection, Condition of Units. The Unit is being sold in "**AS IS**" condition as of the date of this Agreement. Seller has no obligation to repair or improve the Unit, any portion of the Property, or the appliances, equipment, or fixtures attached to or used in connection with the Unit or the Property.

19. Possession of Unit Prior to Closing. If the Unit is vacant, it is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary

proceedings or otherwise. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the Down Payment hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser, whether same is delivered to the Property before, on or after the closing of title herein.

20. Limitation of Seller's Liability. Except as may otherwise be required by law, the Seller's liability under this agreement for failure to complete any portion of the Unit or the Building, or to deliver title for any reason whatsoever, shall be limited to the return of the Down Payment (with interest, if any), and upon the return of said sums, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render title to the Unit marketable or to cure any objection to title, except as may be otherwise set forth in the Plan.

21. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person is purchasing the Unit, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. Gender. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. Amendment. This Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the selling agent (if any), described in the "Identity of Parties" section of the Plan ("Selling Agent") and any other agent(s) set forth on page 1 of this Agreement (if any). Purchaser hereby agrees to indemnify, defend and hold harmless Seller, the Selling Agent, and their respective agents, Counsel and employees, from any claims by any other broker that alleges that it has dealt with Purchaser in connection with the purchase of the Unit.

26. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of New York.

27. Jury Waiver. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Agreement, or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

28. Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations. Purchaser hereby agrees to be bound by the Declaration, By-Laws, the Rules and Regulations and the Plan.

29. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery as follows: if to Purchaser, at the address set forth on page 1 or at such other address as Purchaser may hereafter designate in writing; and if to Seller, to: c/o Belkin Burden Goldman, LLP, attention Aaron Shmulewitz, Esq., 270 Madison Avenue, New York, New York 10016. 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.

30. Conflict with Plan. Any conflict between the Plan and this Agreement will be resolved in favor of the Plan.

31. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement, or the intent of any provision hereof.

32. No Recording. This Agreement shall not be recorded. Recording of this Agreement is an event of default hereunder.

33. Bona Fide Purchase. Purchaser represents that:

(a) he or she is an individual over eighteen years of age;

(b) if Purchaser is executing this Agreement before the Plan has been declared effective, Purchaser hereby represents that he or she is a bona fide Purchaser of the Unit for occupancy by Purchaser or a member of the immediate family of Purchaser;

(c) he or she is not an employee, shareholder, member or limited partner of the Seller, Selling Agent, or any principal thereof, nor is he or she related by blood, marriage or adoption or as a business affiliate to the Seller or the Selling Agent.

34. Special Rights of Tenant in Occupancy. If Purchaser is a Tenant in occupancy of the Unit, as of the date of presentation of the Plan, an Agreement from such Tenant for his Unit executed during any exclusive purchase period shall have priority over and preempt any Agreement from a non-Tenant Purchaser. If the Tenant does not purchase his Unit, then any purchase of such Unit by a non-tenant Purchaser will be subject to the rights of such Tenant, as further described in the Plan.

35. Purchaser's Intention to Reside. If Purchaser is executing this Purchase Agreement before the Plan has been declared effective, and if Seller advises Purchaser that it intends to use this Agreement in order to satisfy the legal requirements for declaring the Plan effective, Purchaser shall execute the "Affidavit of Intention to Reside" attached to this Agreement as Exhibit A.

36. Smoking Policy.

Pursuant to the Department of Law's guidance memorandum entitled "Disclosures Requirements Regarding Building Smoking Policies Pursuant to Local Law 147" dated August 15, 2018, and pursuant to New York City Local Law 147 of 2017, the following is the smoking policy for the Building:

1. The term "smoking" and similar terms means inhaling, exhaling, burning, or carrying any lighted cigar, pipe, cigarette, e-cigarette or other tobacco or non-tobacco smoking product in any manner or in any form.

2. No Unit Owner, tenant, occupant, or any other person (including, but not limited to, invitees, guests or contractors) occupying or visiting an Apartment shall smoke in any enclosed common area of the Building, including, but not limited to: entrances, elevators, hallways, basement, stairwells, fire stairs, laundry rooms and amenity spaces (all of the foregoing collectively "Prohibited Smoking Locations").

3. Persons may smoke within an Apartment, and in the yard/patio and the roof garden of the Building (both of which are Limited Common Elements appurtenant and exclusive to their respective Apartments), as long as such smoking does not trigger complaints of smoke odors permeating into other Apartments or common areas of the building. If the Condominium receives, and notifies the Unit Owner of, complaints regarding smoke odors permeating from his/her Apartment, or from a Limited Common Element appurtenant thereto, into other Apartments or common areas of the Building, the Unit Owner will, solely at his/her expense, take all steps necessary to cause such complaints to cease, including but not limited to sealing holes, gaps and cracks in the Apartment, installing air purifiers, and creating necessary pressure differentials.

4. Each Unit Owner shall inform all persons that do or will occupy or enter an Apartment of this policy and shall be responsible for violations thereof. A fine of $250 per occurrence will be imposed on the common charge account of an Apartment the Unit Owner or any other occupant of, or visitor to, which, shall have been found to be in violation of this policy.

5. Each Unit Owner shall inform his/her household staff, co-occupants and guests of this policy.

6. A Unit Owner who leases his/her Unit shall include a copy of this policy as an attachment to such lease.

7. A Unit Owner who violates this policy, or whose co-occupant, guest or other invitee violates this policy, shall be deemed to have agreed to indemnify, defend and hold harmless the Condominium from, against and with regard to any loss or damage which the Condominium may incur, or any claim that may be asserted against the Condominium, as a result of such violation of this policy, including, without limitation, the amount of reasonable attorneys' fees and disbursements incurred by the Condominium in connection therewith.

8. Any monetary obligations by a Unit Owner to the Condominium under this policy shall be deemed additional common charges under the Bylaws of the Condominium.

9. This smoking policy shall be included as part of the House Rules of the Condominium, and shall be included in the purchase and leasing waiver application packages of the Condominium, and as part of all leases of Units in the Condominium.

In witness whereof, each party has signed this Agreement.

Dated: _____

_____
Purchaser

_____
Purchaser

Accepted:
Dated: _____

Hadramant LLC
Seller

By: _____

Belkin Burden Goldman, LLP
Escrowee

By: _____
Aaron Shmulewitz, Member

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ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 20___, by and among _____ ("PURCHASER"), HADRAMANT LLC ("SPONSOR"), as sponsor of the offering plan for The 350 East 81st Street Condominium ("Plan") and BELKIN BURDEN GOLDMAN, LLP ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Plan with the Attorney General to offer for sale condominium interests at the premises located at 350 East 81st Street, New York, New York, subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b), 352-h and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT. 1.1. ESCROW AGENT has established an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of the Unit (the "Purchase Agreement") at Sterling National Bank, 25 West 45th Street, New York, New York 10036 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Belkin Burden Goldman, LLP as Escrow Agent for Hadramant LLC" ("Escrow Account"). The account number is _____.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Daniel Altman, Sherwin Belkin, Matthew Brett, Jeffrey Goldman, Martin Heistein, Lewis Lindenberg, Martin Meltzer, Craig Price, Kara Rakowski, Aaron Shmulewitz, David Skaller and Stephen Tretola. All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of 270 Madison Avenue, New York, New York 10016, and a telephone number of 212-867-4466.

1.3 ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing .

1.5 The Escrow Account is not an IOLA account established pursuant to

Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of "Belkin Burden Goldman, LLP as Escrow Agent for Hadramant LLC", pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-e(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the [shares/unit/membership interest/fractional interest];

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the [unit/building] is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

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

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and

disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL§§ 352-e(2-b) and 352-h.

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

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-h and the New York State Department of Law's regulations.

6.2 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by

ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION.

SPONSOR agrees to defend, indemnify, and hold ESCROW AGENT harmless from and against all costs, claims, expenses, and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-hand the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

BELKIN BURDEN GOLDMAN, LLP

By:_____
Partner

SPONSOR:

HADRAMANT LLC

By:_____

PURCHASER

By:_____

UNIT OWNER'S POWER OF ATTORNEY

THE 350 EAST 81ST STREET CONDOMINIUM

All terms used in this Unit Owner's Power of Attorney that are used (a) in the declaration (the **"Declaration"**) establishing a plan for condominium ownership of the premises known as and by the street number 350 East 81st Street, New York, New York (the **"Property"**) under Article 9-B of the Real Property Law of the State of New York, dated _____, 202__, and recorded in the Office of the Register of the City of New York, New York County on _____, 202__, as CRFN _____, or (b) in the by-laws of the Condominium (the **"By-Laws"**) attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____ , (having an office) (residing) at 350 East 81st Street, New York, New York 10028, the owner of the Condominium Unit (the **"Undersigned's Unit"**) known as Unit No. ____ in The 350 East 81st Street Condominium (the **"Condominium"**), known by the street address as 350 East 81st Street, New York, New York and consisting of the real property and improvements thereon as more particularly described on Schedule A annexed hereto and made a part hereof, such Unit being also designated as Tax Lot___ in Block 1543 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, do(es) hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact and agents for the undersigned, coupled with an interest, with power of substitution, 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 the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect: (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner so desiring to sell, convey, transfer, assign or lease, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender such Unit pursuant to the terms of the By-Laws, and (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and, with respect to any transfer pursuant to the terms of subdivision 1(a) or 1(c) of this paragraph at such price or at such rental, as the case may be, as such attorneys-in-fact deem proper, and

thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, on such terms as such attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in such premises which the undersigned could do if the undersigned were personally present, (2) to file, prosecute, negotiate and settle, on behalf of all Unit Owners, appropriate tax certiorari proceedings so as to reduce the assessed valuations of, and/or real estate taxes due with regard to, all Units in the Condominium, (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate, or (c) any instrument that may be necessary to effect any zoning lot merger that the Condominium Board or the Sponsor deems necessary or desirable.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned do(es) hereby irrevocably nominate, constitute and appoint any of the persons who are members of the Condominium Board from time to time as attorneys-in-fact and agents for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of such documents, when such amendment: (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with the Declaration, or (ii) will be required by (A) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any 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 Unit; provided, however, that any amendment made pursuant to the terms of subdivisions (i) or (ii) of this paragraph will not (x) change the Common Interest of the Undersigned's Unit, (y)

require a material, physical modification to the Undersigned's Unit, or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivisions (x) or (y) of this paragraph) or the holder of such mortgage (in the event described in (z) 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 will remain in full force and effect until such time as Sponsor or its designee will cease to own any of the Units in the Condominium.

In addition to the foregoing, the undersigned do(es) hereby also irrevocably nominate, constitute and appoint any of the persons who are members of the Condominium Board from time to time as attorneys-in-fact and agents for the undersigned, coupled with an interest, with power of substitution, to execute any instrument that may be necessary to effect any zoning lot merger that the Condominium Board or Sponsor shall deem necessary or desirable, in the event that the Condominium Board shall fail to execute any such instrument within ten (10) business days following request therefor by Sponsor.

IN WITNESS WHEREOF, the undersigned has/have executed this Unit Owner's Power of Attorney as of the ___ day of ___ _____, 202__.

_____

_____

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On this _____ day of _____, 202____ before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to in the within instrument, and acknowledged to me that he/she they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

_____
Notary Public

UNIT _____
THE 350 EAST 81ST STREET CONDOMINIUM
350 EAST 81ST STREET
NEW YORK, NEW YORK 10028

BLOCK 1543
LOT _____

RECORD AND RETURN TO:

AARON SHMULEWITZ, ESQ.
BELKIN BURDEN GOLDMAN, LLP
270 MADISON AVENUE
NEW YORK, NEW YORK 10016

UNIT DEED

THE 350 EAST 81ST STREET CONDOMINIUM

This INDENTURE, made the _____ day of _____, 202__, by and between **HADRAMANT LLC** (the "**Grantor**"), having an address at 115 West 29th Street, New York, New York 10001, and ___ _____ (singly, jointly or collectively the "**Grantee**") (having an office) (residing at) _____ _____.

WITNESSETH:

That the Grantor, in consideration of Ten Dollars ($10.00) and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The condominium unit known as Unit No. _____ (the "**Unit**") in the building known as The 350 East 81st Street Condominium (the "**Condominium**") and by the street number 350 East 81st Street, Borough of Manhattan, City, County and State of New York (the "**Building**"), such Unit being designated and described as Unit No. _____ in a certain declaration dated ___ _____ made by the Grantor pursuant to Article 9-B of the Real Property Law of the State of New York, as amended (the "**Condominium Act**"), establishing a plan for condominium ownership of the Building and the land upon which the Building is situate as more particularly described on Schedule A annexed hereto and made a part hereof (the "**Land**"), which declaration was recorded in the New York County Office of the Register of the City of New York, on the _day of _____, 20_____, as CRFN No. _____, as same may have been subsequently amended (collectively, the "**Declaration**"). The Building and the Land are referred to herein as the "**Property.**" This Unit is also designated as Tax Lot _____ in Block 1543 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Building, certified by Janet Olmsted Cross, AIA, 167 Madison Avenue, #301, New York, New York 10016 on the _____ day of _____, 202___, and filed with the Real Property Assessment Department of the City of New York on the ___ _____ day of _____, 202___, as Condominium Plan No. _____ and also filed in the New York County Office of the

Register of the City of New York on _____, 202[ ], as Condominium Map No. __.

TOGETHER with an undivided _____% interest in the Common Elements (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;

TOGETHER with and subject to the rights, obligations, easements, restrictions and other provisions of the Declaration and of the By-Laws (including the Rules and Regulations) (as such terms are defined in the Declaration) of the Condominium, as such Declaration and By-Laws may be amended from time to time by instruments recorded in the New York County Office of the Register of the City of New York, all of which rights, obligations, easements, restrictions and other provisions, shall constitute covenants running with the land and shall bind any and all persons having at any time any interest or estate in the Unit, as though recited and stipulated at length herein; and subject to any other matters of record as of the date 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 ruled by a Court of competent jurisdiction to be 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 that 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 will control.

Except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything to be done whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws).

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 improvements at the Property and will apply such consideration first to the payment of the cost of such improvements before using any part thereof for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws of The 350 East 81st Street Condominium, recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time by instruments recorded in the Register's Office of the City and County of New York, and further agrees to comply with any Rules and Regulations adopted in accordance with the provisions of said By-Laws. The Grantee specifically accepts and ratifies those provisions of the Declaration which direct that any tax exemption and tax abatement benefits granted the Property be apportioned among all Units in proportion to their respective Common Interests. The Grantee covenants on behalf of the Grantee, and on behalf of the heirs, successors and assigns of the Grantee, that no suit shall be maintained by the Grantee or the heirs, successors or assigns of the Grantee against the City of New York, the Grantor herein or the Condominium in which the Grantee or the heirs, successors or assigns of the Grantee allege that any apportionment of such benefits made in accordance with the provisions of the Declaration is contrary to law. This covenant by the Grantee is made in favor of all other Unit Owners, the Condominium Board, the Condominium, the Grantor and the City of New York.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term **"Grantee"** shall be read as **"Grantees"** whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

GRANTOR:
HADRAMANT LLC

By: _____

GRANTEE:

_____

_____

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On this _____ day of _____, 202_____ before me, the undersigned, a Notary Public in and for said state, personally appeared _____ _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to in the within instrument, and acknowledged to me that he/she they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On this _____ day of _____, 202_____ before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to in the within instrument, and acknowledged to me that he/she they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

_____
Notary Public

UNIT _____
THE 350 EAST 81ST STREET CONDOMINIUM
350 EAST 81ST STREET
NEW YORK, NEW YORK 10028

BLOCK 1543
LOT _____

RECORD AND RETURN TO:

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DECLARATION

Establishing A Plan of Condominium Ownership

for the Premises known as

THE 350 EAST 81ST STREET CONDOMINIUM

located at

350 East 81st Street, in the
Borough of Manhattan, County, City and State of New York

Pursuant to Article 9-B of the
Real Property Law of the State of New York

DECLARANT: **HADRAMANT LLC**

BLOCK: 1543

LOT: Formerly known as Lot 32
(now known as lots _____ through and including _____)

DATE OF DECLARATION: _____, 202___

Record and Return to:

AARON SHMULEWITZ, ESQ.
BELKIN BURDEN GOLDMAN, LLP
270 Madison Avenue
New York, New York 10016

Attorneys for Declarant

Declaration establishing a plan of Condominium ownership for The 350 East 81st Street Condominium at the Premises located at 350 East 81st Street, in the Borough of Manhattan, County, City and State of New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

HADRAMANT LLC, having an address at 115 West 29th Street, New York, New York 10001 (the "Declarant"), does hereby declare:

1. Submission of Property. The Declarant hereby submits the land more particularly described on Schedule A attached hereto and made a part hereof (the "Land"), together with the building (the "Building") and improvements thereon erected, and the fixtures therein located (which Land, Building, improvements and fixtures are collectively referred to as the "Property"), owned by the Declarant in fee simple absolute, to the provisions of Article 9-B of the Real Property Law of the State of New York, more particularly known as the "Condominium Act" (the "Act").

2. Description of the Land. The Land is located in the Borough of Manhattan, in the County, City and State of New York, and bears the street number 350 East 81st Street. The Land is also designated as Block 1543, Lot 32 and consists of approximately 2,485.71 square feet (.0571 acres).

3. Description of the Building. The Building consists of five above-grade stories and a below-grade cellar. The Building is an "Old Law Tenement", non-fireproof multiple dwelling and is constructed primarily of masonry clad with stone panels. The Building contains a total of three (3) residential apartments (the "Units"). The owners of the Units are hereinafter referred to as the "Unit Owners".

4. Description of Units. Annexed hereto as Schedule B and made a part hereof is a schedule of the following information for each Unit: Unit designation; designation of tax lot number; designation of location in Building; statement of approximate area in square feet; percentage of ownership interest in the Common Elements of the Condominium; and statement of Common Element(s) to which the Unit has immediate access. The information above-described is shown on floor plans of the Building, certified by Janet Olmsted Cross, AIA dated ____ _____, 20_____ (the "Floor Plans"), which are intended to be recorded in the Office of the Register of the City of New York, County of New York, simultaneously with the recordation of

this Declaration. The location of the Building is shown on the site plan intended to be recorded in the Office of the Register of the City of New York, County of New York, as part of this Declaration.

For the purposes of this Declaration, a "Unit" shall be defined as defined in section 339-e of the Act, and shall be more particularly described as follows: consisting of the area enclosed horizontally by the exterior side of the exterior wall enclosing the Unit; or from the midpoint of the interior Demising Walls separating the Unit from another Unit; or from the midpoint of the interior Demising Walls separating the Unit from the public corridors or public stairs; or from the mechanical space side of interior Demising Walls separating the Unit from any elevator or other mechanical equipment space or any other Common Elements. Columns, load bearing partitions and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from, and are included within the stated square foot measurements of the Unit. Vertically, a Unit shall consist of the area from the top of the concrete (or other material-based) subfloor to the underside of the concrete (or other material-based) ceiling of such Unit.

Each Unit shall be deemed to include all plumbing, heating and electrical fixtures contained in such Unit which service such Unit alone, any appliances attached to any such fixtures located within such Unit which service such Unit alone, and all through-the-window and through-the-wall air conditioners contained in such Unit. Doors and windows contained in a Unit which open from the Unit shall be deemed part of the Unit. Notwithstanding anything to the contrary, no Unit shall be deemed to include any structural or supporting column or any pipe, wire, conduit, beam or other similar structure, element or Facility (as defined below) a portion of which is present in, adjacent to, or passes through, whether visibly or not, the Unit if such column, pipe, wire, conduit, beam or similar structure, element or Facility is utilized for, or services or benefits, any other part of the Building, including, without limitation, any other Unit or the Common Elements.

5. Common Elements. (A) The "Common Elements" of the Condominium consist of the entire Property including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building, and all Facilities (as defined below), for the common use of all Units or all Unit Owners, or which are

necessary or convenient for the existence, maintenance and safety of the Property. The Common Elements include the Limited Common Elements (as defined below).

Without limiting the foregoing, the Common Elements shall include the following:

(i) The Land, including, without limitation, the portions of the Land on which the Building is erected, all walks, paved areas, and all other improved and unimproved areas not within the Units together with all easements, rights and privileges appurtenant thereto;

(ii) All common roof areas, chimneys, concrete floors, foundations, columns, girders, beams, supports, joists, footings and subfloors;

(iii) Those portions of the exterior walls and insulation (if any) beyond the exposed interior face of the exterior walls, and those portions of the walls and partitions separating each Unit from the other Units, corridors, vestibules, lobbies and stairs located beyond the unexposed face of the drywalls enclosing such Unit;

(iv) Corridors, hallways, elevators (if any), lobbies, storage and utility rooms and areas, and the entrances to and exits from the Building;

(v) The "Facilities", which shall be defined as all central and appurtenant installations for utilities and other services which benefit the entire Building, including but not limited to: conduits for plumbing, electricity, gas, or other energy-producing fuels, water, sewage, drainage, waste piping, trash compaction and removal; equipment or facilities for telephone, telegraph and television (whether broadcast, cable or satellite-receptive); central air-conditioning, heat and ventilation, if any; and all pipes, wires, vents, conduits, flues, ducts, elevators (if any), cables, machinery, equipment, apparatus, systems, mechanisms, devices, motors, pumps, controls, generators, valves, outlets, risers, switches, fixtures, meters and other things used in connection with any of the foregoing, whether located in common areas or in a Unit;

(vi) All boiler, meter, utility, steam, storage or staff rooms, (including all steam and other equipment that

may be located therein), flues, and meters located therein or servicing same;

(vii) Lighting fixtures illuminating the exterior portions of the Land or Building;

(viii) Any courtyards, gates and fences on or surrounding the Property; and

(ix) All other apparatus and installations existing in the Building for common use or necessary, convenient and appropriate to the existence, maintenance or safety of the Building or the Units.

The "Limited Common Elements" of the Condominium are defined as those portions of the Building that are to be used by the Unit Owners of one or more specified Units to the exclusion of all other Unit Owners, to the extent that any such portions exist. The yard/patio at the Property is a Limited Common Element appurtenant to Unit 1; the roof garden on the Property is a Limited Common Element appurtenant to Unit 3.

6. Use of Building and Units. The Units shall be used for residential purposes. Notwithstanding the foregoing: (i) the Declarant or its designee expressly reserves the right to maintain a general or sales office in any Unit owned by it and to use such Unit as a model or for other promotional purposes, and (ii) each Unit may also be used for any lawful purpose permitted by applicable law, and the Certificate of Occupancy of the Building. The Common Elements shall be used for the purposes intended for each. The Building shall be used solely for the purposes for which the Units may be used.

7. Person to Receive Service. Process in any action brought against the Condominium shall be served upon it by service upon the Board of Managers c/o Aaron Shmulewitz, Esq., Belkin Burden Goldman, LLP, 270 Madison Avenue, New York, New York 10016, or at such other address as the Condominium shall maintain.

8. Amendment of Declaration.

(a) This Declaration may be amended with the approval of not less than SIXTY-SEVEN PERCENT (67%) in number and in aggregate Common Interest of all Unit Owners cast in person or by valid proxy at a meeting duly held in accordance with the provisions of the By-Laws of the Condominium or, in lieu of such

meeting, any amendment may be approved in a writing signed by not less than SIXTY-SEVEN PERCENT (67%) in number and in aggregate Common Interest of all Unit Owners. However, the Common Interest appurtenant to each Unit as set forth on Schedule B to this Declaration shall not be changed in any way without the prior written consent of all Unit Owners affected thereby. However, notwithstanding the foregoing, this Declaration may not be amended in a manner that would adversely affect the interests of the Declarant without the prior written consent of the Declarant.

(b) The Declarant or its designee shall have the express right, without vote or consent of Unit Owners, the Board of Managers, or the holders of mortgages against Units, if any, to execute or to cause to be executed, and to record as required by law, an amendment or amendments to this Declaration, together with such other plans, maps and other documents and instruments necessary to effect such recordation, to reflect any changes in Units and the reapportionment of Common Interests resulting therefrom, made by the Declarant or its designee in accordance with Paragraph 15 hereof, including, without limitation, the final location, dimensions or size of any Unit.

(c) The provisions of this Paragraph 8 may not be altered, amended or deleted in any manner, in whole or in part, without the prior written consent of the Declarant or its designee, as long as the Declarant or its designee shall own any Unit.

9. Determination of Percentage Interests in Common Elements. The respective percentage interest of each Unit in the Common Elements of the Condominium (the Unit's "Common Interest") has been determined on the basis of such Unit's floor space as measured in square footage, taking into account, however, the location of such Unit within the Building, its overall layout and dimensions, the availability of Common Elements for exclusive or shared use by the Unit Owners, and additional similar factors of value and desirability relative to the other Unit.

10. Encroachments.

(a) In the event that any Common Element, or portion, component or element thereof, shall encroach upon any Unit, or if any Unit, or portion thereof, shall encroach upon any other Unit or upon any Common Element, due to the subsequent settling or shifting thereof, or due to repair, restoration or rehabilitation work performed or caused to be performed by the Condominium, a valid easement for such encroachment and the maintenance thereof shall be created and exist until the earlier to occur of: (i) the removal of such encroachment; (ii) the destruction or demolition of the Building; or (iii) the termination of the Condominium pursuant to the terms hereof.

(b) In the event that the Building, a Unit or any Common Element shall be partially or totally destroyed by fire, explosion or other casualty or act of God, or as a result of condemnation or eminent domain proceedings, and then rebuilt, any encroachment arising by virtue of such destruction and rebuilding shall be permitted to exist and a valid easement for such encroachment and the maintenance thereof shall be created and exist until the occurrence of the earliest to occur of the events delineated in subparagraph (a) hereof.

11. Easements.

(a) Each Unit Owner shall have an easement to use all pipes, wires, ducts, cables, conduits, public utility lines, Facilities, and other Common Elements located in any other Unit and serving or benefiting the Building or his/her Unit. Each Unit shall be subject to an easement in favor of every other Unit Owner to use the pipes, wires, ducts, cables, conduits, public utility lines, Facilities, and other Common Elements located in such Unit and serving or benefiting the Building or any other Unit. The Board of Managers shall have a right of access to every Unit and all Common Elements appurtenant thereto to inspect the same, remove violations therefrom, and to maintain, repair, service or replace the Common Elements located therein or elsewhere in the Building.

(b) Any utility company or public benefit corporation which shall provide utilities or other services to the Property, or in favor of which there exists or shall exist a public utility easement, and the employees and agents of such entity, shall have the right of reasonable access to the Property, the Building, the Common Elements and every Unit, in furtherance of any easement accorded hereunder, provided that such access shall

not unduly interfere with the permitted use of the Property, the Building, the Common Elements or any Unit affected thereby.

(c) The Declarant and its successors and assigns, and their respective agents, contractors and other designees, shall have an easement in, to and through all portions of the Property, including but not limited to all Units and all Common Elements, for the purposes of: (i) facilitating the completion of construction and renovation of all Units, Common Elements and all other portions of the Property, and (ii) facilitating the sale of all Units by the Declarant and its successors and assigns. The easement granted pursuant to this subparagraph shall endure in full force and effect until all Units shall be sold by the Declarant or its successors and assigns.

12. Power of Attorney. As a condition of acquiring title to a Unit, the prospective owner thereof shall grant to the Board of Managers an irrevocable power of attorney, coupled with an interest, to, inter alia, acquire title to or to lease any Unit, the owner whereof desires to surrender, sell or lease such Unit, or which may be the subject of a foreclosure proceeding or other judicial sale, in the name of such Board of Managers or its designee, or is acquired or leased pursuant to a right of first refusal, on behalf of all Unit Owners, and subsequently to hold, convey, sell, assign, lease, mortgage or otherwise deal with any Unit so acquired or to sublease any Unit so leased by the Board of Managers.

13. Acquisition of Units by Board of Managers. In the event that any Unit Owner shall surrender his Unit, together with: (i) the undivided Common Interest appurtenant thereto; and (ii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively referred to as the "Appurtenant Interests"), pursuant to section 339-x of the Act; or in the event that the Board of Managers shall purchase from any Unit Owner who has elected to sell such Unit, such Unit together with the Appurtenant Interests pursuant to the By-Laws; or in the event that the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, then and in such events title to such Unit, together with its Appurtenant Interests, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease to any Unit leased by the Board of Managers, or its designee, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

14. Units Subject to Declaration, By-Laws and Rules and Regulations. This Declaration, and the By-Laws and Rules and Regulations of the Condominium, as such documents may be amended from time to time, shall bind all present and future Unit Owners, tenants, subtenants and occupants of the Units. The acceptance of a deed or conveyance for, the execution of a lease, sublease or occupancy agreement related to, or the commencement of occupancy in, a Unit shall constitute acceptance of this Declaration and the By-Laws and the Rules and Regulations, as such documents may be amended from time to time, and all such provisions shall be deemed to be covenants running with the Land and shall bind any person at any time having any interest or estate in such Unit, as if such provisions were incorporated in every deed, conveyance, lease, sublease or agreement therefor.

15. Alterations to Units. The Declarant or its designee with regard to any Unit owned by the Declarant or its designee shall have the right, unless prohibited by the Act, without the vote or consent of the Board of Managers, the other Unit Owners, or the holders of mortgages on other Units, to: (i) make alterations or improvements in, to and upon any such Unit; (ii) change the layout or number of rooms in, or otherwise reconfigure, any such Unit(s); (iii) change the size or number of any Units owned by the Declarant or its designee, if any, by subdividing or combining any such Units, and altering the boundary walls between any such Units or otherwise; and (iv) reapportion among any such affected Units their respective Common Interests to reflect their altered conditions, provided, however, that such alterations or changes shall be done in compliance with all applicable laws, ordinances, rules and regulations, and the Board of Managers and the Unit Owners shall be held harmless from any liability resulting therefrom. The Common Elements appurtenant to each Unit shall have a permanent nature and shall not be altered or changed without the prior consent of all Unit Owners affected thereby. Such alterations or changes, if made, shall be disclosed in an amendment to the Offering Plan, and contract vendees, if any, pursuant to Purchase Agreements entered into with the Sponsor or its designee adversely affected by such alterations or changes shall be afforded the right to rescind their Purchase Agreements and receive a refund of any deposits theretofore made. The provisions of this Paragraph may not be changed, altered, amended or deleted without the prior written consent of the Declarant or its designee.

16. Termination. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawal from the provisions of the Act of the Property if authorized by the affirmative vote of Unit Owners owning not less than EIGHTY PERCENT (80%) in number and in aggregate Common Interest of all Units. In the event that withdrawal is so authorized, the Property shall be subject to an action in partition by any Unit Owner or any holder of a recorded lien against any Unit as if that portion of the Property were owned in common, in which event: the net proceeds, if any, of any sale shall be divided between the Unit Owners in accordance with their respective Common Interests, provided, however, that no payment shall be made to any Unit Owner until there has first been paid out of its share of such net proceeds the amount of any liens against its Unit, in the order of priority of filing of such liens, and such liens shall have been satisfied.

17. Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect the validity, enforceability or effect of the remaining provisions of this Declaration and, in such event, the invalid provision shall be deemed severed from this Declaration and of no force and effect, and the remaining provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein. In the event that any provision necessary to cause this Declaration to be sufficient to submit the Property to the provisions of the Act is missing from this Declaration, then such provision shall be deemed to be included herein as if fully set forth herein, for the purpose of submitting the Property to the provisions of the Act.

18. 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 have occurred.

19. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way limit or restrict the scope of this Declaration or the intent of any provision hereof.

20. Gender. The use of the masculine gender throughout this Declaration shall be deemed to refer to the feminine gender, and the use of the singular shall be deemed to refer to the plural, and vice-versa, whenever the context shall so require.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this ___ day of _____, 201__.

HADRAMANT LLC
Declarant

By: _____

STATE OF)
)ss.:
COUNTY OF)

On this _____ day of _____, 202__ before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to in the within instrument, and acknowledged to me that he/she they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A--DESCRIPTION OF LAND

SCHEDULE B--INFORMATION REGARDING UNITS

Unit	Tax Lot	Building Location	Sq. Ftge.	Common Interest	Common Elements Immediately Accessible

BY-LAWS OF
THE 350 EAST 81ST STREET CONDOMINIUM

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The premises located at 350 East 81st Street in the Borough of Manhattan, County, City and State of New York, has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded simultaneously herewith in the Office of the Register of the City of New York, County of New York. The following terms shall, for the purposes of these By-Laws, have the definitions ascribed to them in the Declaration: "Building", "Land", "Property", "Unit", "Unit Owners", "Common Elements", "Common Interests", and "Declarant" (sometimes referred to herein as "Sponsor").

Section 2. Applicability. The provisions of these By-Laws shall be applicable to the Condominium, the Units therein and the Unit Owners thereof, and to the respective use and occupancy thereof. These By-Laws, the Rules and Regulations (attached hereto as Schedule A and made a part hereof), and the Declaration, as each may be amended from time to time, shall bind and govern all present and future Unit Owners, mortgagees, tenants, subtenants and occupants of Units, and their employees, agents and servants, and any other person who may use the facilities of the Property, Land, Building or Condominium in any manner. The acceptance of a deed or other conveyance of a Unit, or the entering into of a lease, sublease or occupancy agreement relative to a Unit, or the commencement of occupancy of a Unit, shall constitute a binding acceptance by such grantee, tenant, subtenant or occupant of the provisions of these By-Laws, the Rules and Regulations, and the Declaration.

Section 3. Office. The offices of the Condominium and the Board of Managers thereof shall be located at the Property, or at such other place as shall be specified.

ARTICLE II

BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three persons designated by the Sponsor who shall hold office and exercise all powers and duties of the Board of Managers specified herein until the first meeting of Unit Owners called to elect managers, which shall occur approximately one year following the First Unit Closing. The Managers on the first Board of Managers need not be Unit Owners; however, on all subsequent Boards, all Managers (except for Managers designated or appointed by the Sponsor) shall be Unit Owners, the spouses or domestic partners of joint-name Unit Owners, or the principals (or their designees) of business-entity Unit Owners. The number of Managers to be elected commencing with the first meeting of Unit Owners shall be three (3), two of whom shall be designated by the Sponsor and one of whom shall be elected by Unit Owners, and shall not be affiliated with the Sponsor.

Upon the earlier to occur of: (i) the fifth anniversary of the first Unit closing, or (ii) the closing of title to Units having an aggregate Common Interest exceeding FIFTY PERCENT (50%), the then-existing Board of Managers shall resign and a new Board of Managers shall be elected so that not more than one Manager shall be designated by the Sponsor and at least two Managers shall be elected by the Unit Owners, and shall not be affiliated with the Sponsor. At all elections of Managers held following the closing of title to Units having an aggregate Common Interest exceeding SEVENTY-FIVE PERCENT (75%), not more than one Manager shall be designated by the Sponsor and not less than two Managers shall be elected by Unit Owners, and shall not be affiliated with the Sponsor. As long as the Sponsor shall retain title to at least one Unit, the Sponsor shall be entitled to designate one Manager. In addition to all designation rights granted herein, the Sponsor and its designee shall always have the additional right to vote the Common Interests appurtenant to Units owned by them.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by

the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) operation, care, upkeep and maintenance of the Condominium, the Common Elements and any Limited Common Elements.

(b) determination of the Common Charges and Common Expenses required for the operation and maintenance of the Condominium.

(c) collection from the Unit Owners of the Common Charges and Special Assessments of the Condominium.

(d) employment and dismissal of the personnel necessary for the maintenance and operation of the Condominium.

(e) adoption and amendment of the Rules and Regulations governing the operation and use of the Condominium.

(f) opening and maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) purchasing, leasing or otherwise acquiring in the name of the Board of Managers, or its designee, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Unit Owners to the Board of Managers.

(h) purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, on behalf of all Unit Owners.

(i) acquiring in the name of the Board of Managers, or its designee, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Condominium, as described in the Declaration and these By-Laws.

(j) selling, leasing, mortgaging, or otherwise dealing with Units acquired, and subleasing Units leased, by the Board of Managers or its designee, on behalf of all Unit Owners.

(k) organizing corporations to act on behalf, or as designees, of the Board of Managers.

(l) obtaining insurance for the Condominium or any component thereof, including the Units, pursuant to the provisions of Article V, Section 2 hereof.

(m) making repairs, additions and improvements to or alterations of the Property and making of repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(n) borrowing money on behalf of the Condominium when required in connection with its operation, care, upkeep and maintenance, provided, however, that: (1) no borrowing in excess of $50,000 in the aggregate shall occur without the prior consent of a majority of Unit Owners, in number and in aggregate Common Interest, and (2) no lien to secure repayment of any sum borrowed may be created against any Unit or its Common Interest without the consent of the Unit Owner of such Unit. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority herein is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof equal to his Common Interest shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit owned by such Unit Owner.

(o) levying and collecting fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Condominium.

(p) adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2 hereof and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(q) filing, prosecuting, negotiating and settling, on behalf of all Unit Owners, tax certiorari petitions and appeals for the purpose of reducing the assessed valuations of, and/or the real estate taxes due with regard to, all Units.

(r) notwithstanding anything to the contrary in these By-Laws, as long as the Sponsor or any designee shall own a Unit, but in no event for a period in excess of two years from the closing of title to the first Unit, the Board of Managers may not, without the prior written consent of the Sponsor or its designee:

(1) make any addition, alteration or improvement to the Common Elements or to any Unit;

(2) assess any Common Charge for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund except that the Sponsor will consent to replacements to the Reserve Fund provided for in Schedule B of the Offering Plan for the Condominium;

(3) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient);

(4) amend the Declaration or these By-Laws so as to increase the number of Managers or in any other way adversely affect the Sponsor or its designee; or

(5) interfere with: the offer and sale or leasing of Units; operation of general or sales and leasing offices on the Property; or actions necessary for construction, renovation, repair or correction on the Property, as deemed necessary by the Sponsor.

The Sponsor or its designee shall have the right to withhold its consent to any of the foregoing actions, for any reason or for no reason. However, notwithstanding the provisions of this subsection, the Sponsor or its designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required in order to comply with law or to protect the safety of residents of the Property.

Section 3. Managing Agent. The Board of Managers may employ a Managing Agent (including an entity organized or controlled by the Sponsor or its designee) for the Condominium at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to such Managing Agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (g), (h), (i), (j), (k), (n) and (p) of Section 2 hereof.

Section 4. Removal. Any Manager (other than a Manager designated or elected by the Sponsor or its designee) may be removed for cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds FIFTY PERCENT (50%), and may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds SIXTY-SEVEN PERCENT (67%), of the total Common Interest. A successor shall then be elected by the Unit Owners to fill the vacancy thus created. A Manager designated or elected by the Sponsor or its designee may be removed only by the Sponsor or its designee, and the vacancy thus created shall be filled only by the Sponsor or its designee. No Manager not designated by the Sponsor or its designee shall continue to serve on the Board if he shall cease to be a Unit Owner, spouse or domestic partner of a joint-name Unit Owner, or principal (or his designee) of a business-entity Unit Owner.

Section 5. Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Unit Owners shall be filled by a vote of a majority of the remaining Managers at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even if the number of Managers present at such meeting may constitute less than a quorum, and each person so elected shall serve as a Manager until the next annual meeting of the Unit Owners, unless earlier removed. Notwithstanding the foregoing, vacancies of Managers designated by the Sponsor or its designee shall be filled only by the Sponsor or its designee.

Section 6. Organization meeting. The first meeting of the Board of Managers following each annual meeting of the Unit Owners shall be held immediately thereafter, at such time and place as shall be fixed by the Unit Owners. At the meeting at which the Board of Managers shall have been elected, no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present.

Section 7. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by the Managers, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each Manager, by mail, telegraph, telefax or telephone, at least three business days prior to the day specified for such meeting.

Section 8. Special Meetings. Special meetings of the Board of Managers may be called by the President on three business days' notice to each Manager, given by mail, telegraph, telefax or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Managers.

Section 9. Waiver of Notice. Any Manager may at any time waive in writing notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him/her of the time and place thereof. Any one or more Managers may participate in a meeting of the Board by means of a conference telephone, e-mail, or similar communications equipment allowing all persons participating in the meeting to hear or otherwise communicate with each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum. At all meetings of the Board of Managers, the presence of a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the Managers present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board.

Section 11. Fidelity Bonds. If they deem it advisable, the Board of Managers shall obtain fidelity bonds in sufficient amounts for all officers and employees of the Condominium and of any Managing Agent handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

Section 12. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 13. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member of the Board of Managers against all liability arising from their acts as, or by reason of the fact that such person was, a member of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as its Common Interest bears to the aggregate Common Interest of the Condominium. Every agreement made by the Board of Managers or by the Managing Agent on behalf of the Condominium shall be made with the understanding that the members of the Board of Managers, or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as its Common Interest bears to the aggregate Common Interest of the Condominium.

Section 14. Committees. The Board of Managers may by resolution create such committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The President of the Condominium shall appoint the members of such committees, provided, however, that the Sponsor or its designee shall have the right to designate a member of any committee so created, for as long as the Sponsor or its designee shall have the right to designate a Manager.

ARTICLE III

UNIT OWNERS

Section 1. Annual Meetings. Not later than one year after the first Unit closing, the Sponsor shall call a special meeting of the Unit Owners for the purpose of electing the Board of Managers of the Condominium. At such meeting, the members of the existing Board of Managers shall resign, and a new Board shall be elected by the Unit Owners and the Sponsor as set forth in Article II, Section 1. Thereafter, annual meetings shall be held in or about June of each succeeding year, at which meetings there shall be elected the Board of Managers further pursuant to Article II, Section 1. At such meetings, the Unit Owners may also transact such business of the Condominium as shall properly come before them.

Section 2. Place of Meetings. Meetings of Unit Owners shall be held at the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. The President shall call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers, or upon a petition signed and presented to the Secretary by Unit Owners owning not less than THIRTY-FIVE PERCENT (35%) of the aggregate Common Interest of the Condominium. In addition to the foregoing, any member of the Board of Managers designated by the Sponsor or its designee shall have the right to call a special meeting of the Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten but not more than forty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, or

for any other valid reason, the Unit Owner(s) present at such meeting, either in person or by proxy, may adjourn the meeting to such other time and date as shall be suitable.

Section 6. 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 minutes of preceding meeting.
(d) Reports of officers.
(e) Report of Board of Managers and Managing Agent.
(f) Reports of committees.
(g) Appointment of inspectors of election.
(h) Election of members of the Board of Managers (when so required).
(i) Unfinished business.
(j) New business.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation, partnership, limited liability company, or other business entity, or in the name of a fiduciary or a non-profit organization. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this section. This provision shall not constitute consent to any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. Voting. The aggregate votes of the Condominium shall be 1,000,000. The Unit Owner of each Unit (including the Sponsor or its designee, with regard to Units owned by the Sponsor or its designee), or some person designated by such Unit Owner to act as proxy on its behalf and who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Unit Owner so designating. Any such Unit Owner may also be present at any such meeting of the Unit Owners. The Unit Owner of each Unit (including the Sponsor or its designee, with regard to Units owned by the Sponsor or its designee) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit owned by it on all matters put to a

vote at all meetings of Unit Owners, including when voting for the election of members of the Board of Managers. Nothing herein shall be construed so as to grant to any Unit Owner the right to cumulate its votes in favor of any one or more members to be elected at any election of Managers. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common, or by a partnership, corporation, limited liability company or other entity, the persons, or the persons comprising the entity, owning said Unit shall agree among themselves and cast unified votes for such Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit owned by the Board of Managers or its designee shall not be entitled to vote.

Section 9. Majority of Unit Owners. As used in this Article, the term "majority of Unit Owners" (or words of similar import) shall mean those Unit Owners having greater than FIFTY PERCENT (50%) of the total authorized votes of all Unit Owners, present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of this Article.

Section 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning not less than FORTY PERCENT (40%) in aggregate Common Interest shall constitute a quorum at all meetings of the Unit Owners.

Section 11. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may also appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be advisable. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers, and shall hold office at the pleasure of the Board of Managers or until their successors are elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his/her successor may be elected at any regular meeting, or special meeting called for that purpose, of the Board of Managers.

Section 4. President. The President shall be the chief executive officer of the Condominium, shall preside at all meetings of the Unit Owners and the Board of Managers, and shall have all general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees.

Section 5. Vice President. The Vice President shall take the place of the President and perform such duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and the Board of Managers, shall have charge of such books and papers as the

Board of Managers may direct; and shall, in general, perform all the duties incident to the office of the secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities, shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for the preparation of all required financial data, for the deposit of all monies and other valuable effects in the name of the Board of Managers, in such depositories as may from time to time be designated by the Board of Managers, and shall, in general, perform all duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer of the Condominium, or by such other person, as may be designated by the Board of Managers from time to time.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

Section 10. Liability of Officers. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II, Section 13 hereof.

ARTICLE V

OPERATION OF THE CONDOMINIUM

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium, and allocate and assess such Common Charges and Expenses among the Unit Owners according to their respective Common Interests. The Common Expenses shall include all costs necessary to maintain the Property, including but not limited to the salaries and fringe benefits for employees of the

Condominium, the cost of common sewer charges, supplies, and insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 hereof. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for a Reserve Fund for replacements, and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers, or its designee, on behalf of all Unit Owners, of any Unit whose Unit Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Units adequately. The Board of Managers shall also, where necessary, impose assessments or additional Common Charges in order to meet any unanticipated Common Expense. The Board of Managers shall advise the Unit Owners promptly in writing of the amount of Common Charges and Common Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based to the Unit Owners (and any mortgagee, if required).

The Sponsor or its designee is obligated to pay all Common Charges, special assessments and real estate taxes with respect to the Unsold Units. Notwithstanding the foregoing, until the earlier to occur of: (i) one year after the First Unit Closing, or (ii) the date upon which closings shall have occurred for Units having an aggregate Common Interest of not less than FIFTY PERCENT (50%), Sponsor shall have the right to pay all operating expenses of the Condominium in lieu of paying Common Charges for Unsold Units (and in lieu of causing the Condominium to collect Common Charges from Unit Owners of Units) upon written notice to all Unit Owners. In the event that Sponsor shall exercise such right, Sponsor shall subsequently give written notice to all Unit Owners of the cessation of such payments by Sponsor, and the commencement of collection of Common Charges, not less than thirty (30) days before the effective date of such cessation. Thereafter, all Unit Owners will pay Common Charges for their Units, including the Sponsor with respect to the Unsold Units.

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance, subject to the prior written consent of the Mortgage Representative:

(1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Property (including all of the Units, Common Elements, and the fixtures and facilities appurtenant thereto, but excluding furniture, furnishings, floors, floor ceiling and wall coverings, equipment and other personal property and improvements supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than 80% of the full replacement cost of the Buildings, as approved by a fire insurance company or qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit, subject, however, to the loss payment provisions in favor of the Board of Managers and any Insurance Trustee, as herein provided;

(2) workers' compensation insurance, if the Condominium shall have employees;

(3) if deemed advisable, a fidelity bond or bonds in sufficient amounts, to protect fully the interests of the Condominium, on the Managers and officers of the Condominium, and any Managing Agent, including any person handling or responsible for funds of the Condominium;

(4) disability benefits insurance if the Condominium shall have employees; and

(5) such other insurance as the Board of Managers may determine to be advisable.

All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if $100,000 or more), and that the total proceeds thereof, if $100,000 or less, shall be payable to the Board of Managers and

if more than $100,000 shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall also appear. They shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including any mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten days prior to the expiration of the then current policies.

The Board of Managers shall, if deemed advisable, also obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the Managing Agent, and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

Any Permitted Mortgagee of a Permitted Mortgage must be given timely notice of any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty, if 75% or more of the Building is destroyed or substantially damaged and within sixty (60) days at least SEVENTY-FIVE PERCENT (75%) in aggregate Common Interest of all Unit Owners duly resolve to proceed with

repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units, but not including floors or any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures, equipment or improvements installed in the Units by Unit Owners or their predecessors), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess the Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Building is destroyed or substantially damaged and at least SEVENTY-FIVE PERCENT (75%) in aggregate Common Interest of all the Unit Owners do not within sixty (60) days resolve to proceed with repair or restoration, and if so authorized by Permitted Mortgagees that hold at least 51% of the Permitted Mortgages in the Building, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among the Unit Owners in proportion to their respective Common Interests, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in order of the priority of such liens.

In the event that the insurance proceeds are insufficient to cover the cost of repairs and restoration, the deficit will be shared by the Unit Owners in proportion to their respective Common Interests.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work.

Section 4. Payment of Common Charges. The Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against its Unit subsequent to a sale, transfer or other conveyance by it (made in accordance with the provisions of Article VII hereof) of such Unit, together with the Appurtenant Interests, as defined in Article VII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that its Unit is free and clear of liens and encumbrances other than permissible mortgages and the statutory lien for unpaid Common Charges, convey its Unit, together with the Appurtenant Interests, to the Board of Managers, or its designee, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by it of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the initial date of the auction for such foreclosure sale.

Section 5. Collection of Common Charges. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof.

Section 6. Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the maximum legal rate on such Common Charges from the due date thereof, together with such late charges as the Board of Managers may impose from time to time, together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges. The Board of Managers shall have the right and duty to attempt to recover such Common Charges, together with interest and late charges thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same

brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner in default in payment of Common Charges shall not be eligible to vote at any regular or special meeting of Unit Owners, or be eligible to serve (or to have any designee serve) on the Board of Managers or as an officer of the Condominium.

Section 7. Actions for Unpaid Common Charges. In any action brought by the Board of Managers to collect (or to foreclose a lien on a Unit) because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit, and the Board of Managers shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant thereto), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. In any such action brought by the Board of Managers to recover a money judgment for unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit, and the Board of Managers shall be entitled to the appointment of a receiver to collect the same.

Section 8. Statement of Common Charges. The Board of Managers, or the Managing Agent, shall promptly provide a Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit.

Section 9. Maintenance and Repairs.

(a) All maintenance of and repairs to any Unit or any Limited Common Element appurtenant thereto, ordinary or extraordinary, and to the doors (except painting the exterior side of Unit entrance doors), windows (except painting the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures (except Common Elements) and air conditioning units within the Unit or belonging to the Unit Owner, shall be at the Unit Owner's expense, excepting to the extent that the same shall be structural in nature, or shall arise from the negligence, misuse or neglect of the Condominium, its agent, employee, contractor

or invitee, in either of which case such expense shall be charged solely to the Board.

(b) All maintenance, repairs and replacements to the Common Elements, except with regard to non-structural components of any Limited Common Element, and all painting and decorating of the exterior side of Unit entrance doors and windows, shall be made by the Board of Managers and shall be charged to all Unit Owners as a Common Expense, excepting to the extent that the same arise from the negligence, misuse or neglect of a Unit Owner, its tenant, guest, licensee, employee, invitee or relative, in which case such expense shall be charged solely to such Unit Owner.

Section 10. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the value of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) The Units shall be used for residential purposes, and such other lawful purposes as may be permitted under applicable zoning laws, codes, ordinances and regulations, and the certificate of occupancy for the Building.

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

(c) No immoral, improper, offensive or unlawful use shall be made of a Unit, the Property or any part thereof, and all valid laws, zoning ordinances and applicable regulations shall be observed. Violations of laws, orders, rules or regulations relating to any portion of the Property shall be eliminated, by and at the sole expense of the Unit Owner, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

(d) No portion of a Unit or Common Element appurtenant thereto (in contrast to the entire Unit including any Limited Common Elements appurtenant thereto pursuant to Article VII hereof) may be leased, and no transient may be accommodated therein. No guest of a Unit Owner (including relatives) may occupy a Unit for more than thirty (30) days in the absence of the Unit Owner, without the prior written consent of the Board of Managers.

Section 11. Additions, Alterations or Improvements by Board of Managers. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not ordinary maintenance) costing in excess of $50,000 in any calendar year, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess the Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements to the Common Elements costing $50,000 or less in any calendar year may be made by the Board of Managers without the approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses. Notwithstanding the foregoing, no expenditure for any single addition, alteration or improvement (but not ordinary maintenance) in excess of $3,500 shall be made without the prior consent of the Sponsor or its designee.

Section 12. Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any structural addition, alteration or improvement in or to a Unit without the prior written consent thereto of the Board of Managers, which consent will not be unreasonably withheld. No Unit Owner shall make any addition, alteration or improvement in or to any Limited Common Element without the prior written consent thereto of the Board of Managers.

In the event the Board of Managers grants its consent to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at such Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or administrative laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage, and workers' compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements shall be maintained in their entirety by said Unit Owner, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of

Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section, which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement, shall not apply to any Unit owned by the Sponsor or its designee, or to any Unit owned by a mortgagee, or to any Unit owned by the Board of Managers.

Section 13. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other Common Elements, common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than normal transit through them.

Section 14. Right of Access. A Unit Owner shall grant a right of access to its Unit, to the Board of Managers, the Managing Agent and any other person authorized by the Board of Managers or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in the Unit and threatening another Unit or a Common Element, or for the purpose of curing any violation of the provisions of these By-Laws, the Rules and Regulations promulgated hereunder, or the Declaration, or for the purpose of performing installations, alterations or repairs to the mechanical or other Common Elements in the Unit or elsewhere in the Building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section, any costs for repairs shall be borne in accordance with the provisions of Section 9 of this Article.

Section 15. Rules of Conduct. Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. Copies of such Rules and Regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial Rules and Regulations, which

shall be effective until amended by the Board of Managers, are annexed hereto as Schedule A and made a part hereof.

Section 16. Water Charges and Sewer Rents. Water shall be supplied to all Units and the Common Elements through one or more building meters, and the Board of Managers shall pay, as a Common Expense, all charges for water consumed on the Property and in the Units, together with all sewer rents for the Property, promptly after the bills for the same shall have been rendered. Notwithstanding anything herein to the contrary, the Board of Managers shall have the right to install separate water meters for each of the Units to measure water consumption therein. In the event that water meters are, or shall be, installed for the Units, the Unit Owner(s) thereof shall be obligated to pay all charges for consumption, and any taxes related thereto, directly to the New York City government agency with jurisdiction thereover. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers on request of the selling Unit Owner shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Property as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 17. Electricity. Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter, or, at the option of the Board of Managers, through a master meter and a submeter for each Unit, and each Unit Owner shall be required to pay the bills for electricity consumed in his Unit. The electricity serving the Common Elements shall be separately metered, and the Board of Managers shall pay all bills for electricity consumed in such portions of the Common Elements, as a Common Expense.

ARTICLE VI

MORTGAGES

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of its mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units." The failure by a Unit Owner to

so notify, or to file with, the Board of Managers shall not affect the validity or lien of any such mortgage.

Section 2. Notice of Unpaid Common Charges. The Board of Managers shall promptly notify any such mortgagee that has requested same in writing of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each first mortgagee of record of such Unit that shall have requested same in writing. In the event that such notice of default sets forth a date by which any such noticed default shall be required to be cured, such first mortgagee shall have the right to cure such default within such period, but in no event less than thirty (30) days from the date of such notice.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times.

ARTICLE VII

SALES AND LEASES OF UNITS

Section 1. Sales and Leases. (a) Sales. A Unit Owner who receives a bona fide offer for the sale of its Unit together with: (i) the undivided interest of the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests") (such offer of sale hereinafter called an "Outside Offer"), which it intends to accept, shall give written notice, sent by certified mail, return receipt requested, to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction, and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, to the Board of

Managers or its designee, on behalf of the Unit Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of all other Unit Owners, that such offering Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after receipt of such notice from the offering Unit Owner, together with such other and further information as the Board of Managers may reasonably require, the Board of Managers, on behalf of all other Unit Owners, may elect, by written notice sent to such offering Unit Owner by certified mail, return receipt requested within five (5) days after the expiration of such twenty (20) day period, to purchase such Unit, together with the Appurtenant Interests (or to cause the same to be purchased by its designee) on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event that the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, either in the name of the Board of Managers on behalf of all other Unit Owners, or in the name of a designee, title shall close in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the offering Unit Owner shall convey the same to the Board of Managers on behalf of all other Unit Owners, or its designee, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all documentary stamps affixed, and shall pay all other transfer taxes arising out of such sale.

In the event that the Board of Managers shall decline, or shall fail to notify the offering Unit Owner of its decision to accept, such offer within the time periods set forth above, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, within a further ninety (90) days after the expiration of the periods set forth above to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as may be amended from time to time.

In the event that the offering Unit Owner shall not, within such additional ninety (90) day period, contract to sell such Unit together with the Appurtenant Interests, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell its Unit within such ninety (90) day period, but such sale shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required again to comply with the terms and provisions of this Section.

(b) Leases. A Unit Owner who receives a bona fide Outside Offer for the leasing of its Unit shall deliver to the Board of Managers, by certified mail, return receipt requested, a copy of the proposed lease, and such other information as the Board of Managers may reasonably require. Any lease of a Unit shall be subject to the prior written consent of the Board of Managers, which consent shall not be unreasonably withheld or delayed, and which consent, if any, shall be subject to such conditions as the Board of Managers may impose. Within twenty (20) days after receipt of all required information from the Unit Owner, the Board of Managers shall inform the Unit Owner as to whether the Board of Managers grants or declines its consent to such proposed lease, and the conditions, if any, that the Board of Managers imposes on any such consent. The failure by the Board of Managers to decline its consent to a proposed lease within such prescribed time period shall be construed as the granting of consent thereto.

Any such lease shall be consistent with these By-Laws and shall provide that: it may not be modified, amended, extended or assigned without the prior written consent of the Board of Managers, which consent shall not be unreasonably withheld or delayed, on such conditions as the Board of Managers may impose; the tenant shall not sublet the Unit, or any part thereof, without the prior written consent of the Board of Managers, which consent shall not be unreasonably withheld or delayed, on such conditions as the Board of Managers may impose; and the Board of Managers shall have the power to terminate such lease and to bring summary proceedings to evict the tenant in the name of the Unit Owner in the event of default by the tenant in the performance of its obligations under such lease. Except as hereinbefore set forth, the form of any such lease shall be the then current form of Condominium Unit lease promulgated by

the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers.

Notwithstanding anything to the contrary herein, no consent shall be required with regard to the leasing of a Unit owned by the Sponsor, any Sponsor Successor, or a mortgagee that has foreclosed, or is in the process of foreclosing, on a mortgage.

No lease of a Unit may be for a term shorter than one year, except with regard to a Unit owned by Sponsor or any Sponsor Successor.

(c) Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 2. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to its Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such Interests, without including all such Interests, shall be deemed and taken to include the Interest or Interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such Interest or Interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 3. Release of Right of First Refusal. The right of first refusal contained in Section 1 of this Article may be released or waived by the Board of Managers on behalf of all Unit Owners in which event the Unit, together with the Appurtenant Interests, may be sold or conveyed free and clear of the provisions of such Section.

Section 4. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by or on behalf of the Board of Managers, stating that the provisions of Section 1 of this Article have been met by the offering Unit Owner, or have been duly waived by the Board of Managers on behalf of all other Unit Owners, and that the rights of the Board of Managers thereunder have terminated, shall be

conclusive in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to a Unit Owner who has complied with the provisions of Section 1 of this Article or in respect to whom the provisions of such Section have been waived.

Section 5. Waiver of Right of Partition. In the event that a Unit shall be acquired by the Board of Managers on behalf of all other Unit Owners, or its designee, the Board of Managers or such designee shall be deemed to have waived all rights of partition with respect to such Unit.

Section 6. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease its Unit unless and until it shall have paid in full to the Board of Managers all unpaid Common Charges and other amounts theretofore assessed by the Board of Managers against such Unit and until it shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 7. Exceptions. The provisions of Section 1 of this Article shall not apply with respect to: (i) any Unit owned by the Sponsor or by any Successor Sponsor or designee, (ii) any sale, conveyance or lease of a Unit without consideration to the spouse, domestic partner, children, parents, siblings, trust entity or other Affiliate of an individual Unit Owner, or without consideration to an Affiliate of any non-individual Unit Owner, or (iii) the acquisition, sale or lease of any Unit to, from or by a first mortgagee of record (or its designee) which shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this Section shall apply with respect to any purchaser of such Unit from such mortgagee.

Section 8. Gifts and Devises. Any Unit Owner shall be free to convey or transfer his Unit by gift (i.e., without consideration), or to devise his Unit by will, or to pass the same by intestacy, without restriction.

ARTICLE VIII

CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the

Board of Managers. The Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds pursuant to Section 3 of Article V hereof.

ARTICLE IX

RECORDS

Section 1. Records and Audits. The Board of Managers, or the Managing Agent, shall keep detailed records of the actions of the Board of Managers and the Managing Agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, an annual report of the receipts and expenditures of the Condominium, certified by an independent public accountant, shall be rendered by the Board of Managers to all Unit Owners, and to each holder of a mortgage thereon requesting same.

ARTICLE X

NOTICES

Section 1. Definition. Any notice required to be given hereunder or under the provisions of the Declaration shall be in writing, personally delivered to the recipient thereof, or sent certified mail, return receipt requested, to the recipient at the Condominium or at such other address as shall have been theretofore furnished by the recipient; a copy of any notice of default shall also be sent by certified mail to a first mortgagee of record for such Unit, which shall have the right to cause such default to be cured within the applicable time period, but in no event less than thirty (30) days from the date of such notice. Unless otherwise stated, notice shall be deemed to be effective upon receipt, if personally delivered, or on the fourth business day following mailing, if mailed.

Section 2. Waiver of Notice. Whenever any notice is required to be given hereunder or under the provisions of the Declaration, a written waiver thereof, signed by the person(s) entitled to receive such notice, whether before or after the time stated therein, shall be deemed a waiver thereof.

ARTICLE XI

MISCELLANEOUS

Section 1. Invalidity. The invalidity of any provision of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. Captions. The captions herein are inserted only as a matter of convenience for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the neuter, and the use of the singular shall be deemed to include the plural, and vice-versa, whenever the context shall so require.

Section 4. Waiver. No restriction, condition, obligation, or provision contained in these By-Laws 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 thereof which may occur.

Section 5. Insurance Trustee. The Insurance Trustee shall be such bank, trust company, or savings and loan association in the State of New York, as may be designated by the Board of Managers. The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 6. Definition of "Mortgagee". As used in these By-Laws, the term "mortgagee" or "holder of first mortgage" shall mean a first mortgagee of record against a Unit.

Section 7. Definition of "Mortgage Representative". The Mortgage Representative, if any, shall be a first mortgagee

of record with regard to a Unit that may be elected or designated by all first mortgagees of record against with regard to the Units. Whenever the approval of all first mortgagees of record is required under these By-laws or the Declaration, the decision of the Mortgage Representative shall be binding upon all first mortgagees of record.

Section 8. Non-Default. Neither the Condominium nor the Board of Managers shall take any action, or fail to take any action, which taking or failure, as the case may be, shall constitute an event of default under a first mortgage of record against any Unit.

ARTICLE XII

AMENDMENTS TO THE BY-LAWS

Section 1. Amendment to By-Laws. Amendments to these By-Laws shall be effective only if approved by the vote of not less than SIXTY-SEVEN PERCENT (67%) in number and in aggregate Common Interest of all Unit Owners cast in person or by valid proxy at a meeting duly held in accordance with the provisions hereof or, in lieu of such meeting, any amendment may be approved in a writing signed by not less than SIXTY-SEVEN PERCENT (67%) in number and in aggregate Common Interest of all Unit Owners.

Notwithstanding the foregoing, for so long as the Sponsor or its designee shall own a Unit, these By-Laws may not be amended in a manner which would adversely affect the interests of the Sponsor or its designee without the written consent of the Sponsor or its designee.

Section 2. Rights of Mortgagees. Any proposed amendment that will be of an adverse nature to any Permitted Mortgagee must first be approved by the Permitted Mortgagees that hold at least 51% of the Permitted Mortgages in the Building. If any such Permitted Mortgagee fails to deny its consent to any amendment within sixty (60) days after it receives notice of such amendment by certified mail, return receipt requested, the Permitted Mortgagee shall be deemed to have consented to the amendment.

ARTICLE XIII

CONFLICTS

Section 1. Conflicts. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or with the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

SCHEDULE A

RULES AND REGULATIONS OF

THE 350 EAST 81ST STREET CONDOMINIUM

1) No "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising shall be maintained or permitted on any part of the Property or in any Unit therein, nor shall any Unit be used or rented for transient, hotel or motel purposes. This Rule shall not apply to any Unit owned by the Sponsor or its designee.

2) No exterior windows or doors of any Unit or any portions of the Common Elements shall be painted or decorated by any Unit Owner or in any manner without prior written consent of the Board of Managers. This Rule shall not apply to any Unit owned by the Sponsor or its designee.

3) No furniture, equipment, or other personal articles shall be placed in entrances, stairways, on fire escapes, or other Common Elements.

4) No Unit Owner shall make or permit any noise or objectionable odor that will unreasonably disturb or annoy the other occupants of the Building or do or permit anything to be done therein which will unreasonably interfere with the rights, comfort, or convenience of other Unit Owners.

5) Each Unit Owner shall keep its Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substances.

6) No exterior shades, awnings, window guards (except those required by law), ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements without the prior consent of the Board of Managers. This Rule shall not apply to any Unit owned by the Sponsor or its designee.

7) No sign, item or other thing shall be projected out of any window of any Unit without the prior consent of the Board of Managers. This Rule shall not apply to any Unit owned by the Sponsor or its designee.

8) All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles, in accordance with all applicable recycling laws and requirements, intended for such purpose only at such times and in such manner as the Board of Managers may direct. Any fine, penalty or expense incurred by, or imposed on, the Board of Managers arising from the non-compliance with any recycling law shall be paid by the Unit Owner whose actions gave rise thereto.

9) Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damages resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

10) No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without the prior written consent of the Board of Managers.

11) No bird or animal shall be kept or harbored in the Building without the prior written consent of the Board of Managers in each instance. This Rule shall not apply to any Unit owned by the Sponsor or its designee. Any consent granted therefor may be revoked by the Board of Managers if such bird or animal shall constitute a nuisance, or shall unreasonably disturb other residents of the Building.

12) No radio or television aerial, satellite dish, or other signal-receptive device shall be attached to or hung from the exterior of the Building without the written consent of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

13) The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or these Rules and Regulations.

14) The Board of Managers may retain a passkey to each Unit. No Unit Owner shall alter any lock on any door leading into a Unit without the prior consent of the Board of

Managers. If such consent is given, the Unit Owner shall provide the Board of Managers with a key for their use.

15) No Unit Owner, and no visitor, guest, patient, employee or any client of a Unit Owner, shall be allowed on the roof of the Building, or in any room or area of the Building that houses any equipment or controls for the heating, ventilation, air-conditioning, mechanical, electrical, plumbing, elevator or other systems that serve the Building, without the express permission of the Board of Managers.

16) All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid for by the Unit Owner responsible for the presence of such article.

17) No Unit Owner shall interfere in any manner with any portion of the heating or lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.

18) No Unit Owner or other person shall use or permit to be brought into the Building any flammable oils or fluids such as gasoline, kerosene, naphtha, benzene, or other explosives or articles deemed hazardous to life, limb, or property (except for de minimis amounts of oils and fluids as may be used for the purposes of cleaning) without in each case obtaining the written consent of the Board of Managers.

19) Any damage to the Building or Common Elements caused by a Unit Owner, its guests, visitors, clients, patients or employees shall be repaired at the expense of such Unit Owner.

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

21) No part of the Common Elements shall be obstructed so as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for storage purposes by a Unit Owner; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

22) These Rules and Regulations may be amended or revoked at any time by the Board of Managers, pursuant to the By-Laws.

23) Smoking Policy

Pursuant to the Department of Law's guidance memorandum entitled "Disclosures Requirements Regarding Building Smoking Policies Pursuant to Local Law 147" dated August 15, 2018, and pursuant to New York City Local Law 147 of 2017, the following is the smoking policy for the Building:

1. The term "smoking" and similar terms means inhaling, exhaling, burning, or carrying any lighted cigar, pipe, cigarette, e-cigarette or other tobacco or non-tobacco smoking product in any manner or in any form.

2. No Unit Owner, tenant, occupant, or any other person (including, but not limited to, invitees, guests or contractors) occupying or visiting an Apartment shall smoke in any enclosed common area of the Building, including, but not limited to: entrances, elevators, hallways, basement, stairwells, fire stairs, laundry rooms and amenity spaces (all of the foregoing collectively "Prohibited Smoking Locations").

3. Persons may smoke within an Apartment, and in the yard/patio and the roof garden of the Building (both of which are Limited Common Elements appurtenant and exclusive to their respective Apartments), as long as such smoking does not trigger complaints of smoke odors permeating into other Apartments or common areas of the building. If the Condominium receives, and notifies the Unit Owner of, complaints regarding smoke odors permeating from his/her Apartment, or from a Limited Common Element appurtenant thereto, into other Apartments or common areas of the Building, the Unit Owner will, solely at his/her expense, take all steps necessary to cause such complaints to cease, including but not limited to sealing holes, gaps and cracks in the Apartment, installing air purifiers, and creating necessary pressure differentials.

4. Each Unit Owner shall inform all persons that do or will occupy or enter an Apartment of this policy and shall be responsible for violations thereof. A fine of $250 per occurrence will be imposed on the common charge account of an

Apartment the Unit Owner or any other occupant of, or visitor to, which, shall have been found to be in violation of this policy.

5. Each Unit Owner shall inform his/her household staff, co-occupants and guests of this policy.

6. A Unit Owner who leases his/her Unit shall include a copy of this policy as an attachment to such lease.

7. A Unit Owner who violates this policy, or whose co-occupant, guest or other invitee violates this policy, shall be deemed to have agreed to indemnify, defend and hold harmless the Condominium from, against and with regard to any loss or damage which the Condominium may incur, or any claim that may be asserted against the Condominium, as a result of such violation of this policy, including, without limitation, the amount of reasonable attorneys' fees and disbursements incurred by the Condominium in connection therewith.

8. Any monetary obligations by a Unit Owner to the Condominium under this policy shall be deemed additional common charges under the Bylaws of the Condominium.

9. This smoking policy shall be included as part of the House Rules of the Condominium, and shall be included in the purchase and leasing waiver application packages of the Condominium, and as part of all leases of Units in the Condominium.

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INTERIM LEASE AGREEMENT

Agreement made this day of _____, between HADRAMANT LLC, with an office at 115 West 29th Street, New York, New York 10001 (the "Seller") and _____ _____, currently residing at _____ (the "Purchaser" or "Occupant").

W I T N E S S E T H:

WHEREAS, Seller and Purchaser have entered into a certain Contract of Sale (the "Contract"), dated _____, relating to the sale by Seller to Purchaser of condominium Unit #_____ (the "Apartment") in the building known as 350 East 81st Street, New York, New York (the "Premises"); and

WHEREAS, Seller and Purchaser agree that Occupant will be allowed to obtain possession of the Apartment during the period commencing on but not before _____ _____ and expiring on the date that the Purchaser takes title to the Apartment, but in no event later than thirty days from the termination of the Contract as may be defined in the Contract (the "Occupancy Period").

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Seller, Purchaser and Occupant hereby agree as follows:

1. Seller hereby grants a license to Occupant to obtain early possession of the Apartment and to keep such of Occupant's personal property (the "Personal Property") as has been agreed upon in the Apartment during the term of this license. The within license shall terminate on the closing of title to the premises pursuant to the Contract or upon Purchaser's uncured default under or other termination of the Contract.

2. Occupancy of the Apartment shall be at Purchaser's sole risk. Purchaser hereby indemnifies Seller against any and all claims, present and future, asserted against Seller, arising out of or in connection with the terms of this License Agreement, including, without limitation, any claims arising out of or in connection with any damage, theft or loss that may occur to the Premises or the Apartment.

3. During the Occupancy Period, Purchaser shall pay to Seller the sum of $_____ _____ per month, in consideration of the Seller allowing the Occupant to obtain possession of the Apartment, which amount shall be in addition to the entire purchase price under the Contract, and not in lieu of any portion of the purchase price. During the Occupancy Period, Purchaser shall also pay or cause to be paid all charges for heat, gas, electricity, light, cable television, telephone or any communication or utility service used in or rendered or supplied to the Apartment and shall indemnify Seller and save her harmless against any liability or damages on such account. The Seller shall be responsible for common charges and real estate taxes, both to the extent then applicable.

4. Purchaser shall indemnify and hold Seller harmless from any and all claims, liabilities, damages, judgments, losses and other costs and expenses of every kind and nature (including, without limitation, reasonable attorneys' fees) that may arise out of or in connection with any damage or injury to any person or property relating to (i) Occupant's use and occupancy of the Apartment during the terms of this License Agreement; (ii) the removal of the Personal Property from the Apartment, whether caused by Seller pursuant to the provisions of Paragraph 6 hereof, or by Purchaser; or (iii) the storage of the Personal Property, if caused by Seller, pursuant to the provisions of Paragraph 6 hereof.

5. Unless the Occupancy is terminated by reason of the closing of title, Purchaser shall, at its sole cost and expense, remove all furniture and furnishings from the Apartment (except as may otherwise be set forth in the Contract) on or before the last day of the Occupancy Period, leave the Apartment in a broom-clean condition and vacant, deliver the Apartment to Seller in the same condition as exists on the date hereof and repair any damage caused to the Apartment as a result of such occupancy or in vacating therefrom.

6. Unless the Occupancy is terminated by reason of the closing of title, if Occupant shall fail to vacate the Apartment and to remove the Personal Property from the Apartment prior to or within thirty days of the expiration of the Occupancy Period:

(i) Purchaser and Occupant agree and consent to the entry of a judgment of eviction and the forthwith issuance of a warrant of dispossession, and hereby waive the 72 hour notice in writing required under Paragraph 749 of the Real Property Actions and Proceedings Law;

(ii) Seller shall have the right to call any licensed reputable moving and storage company (the "Moving Company") to move the Personal Property out of the Apartment and to place the Personal Property in storage in New York City at Purchaser's sole cost and expense; and

(iii) Purchaser shall pay to Seller the additional sum of $250 per diem as liquidated damages for each day after the expiration of the Occupancy Period that Purchaser remains in possession.

7. Seller represents and warrants that, as of the Closing Date, no person or entity other than Purchaser shall have any right of tenancy in or right to occupy or use all or part of this Apartment, and Purchaser hereby agrees that he/she will not grant any such right during the Occupancy Period. The representation contained herein shall survive the closing.

8. As security for Purchaser's compliance with the terms of this Agreement, $____ _____ of the down payment pursuant to the Contract (the "Adjusted Escrow Fund") shall be held in escrow by Seller's attorney, Belkin Burden Wenig & Goldman, LLP, and disbursed by the Escrow Agent as provided herein and then in accordance with the contract.

9. At closing of title, or if Occupant vacates the Apartment and removes the Personal Property form the Apartment prior to or at the expiration of the term of the Occupancy Period and no damage for injury has been caused hereby, Purchaser shall be entitled to receive the Adjusted Escrow Fund provided he/she is not in default under the contract. In any other case, amounts from the Adjusted Escrow Fund shall be applied as Seller shall direct, in accordance with the terms of this Agreement.

10. Simultaneously with the execution of this Agreement, Purchaser shall pay the use and occupancy from _____ through _____ ($____ _____) together with first month's use and occupancy ($_____), an administrative fee due to Seller or its designee und ($_____ _____), and Seller's attorney's fee in the sum of $_____ payable to Belkin Burden Goldman, LLP, for the preparation of this Agreement.

11. Any uncured default by the Purchaser under the Contract will constitute a default under this Agreement entitling Seller, at its option to terminate this Agreement as set forth above.

12. This Agreement shall not be binding on Seller until it has executed this Agreement.

13. Seller's receipt of payments under this Agreement shall not limit in any way any moneys (for penalties for late closing, or otherwise) to which Seller may be entitled to under the Contract.

14. Purchaser has been given an opportunity to inspect the Unit prior to occupancy under this License Agreement. Said inspection is in lieu of the right to an inspection granted under the Contract. Purchaser specifically waives Purchaser's right to a pre-closing inspection under said Paragraph and agrees to accept the premises in its condition at the time of Purchaser's occupancy.

15. Purchaser shall have the right to perform the following work between the date of occupancy and closing:

All of the foregoing work shall be at Purchaser's sole cost and expense, during the Occupancy Period. Purchaser shall, prior to the commencement of any work, supply Seller with insurance certificates from any contractor or sub-contractor performing said work, naming Seller, its related entities, the Condominium, and the managing agent as insureds. Said certificates shall be received by Seller prior to the commencement of any work. Purchaser further agrees that the work to be performed will be during the hours of 9:00 AM-4:00 PM,

on non-holidays, Monday through Friday. Purchaser shall be responsible to make sure that contractors properly prepare the Unit to as to minimize the debris and/or and odor that may enter the common areas or other units. Purchaser shall be responsible for any damage to or the cleaning of common areas as a result of this work. Purchaser shall, prior to the commencement of work, deposit with Seller the sum of $_____ prior to the commencement of the work as security for damages which may arise to the common areas as a result of Purchaser's work.

16) Smoking Policy

Pursuant to the Department of Law's guidance memorandum entitled "Disclosures Requirements Regarding Building Smoking Policies Pursuant to Local Law 147" dated August 15, 2018, and pursuant to New York City Local Law 147 of 2017, the following is the smoking policy for the Building:

1. **The term "smoking" and similar terms means inhaling, exhaling, burning, or carrying any lighted cigar, pipe, cigarette, e-cigarette or other tobacco or non-tobacco smoking product in any manner or in any form.**

2. **No Unit Owner, tenant, occupant, or any other person (including, but not limited to, invitees, guests or contractors) occupying or visiting an Apartment shall smoke in any enclosed common area of the Building, including, but not limited to: entrances, elevators, hallways, basement, stairwells, fire stairs, laundry rooms and amenity spaces (all of the foregoing collectively "Prohibited Smoking Locations").**

3. **Persons may smoke within an Apartment, and in the yard/patio and the roof garden of the Building (both of which are Limited Common Elements appurtenant and exclusive to their respective Apartments), as long as such smoking does not trigger complaints of smoke odors permeating into other Apartments or common areas of the building. If the Condominium receives, and notifies the Unit Owner of, complaints regarding smoke odors permeating from his/her Apartment, or from a Limited Common Element appurtenant thereto, into other Apartments or common areas of the Building, the Unit Owner will, solely at his/her expense, take all steps necessary to cause such complaints to cease, including but not limited to sealing holes, gaps and cracks in the Apartment, installing air purifiers, and creating necessary pressure differentials.**

4. **Each Unit Owner shall inform all persons that do or will occupy or enter an Apartment of this policy and shall be responsible for violations thereof. A fine of $250 per occurrence will be imposed on the common charge account of an Apartment the Unit Owner or any other occupant of, or visitor to, which, shall have been found to be in violation of this policy.**

5. **Each Unit Owner shall inform his/her household staff, co-occupants and guests of this policy.**

6. **A Unit Owner who leases his/her Unit shall include a copy of this policy as an attachment to such lease.**

7. **A Unit Owner who violates this policy, or whose co-occupant, guest or other invitee violates this policy, shall be deemed to have agreed to indemnify, defend and hold harmless the Condominium from, against and with regard to any loss or damage which the Condominium may incur, or any claim that may be asserted against the Condominium, as a result of such violation of this policy, including, without limitation, the amount of reasonable attorneys' fees and disbursements incurred by the Condominium in connection therewith.**

8. **Any monetary obligations by a Unit Owner to the Condominium under this policy shall be deemed additional common charges under the Bylaws of the Condominium.**

9. **This smoking policy shall be included as part of the House Rules of the Condominium, and shall be included in the purchase and leasing waiver application packages of the Condominium, and as part of all leases of Units in the Condominium.**

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the day and year first above written.

HADRAMANT LLC

By: _____

_____
Purchaser/Occupant

_____
Purchaser/Occupant

AGREED TO WITH RESPECT TO ESCROW PROVISIONS ONLY:

BELKIN BURDEN GOLDMAN, LLP

By: _____

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* S 352-eeee. Conversions to cooperative or condominium ownership in the city of New York. 1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological

conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the

conversion of the building or group of buildings or development to cooperative or condominimum ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter

provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the

plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The

attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

General Business Law Section 777

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law , local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law , and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unliveable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777-a. Housing merchant implied warranty

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law , a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

§ 777-b. Exclusion or modification of warranties

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law .

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

CHAPTER 8

COOPERATIVE AND CONDOMINIUM CONVERSIONS

§ 26-701 Application. The provisions of this chapter shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general business law.

§ 26-702 Definitions. As used in this chapter the following words shall mean:

a. "Building" any building, group of buildings or development.

b. "Total price" (1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made; (2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. "Capital replacement" a building-wide replacement of a major component of any of the following systems:

(1) elevator;
(2) heating, ventilation and air conditioning;
(3) plumbing;
(4) wiring;
(5) window;

or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" the offeror, his or her nominees, assignees and successors in interest.

§ 26-703 Establishment of reserve fund. a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable

shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within five years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within thirty days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he or she has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

§ 26-704 Report on status of reserve fund. The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section 26-703 of this chapter.

§ 26-705 Posting of violations. The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§ 26-706 Report on condition of premises. Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood, a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§ 26-707 No waiver of rights. Any provision purporting to waive the provisions of this chapter in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

§ 26-708 Criminal and civil penalties; enforcement. a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this chapter shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of section 26-703 of this chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section 26-703 of this chapter which was not so reserved. Any person who violates or assists in the violation of section 26-703 of this chapter shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section 26-703 of this chapter is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section 26-703 of this chapter.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this chapter may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this chapter, mandating compliance with the provisions of this chapter or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this chapter, mandating compliance with the provisions of this chapter, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The department of housing preservation and development is empowered to enforce the provisions of this chapter.

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LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 2004

No. 1

Introduced by Council Members Perkins, Lopez, Quinn, Reed, Boyland, Rivera, Brewer, Jackson, Liu, Yassky, Barron, Reyna, Clarke, Sanders Jr., Recchia Jr., Vann, Katz, Gerson, Gioia, Baez, DeBlasio, Serrano, Foster, Monserrate, Jennings Jr., Seabrook, Addabbo Jr., Moskowitz, Koppell, Martinez, Gonzalez, Espada Jr., Gentile, Avella, Comrie Jr., Weprin, Nelson, James, the Speaker (Council Member Miller) and the Public Advocate (Ms. Gotbaum).

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to childhood lead poisoning prevention, including the avoidance and remediation of lead-based paint hazards in housing and day care facilities, the repeal of local law number 38 for the year 1999 and the repeal of subdivision h of section 27-2013 and section 27-2126 of such code.

Be it enacted by the Council as follows:

Section 1. This local law shall be known and may be cited as the New York City Childhood Lead Poisoning Prevention Act of 2003.

§2. Local law number 38 for the year 1999 is hereby REPEALED.

§3. Local Law number 1 for the year 1982 is hereby REPEALED.

§4. Local law number 50 for the year 1972 is hereby REPEALED.

§5. Subchapter 2 of chapter 2 of title 27 of the administrative code of the city of New York is amended by adding a new article 14 to read as follows:

Article 14

Lead Poisoning Prevention and Control

§27-2056.1 Statement of Findings and Purposes.

§27-2056.2 Definitions.

§27-2056.3 Owners' Responsibility to Remediate.

§27-2056.4 Owners' Responsibility to Notify Occupants and Investigate.

§27-2056.5 Presumption.

§27-2056.6 Violation in a Dwelling Unit.

§27-2056.7 Audit and Inspection by Department following Commissioner's order to abate.

§27-2056.8 Violation in a Dwelling Unit Upon Turnover.

§27-2056.9 Department Inspections.

§27-2056.10 Department Implementation and Enforcement.

§27-2056.11 Work Practices.

§27-2056.12 Reporting.

§27-2056.13 Transmittal of Violations to the Department of Health and Mental Hygiene.

§27-2056.14 Request to the Department from the Department of Health and Mental Hygiene to Execute an Order Pursuant to § 17-147 of the Administrative Code.

§27-2056.15 Waiver of Benefit Void.

§27-2056.16 Exemption for Emergency Conditions.

§27-2056.17 Record Keeping Requirements.

§27-2056.18 Application of this article based on age of child.

§27-2056.1 Statement of findings and purposes. The council finds that lead poisoning from paint containing lead is a preventable childhood disease and a public health crisis. The council further finds that the hazard in

dwellings that may occur from paint containing lead is subject to many factors, such as the age of a building and its maintenance. The Council also finds and declares that City government must focus on primary prevention as the essential tool to combat childhood lead poisoning and to achieve the goal of preventing children from suffering the adverse health and other effects of exposure to lead-based paint. The pursuit of primary prevention, which means eliminating lead hazards before children are exposed, has been recommended by the United States Centers for Disease Control and Prevention and promoted by leading experts in the field as a critical course of action to protect the health of young children. The Council, therefore, declares that resources must be directed to primary prevention, including identifying children who are most at risk.

The council recognizes that it cannot legislate a single maintenance standard for all dwellings to eliminate this hazard. Instead, the council by enacting this article makes it the responsibility of every owner of a multiple dwelling to investigate dwelling units for lead-based paint hazards and to address such hazards on a case-by-case basis as the conditions may warrant, taking such actions as are necessary to prevent a child from becoming lead poisoned. Having established this responsibility, the council finds that sufficient information exists to guide owners in making determinations about the existence of lead-based paint hazards. See, e.g., United States environmental protection agency, "Identification of Dangerous Levels of Lead; Final Rule" Federal Register, Vol. 66, No. 4 (January 5, 2001); United States department of housing and urban development, "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997).

The New York city department of health and mental hygiene has reported for the year 2001 that among children tested, 5,638 were newly identified with elevated blood lead levels of 10 micrograms per deciliter or above. The New York city department of health and mental hygiene has reported for the year 2001 that among children tested, 653 were newly identified at or above the department's environmental intervention blood lead level, which is a blood lead level equal to or exceeding 20 micrograms per deciliter in a single test or two reported blood lead levels between 15 and 19 micrograms per deciliter at least three months apart, and has also reported an overall incidence of 931 children tested with blood lead levels equal to or exceeding 20 micrograms per deciliter. When a child is identified with environmental intervention blood lead levels, the city is obligated to investigate potential sources of the lead poisoning, incurring the expense of an environmental investigation and often times also incurring the expense of medical treatment and remedial education, if necessary. The council finds that these blood lead levels among New York city children constitute a severe health crisis and has established as its goal the elimination of childhood lead poisoning by the year 2010.

In addition, the department of health and mental hygiene has reported for the year 2001 that only 29% of children in New York city are tested both at age one and age two for the disease of lead poisoning even though the testing of all children at age one and age two is mandatory under state law. The council finds that improved screening among these children is critical since children at these ages are at greatest risk for lead poisoning. The council declares that it is reasonable and necessary to increase the rate of blood-lead testing. This local law requires the department of health and mental hygiene to report to the council on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels.

The council further finds that the administration and enforcement of the City's lead poisoning prevention programs can be better coordinated. While it is intended that the department of housing preservation and development remain the agency responsible for the implementation and enforcement of this article, it is also intended that the department of health and mental hygiene shall have a significant role in the promulgation and interpretation of rules and in the development of necessary procedures pursuant to this article.

§27-2056.2 Definitions. Whenever used in this article the following terms shall have the following meanings:

(1) "Chewable surface" shall mean a protruding interior window sill in a dwelling unit in a multiple dwelling where a child of applicable age resides and which is readily accessible to such child. "Chewable surface" shall also mean any other type of interior edge or protrusion in a dwelling unit in a multiple dwelling, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where an occupant has notified the owner that a child of applicable age who resides in that multiple dwelling has mouthed or chewed such edge or protrusion.

(2) "Common area" shall mean a portion of a multiple dwelling that is not within a dwelling unit and is regularly used by occupants for access to and egress from any dwelling unit within such multiple dwelling.

(3) "Deteriorated subsurface" shall mean an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including, but not limited to, rotted or decayed wood, or wood or plaster that has been subject to moisture or disturbance.

(4) "Friction Surface" shall mean any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion and abrade, scrape, or bind when in relative motion. Friction surfaces shall include, but not be limited to, window frames and jambs, doors, and hinges.

(5) "Impact Surface" shall mean any interior painted surface that shows evidence, such as marking, denting, or chipping, that it is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

(6) "Lead-based paint hazard" shall mean any condition in a dwelling or dwelling unit that causes exposure to lead from lead-contaminated dust, from lead-based paint that is peeling, or from lead-based paint that is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.

(7) "Lead-based paint" shall mean paint or other similar surface coating material containing 1.0 milligrams of lead per square centimeter or greater, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. If an x-ray fluorescence analyzer is used, readings shall be corrected for substrate bias when necessary as specified by the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings shall be classified as positive, negative or inconclusive in accordance with the United States department of housing and urban development "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997) and the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings that fall within the inconclusive zone, as determined by the performance characteristic sheets, shall be confirmed by laboratory analysis of paint chips, results shall be reported in milligrams of lead per square centimeter and the measure of such laboratory analysis shall be definitive. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, a laboratory analysis may be reported in percent by weight. In such case, lead-based paint shall mean any paint or other similar surface-coating material containing more than 0.5% of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

(8) "Lead-contaminated dust" shall mean dust containing lead at a mass per area concentration of 40 or more micrograms per square foot on a floor, 250 or more micrograms per square foot on window sills, and 400 or more micrograms per square foot on window wells, or such more stringent standards as may be adopted by the department of health and mental hygiene.

(9) "Lead-contaminated dust clearance test" shall mean a test for lead-contaminated dust on floors, window wells, and window sills in a dwelling, that is made in accordance with section 27-2056.11 of this article.

(10) "Peeling" shall mean that the paint or other surface-coating material is curling, cracking, scaling, flaking, blistering, chipping, chalking or loose in any manner, such that a space or pocket of air is behind a portion thereof or such that the paint is not completely adhered to the underlying surface.

(11) "Remediation" or "Remediate" shall mean the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead-based paint, or other method approved by the commissioner of health and mental hygiene.

(12) "Rule" or "rules" shall mean a rule or rules promulgated pursuant to section 1043 of the New York city charter.

(13) "Turnover" shall mean the occupancy of a dwelling unit subsequent to the termination of a tenancy and the vacatur by a prior tenant of such dwelling unit.

(14) "Underlying defect" shall mean a physical condition in a dwelling or dwelling unit that is causing or has caused paint to peel or a painted surface to deteriorate or fail, such as a structural or plumbing failure that allows water to intrude into a dwelling or dwelling unit.

(15) "Window" shall mean the non-glass parts of a window, including but not limited to any window sash, window well, window jamb, window sill, or window molding.

§27-2056.3 Owners' Responsibility to Remediate. The existence of a lead-based paint hazard in any multiple dwelling where a child of applicable age resides is hereby declared to constitute a condition dangerous to life and health. An owner shall take action to prevent the reasonably foreseeable occurrence of such a condition and shall expeditiously remediate such condition and any underlying defect, when such underlying defect exists, consistent with the work practices established pursuant to section 27-2056.11 of this article, except where lead-contaminated

dust is present in such multiple dwelling and the department of health and mental hygiene has made a determination pursuant to paragraph six of subdivision c of section 27-2056.10 of this article.

§27-2056.4. Owners' Responsibility to Notify Occupants and to Investigate. a. In any dwelling unit in a multiple dwelling erected prior to January first, nineteen hundred sixty where a child of applicable age resides, and in any dwelling unit in a multiple dwelling erected on or after January first, nineteen hundred sixty and before January first, nineteen hundred seventy-eight where a child of applicable age resides and the owner has actual knowledge of the presence of lead-based paint, and in common areas of such multiple dwellings, the owner shall cause an investigation to be made for peeling paint, chewable surfaces, deteriorated subsurfaces, friction surfaces and impact surfaces. Such investigation shall be undertaken at least once a year and more often if necessary, such as when, in the exercise of reasonable care, an owner knows or should have known of a condition that is reasonably foreseeable to cause a lead-based paint hazard, or an occupant makes a complaint concerning a condition that is likely to cause a lead-based paint hazard or requests an inspection, or the department issues a notice of violation or orders the correction of a violation that is likely to cause a lead-based paint hazard. The owner shall ascertain whether a child resides therein pursuant to the requirements of this section.

b. No occupant in a dwelling unit in such multiple dwelling shall refuse or unreasonably fail to provide accurate and truthful information regarding the residency of a child of applicable age therein, nor shall an occupant refuse access to the owner at a reasonable time and upon reasonable prior notice to any part of the dwelling unit for the purpose of investigation and repair of lead-based paint hazards.

c. All leases offered to tenants or prospective tenants in such multiple dwellings must contain a notice, conspicuously set forth therein, which advises tenants of the obligations of the owner and tenant as set forth in this section. Such notice must be in a manner approved by the department, the content of which shall, at a minimum, be in English and Spanish. The owner of such multiple dwelling shall provide the occupant of such multiple dwelling with the pamphlet described in subdivision b of section 17-179 of this code.

d. (1) The owner of such a multiple dwelling shall provide to an occupant of a dwelling unit at the signing of a lease, including a renewal lease, if any, or upon any agreement to lease, or at the commencement of occupancy if there is no lease, a notice in English and Spanish, the form and content of which shall be approved by the department of health and mental hygiene, inquiring whether a child of applicable age resides or will reside therein. If there is a lease, such notice shall be included in such lease or be attached as a rider to such lease. Such notice shall be completed by the occupant at the time of such signing of a lease, including a renewal lease, if any, or such agreement to lease, or at such commencement of occupancy.

(2) Where an occupant has responded to the notice provided by the owner pursuant to paragraph one of subdivision d of this section by indicating that no child of applicable age resides therein, during the period between the date of such response and the delivery of the notice provided by the owner pursuant to subdivision e of this section during the immediately following year the occupant shall have the responsibility to inform the owner of any child of applicable age that comes to reside therein during such period. In the event such occupant fails to inform the owner of such child as required by this paragraph, and the owner does not otherwise have actual knowledge that such child is residing in the dwelling unit, the presumption provided for in section 27-2056.5 of this article shall not apply in any action to recover damages for personal injury caused by contact with or exposure to lead-based paint or lead-contaminated dust.

e. (1) Each year, an owner of a multiple dwelling erected prior to January first, nineteen hundred sixty shall, no earlier than January first and no later than January sixteenth, except as provided for in subparagraph iii of paragraph two of this subdivision, present to the occupant of each dwelling unit in such multiple dwelling a notice inquiring as to whether a child of applicable age resides therein. Such notice, the form and content of which shall be approved by the department of health and mental hygiene, shall be presented as provided for in paragraph two of this subdivision, and shall be in English and Spanish.

(2) The owner may present the notice required by paragraph one of this subdivision by delivering said notice by any one of the following methods:

(i) by first class mail, addressed to the occupant of the dwelling unit;

(ii) by hand delivery to the occupant of the dwelling unit;

(iii) by enclosure with the January rent bill, if such rent bill is delivered after December fifteenth but no later than January sixteenth; or

(iv) by delivering said notice in conjunction with the annual notice required pursuant to section 17-123 of this code and the rules of the department of health and mental hygiene pertaining to the installation of window guards.

(3) (i) Upon receipt of such notice the occupant shall have the responsibility to deliver by February fifteenth of that year, a written response to the owner indicating whether or not a child of applicable age resides therein. If, subsequent to delivery of such notice, the owner does not receive such written response by February fifteenth, and does not otherwise have actual knowledge as to whether a child of applicable age resides therein, then the owner shall at reasonable times and upon reasonable notice inspect that occupant's dwelling unit to ascertain the residency of a child of applicable age and, when necessary, conduct an investigation in order to make that determination. Where, between February sixteenth and March first of that year, the owner has made reasonable attempts to gain access to a dwelling unit to determine if a child of applicable age resides in that dwelling unit and was unable to gain access, the owner shall notify the department of health and mental hygiene of that circumstance.

(ii) Where an occupant has responded to the notice provided by the owner pursuant to subparagraph (i) of this paragraph by indicating that no child of applicable age resides therein, during the period between the date of such response and the delivery of the notice provided by the owner pursuant to this subdivision during the immediately following year the occupant shall have the responsibility to inform the owner of any child of applicable age that comes to reside therein during such period. In the event such occupant fails to inform the owner of such child as required by this paragraph, and the owner does not otherwise have actual knowledge that such child is residing in the dwelling unit, the presumption provided for in section 27-2056.5 of this article shall not apply in any action to recover damages for personal injury caused by contact with or exposure to lead-based paint or lead contaminated dust.

(4) For calendar year two thousand four, an owner shall be deemed to have satisfied the provisions of paragraphs one through three of this subdivision if such owner delivers or has already delivered to each dwelling unit where a child under six years of age resides a notice identical or substantially similar to that required to have been delivered in calendar year two thousand three, (i) in the same manner as was required in calendar year two thousand three, and (ii) during the same periods of time in calendar year two thousand four as such notice was required to have been delivered during calendar year two thousand three.

f. The owner shall inform the occupant in writing of the results of an investigation undertaken pursuant to this section and shall provide a copy of any such report received or generated by an investigation. The owner shall retain a copy of each investigation report, for ten years from the date of such report and such report shall be made available to the department on request and shall be transferred by the owner to the owner's successor in title.

g. Any owner who violates the provisions of this section, or the rules promulgated hereunder, shall be guilty of a misdemeanor punishable by a fine of up to five hundred dollars or imprisonment for up to six months or both. In addition, any violation of this section shall subject the owner to a civil penalty of not more than one thousand five hundred dollars per violation.

h. The department may, at its discretion, perform sample audits to determine compliance with the requirements of this section.

§27-2056.5 Presumption. a. In any multiple dwelling erected prior to January 1, 1960, it shall be presumed that the paint or other similar surface-coating material in any dwelling unit where a child of applicable age resides or in the common areas is lead-based paint. The presumption established by this section may be rebutted by the owner of the dwelling or dwelling unit by submitting to the department a sworn written statement by the owner supported by lead-based paint testing or sampling results, a sworn written statement by the person who performed the testing if performed by an employee or agent of the owner, and such other proof as the department may require. Testing performed to rebut the presumption may only be performed by a person who has been certified as an inspector or risk assessor in accordance with subparts L and Q of part 745 of title 40 of the code of federal regulations or any successor regulations. The determination as to whether such proof is adequate to rebut the presumption established by this section shall be made by the department.

b. The owner of a dwelling or a dwelling unit may apply to the department to have such dwelling or dwelling unit exempted from the presumption contained in subdivision a of this section when either (i) an inspection for lead-based paint in such dwelling or dwelling unit, performed in accordance with section 745.227 of title 40 of the code of federal regulations, or any successor regulation, has determined that there is no lead-based paint present in such dwelling or dwelling unit, or (ii) substantial alterations have been made to such dwelling or dwelling unit and such alterations have resulted in the removal or permanent covering of all lead-based paint in that dwelling or dwelling unit. The department shall by rule determine the requirements needed to qualify for such an exemption. Sections 27-2056.4, 27-2056.8 and 27-2056.9 of this article shall not apply to any dwelling or dwelling unit that has been granted an exemption by the department.

§27-2056.6 Violation in a Dwelling Unit. The existence of lead-based paint in any dwelling unit in a multiple dwelling where a child of applicable age resides shall constitute a class C immediately hazardous violation if such paint is peeling or is on a deteriorated subsurface.

§27-2056.7 Audit and inspection by department following commissioner's order to abate. a. When the department of health and mental hygiene issues a commissioner's order to abate pursuant to section 173.13 of the New York city health code or a successor rule that addresses lead-based paint hazards in a specific dwelling unit in a multiple dwelling, the department, within fifteen days of such order, shall notify the owner of the multiple dwelling where the dwelling unit is located that the owner shall, within forty-five days of the department's notice, provide to the department all records required to be maintained under this article. Upon the department's receipt of those records and a determination that there may exist uncorrected lead-based paint hazards in dwelling units where a child of applicable age resides, the department within ten days shall attempt to inspect such units to determine whether there are any violations of section 27-2056.6 of this article.

b. If the owner does not provide to the department the records as mandated by subdivision a of this section, the department shall within forty-five days of such failure attempt to inspect dwelling units where a child of applicable age resides to determine whether there are any violations of section 27-2056.6 of this article in such units.

c. The department is not required to undertake the procedures specified in this section in a particular multiple dwelling if it has done so in such building during the prior twelve month period.

d. Any owner who fails to comply with the provisions of this section in accordance with the rules of the department shall be liable for a class C immediately hazardous violation, and a civil penalty in an amount not to exceed one thousand dollars.

§27-2056.8 Violation in a Dwelling Unit Upon Turnover a. Upon turnover of any dwelling unit in a multiple dwelling erected prior to January 1, 1960 or a dwelling unit in a private dwelling erected prior to January 1, 1960 where each dwelling unit is to be occupied by persons other than the owner or the owner's family, the owner shall within such dwelling unit have the responsibility to:

(1) remediate all lead-based paint hazards and any underlying defects, when such underlying defects exist;

(2) make all bare floors, window sills, and window wells in the dwelling unit smooth and cleanable;

(3) provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all doors and door frames; and

(4) provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all windows, or provide for the installation of replacement window channels or slides on all lead-based painted friction surfaces on all windows.

b. All work performed pursuant to this section shall be performed pursuant to the safe work practices promulgated pursuant to section 27-2056.11(a)(3) of this article.

c. Any owner who fails to comply with the provisions of subdivision a of this section, or the rules of the department of health and mental hygiene or the department promulgated pursuant to section 27-2056.11(a)(3) shall be liable for a class C immediately hazardous violation.

§27-2056.9 Department Inspections. a. When entering a dwelling unit in a multiple dwelling constructed prior to January 1, 1960 for the purpose of investigating the existence of any violation of this code, the department shall make diligent efforts to ascertain whether a child of applicable age resides therein and shall request from the occupant an acknowledgement as to whether such a child resides in the dwelling unit. Whenever a child of applicable age resides in a dwelling unit, the department shall immediately perform a room-by-room inspection of the dwelling unit and record for each room in a report of such inspection whether the paint or other similar surface-coating material in each room is peeling or intact. For each room where peeling paint is found, the department shall also inspect for evidence of an underlying defect and shall indicate on the inspection report the peeling paint's location within the room, the condition of the subsurface below it, and the location of any underlying defect. When performing such inspection, the department need only inspect those portions of the dwelling unit where furniture or other furnishings do not obstruct the view of a surface, except when there is visible evidence that causes the department to believe that the obstructed surface has peeling paint. Where, upon conducting an inspection, the department determines the existence of a condition constituting a violation of this article, the department shall serve a notice of violation within ten additional days.

b. In any dwelling unit in a multiple dwelling erected prior to January 1, 1960 where a child of applicable age resides, the department shall conduct an inspection pursuant to subdivision a of this section no later than ten days after the department's receipt of a complaint describing peeling paint, or a deteriorated subsurface or underlying defect in the dwelling unit. The department shall make diligent efforts to ascertain whether a child of applicable

age resides therein. Where the department attempts to perform an inspection of a dwelling unit within the time period required by this subdivision but is unable to gain access, the department shall be required to make a reasonable attempt to gain access to such dwelling unit within five days of such attempt. If the department is unable to gain access to that dwelling unit during this additional time period, the department shall provide written notice to the occupant of such dwelling unit that no further attempts at access shall be made unless a new complaint is submitted.

c. Each inspector who performs an inspection pursuant to subdivision b of this section shall use an x-ray fluorescence analyzer during the course of that inspection to determine whether lead-based paint is present in such dwelling unit except that, for reasons beyond the control of the department, such x-ray fluorescence analysis is unable to be performed during such inspection, the department shall rely on the presumption set forth in subdivision a of section 27-2056.5 of this article. Where peeling paint is found during an inspection of a dwelling unit performed pursuant to subdivision a of this section, the department shall within ten days thereafter perform another inspection of such dwelling unit using an x-ray fluorescence analyzer to determine whether lead-based paint is present in such dwelling unit. Where, upon conducting an inspection, the department determines the existence of a condition constituting a violation of this article, the department shall serve a notice of violation within ten additional days.

d. The pamphlet developed by the department of health and mental hygiene pursuant to section 17-179 of this code shall be left at the premises of the dwelling unit at the time of an inspection made by the department pursuant to this section.

e. The department shall develop a pamphlet listing the work practices to be established pursuant to section 27-2056.11 of this article. Such pamphlet shall be delivered by the department in conjunction with all notices of violation issued pursuant to paragraph one of subdivision l of section 27-2115 of this code. Failure to include such pamphlet with such notices of violation shall not render null and void the service of such notices of violation. Such pamphlet shall also be made available to any member of the public upon request.

f. Notwithstanding any other provision of law, failure by the department or the department of health and mental hygiene to comply with any time period provided in this article or section 27-2115 of this chapter relating to responsibilities of the department and the department of health and mental hygiene, shall not render null and void any notice of violation issued by the department or the department of health and mental hygiene pursuant to such article or section, and shall not provide a basis for defense or mitigation of an owner's liability for civil penalties for violation of such article.

§27-2056.10 Department Implementation and Enforcement. a. The department shall provide appropriate training for lead-based paint inspection and supervisory personnel. Department personnel who conduct a visual inspection pursuant to this article shall receive training which at a minimum, shall be the training approved by the United States department of housing and urban development for performance of visual inspections. Department personnel who perform lead-based paint inspections using XRF machines shall receive training required by the United States environmental protection agency pursuant to section 745.226(b) of title 40 of the code of federal regulations or successor regulations. Training of all inspection and supervisory personnel shall also include background information pertaining to applicable state and local lead-based paint laws and guidance on identifying violations in a multiple dwelling, and require that the individual has successfully demonstrated knowledge of the requirements of this article. The department shall provide for the continuing education of inspection and supervisory personnel.

b. The department, with the approval of the department of health and mental hygiene, shall promulgate a comprehensive written procedure to guide department personnel in implementing and enforcing this article. Where feasible, such procedures shall establish a uniform method for the department of health and mental hygiene and the department, following the method implemented by the department of health and mental hygiene, to describe violations and identify their location in a dwelling or dwelling unit. Such procedures shall include a methodology and a form to be used by department personnel when conducting an inspection to carry out and record an inspection pursuant to section 27-2056.9 of this article.

c. The department shall promulgate rules for the implementation and enforcement of this article and to effect compliance with all applicable provisions of this article, rules promulgated thereunder, and all applicable city, state or federal laws, rules or regulations. Such rules shall be subject to the approval of the department of health and mental hygiene prior to their promulgation and shall include, but not be limited to, establishing:

(1) uniform specifications and procedures to govern testing, including a standardized format for reporting such testing results, whenever paint or a similar surface-coating material is tested for its lead content, whether by or on behalf of an owner or an agency of the city of New York;

(2) procedures by which an owner shall comply with section 27-2056.4 of this article, including the form and content of the annual notice;

(3) procedures by which an owner shall submit rebuttal documentation to the department pursuant to 27-2056.5 of this article;

(4) procedures by which an owner may apply to the department to postpone the date by which a violation shall be corrected pursuant to subdivision l of section 27-2115 of this code, including, but not limited to, the stabilization of the paint which is the subject of the violation where an owner requests a second postponement of time to correct a violation in accordance with subdivision l of section 27-2115 of this code; and

(5) procedures to implement and to enforce compliance with paragraph two of subdivision l of section 27-2115 of this code, which shall include, but not be limited to, the requirement that an owner certify to:

(i) the correction of a violation of this article of the code, and

(ii) compliance with the rules promulgated by the department pursuant to section 27-2056.11 of this code; and

(6) procedures to be established by the department of health and mental hygiene to order or provide for the expeditious cleanup and removal of lead-contaminated dust when the department of health and mental hygiene determines that there is lead-contaminated dust in a dwelling unit where a child of applicable age resides, such child has an elevated blood level, and the department of health and mental hygiene determines that the source of that lead-contaminated dust is not a condition of the dwelling in which such dwelling unit is located.

§27-2056.11 Work Practices.

a. The department shall promulgate rules, with the approval of the department of health and mental hygiene, establishing work practices to which an owner shall be subject in each of the following circumstances:

(1) where an owner is performing work in order to comply with a notice of violation or order to correct issued by the department pursuant to this article, which shall be no less stringent than the safety standards required by the commissioner of health and mental hygiene whenever such commissioner shall order the abatement of lead-based paint hazards pursuant to section 173.13 of the health code or a successor rule. Such rules shall provide for temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely. Such rules shall provide that all such work be performed only by firms which have received certification to perform lead abatement under the regulations issued by the United States environmental protection agency at subpart L of part 745 of title 40 of the code of federal regulations, or any successor regulations.

(2) where an owner, other than in response to an order to correct or notice of violation issued by the department or the department of health and mental hygiene, is performing work that will disturb lead-based paint or paint of unknown lead content in a dwelling unit where a child of applicable age resides or in the common area of the multiple dwelling in which such dwelling unit is located, where such multiple dwelling was erected prior to January first, nineteen hundred sixty, or where the owner has actual knowledge of the presence of lead-based paint and such multiple dwelling was erected on or after January first, nineteen hundred sixty and before January first, nineteen hundred seventy-eight.

(i) Except as provided in subparagraph (ii) of this paragraph, such rules shall incorporate work practices that are no less protective of public health than those set forth in subdivisions d and e of section 173.14 of the health code and those parts of subdivision b of such section applicable thereto or a successor rule, and shall include a requirement that lead-contaminated dust clearance testing be performed at the completion of such work. Such rules shall require that such work be performed by a person who has, at a minimum, successfully completed a course on lead-safe work practices given by or on behalf of the department or, by the United States environmental protection agency or an entity authorized by it to give such course, or by the United States department of housing and urban development or an entity authorized by it to give such course. Such rules shall require temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely.

(ii) Where such work will disturb more than one hundred square feet of lead-based paint or paint of unknown lead content in a room in a multiple dwelling, or will involve the removal of two or more windows with lead-based paint or paint of unknown lead content, such rules shall incorporate work practices that are no less protective of public health than those set forth in subdivisions d and e of section 173.14 of the health code and those parts of subdivision b of such section applicable thereto, or a successor rule, and shall include a requirement that lead-

contaminated dust clearance testing be performed at the completion of such work. Such rules shall also require temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely. Such rules shall require, in addition, that all such work be performed only by firms which have received certification to perform lead abatement under the regulations issued by the United States environmental protection agency at subpart L of part 745 of title 40 of the code of federal regulations for the abatement of lead hazards, or any successor regulations. Such rules shall also provide that not less than ten days prior to the commencement of such work the owner of the premises, or the firm, shall file with the department of health and mental hygiene a notice of commencement so that the department of health and mental hygiene may, at its discretion, perform sample audits of such notices to determine that the firms performing the work are properly certified. Such notice shall be signed by the owner or by a representative of the firm , and shall be in a form satisfactory to or prescribed by the department of health and mental hygiene, and shall set forth at a minimum the following information:

(a) The address of the multiple dwelling and the specific location of the work within the multiple dwelling.

(b) The name, address and telephone number of the owner of the multiple dwelling in which the work is to be performed.

(c) The name, address and telephone number of the firm which will be responsible for performing the work.

(d) The date and time of commencement of the work, working or shift hours, and the expected date of completion; and

(e) Identification of the surfaces and structures, and surface area, subject to the work.

The rules shall also provide that any changes in the information contained in the notice shall be filed with the department of health and mental hygiene prior to commencement of work, or if work has already commenced, within twenty-four hours of any change. The rules shall provide that a copy of the notice of commencement shall be posted at the work site.

(iii) The provisions of this paragraph shall not apply where such work disturbs surfaces of less than (a) two square feet of peeling lead-based paint per room or (b) ten percent of the total surface area of peeling paint on a type of component with a small surface area, such as a window sill or door frame.

(3) where an owner is performing work on turnover pursuant to 27-2056.8 of this article. Such rules shall include, but not be limited to, requiring lead-contaminated dust clearance tests at the completion of such work.

b. No person shall perform a lead-contaminated dust clearance test pursuant to this section unless such person is a third-party, who is independent of the owner and any individual or firm that performs the work, and has successfully completed a course approved or administered by the department of health and mental hygiene or by the United States environmental protection agency or the United States department of housing and urban development and obtained a certificate or other document issued by or acceptable to the department of health and mental hygiene.

c. The department, with the approval of the department of health and mental hygiene, shall promulgate rules requiring that all lead-contaminated dust clearance tests submitted to a laboratory for analysis include a sworn certification that such test was performed in compliance with all applicable rules and regulations and shall include any additional information that the department shall determine is necessary for the administration and enforcement of this section.

d. Where an owner is performing work pursuant to paragraph (1) of subdivision a of this section, all lead-contaminated dust clearance test results shall be filed with the department, and a copy shall be provided by the owner to the occupant of the dwelling unit. Where an owner is performing work pursuant to paragraphs (2) and (3) of subdivision a of this section, a copy of all lead-contaminated dust clearance test results shall be provided to the occupant of the dwelling unit. Copies of lead-contaminated dust clearance test results provided to the occupant of the dwelling unit pursuant to this subparagraph shall be in a form satisfactory to or prescribed by the department of health and mental hygiene that provides a sufficiently clear explanation of the meaning of such results.

§27-2056.12 Reporting. a. Within four months after the close of the first fiscal year after which this article takes effect and for every fiscal year thereafter, the commissioner shall provide to the council a written report on the department's implementation of this article during the preceding year. Such report shall include, at a minimum, an analysis of the department's program, a detailed statement of revenue and expenditures and statistical section designed to provide a detailed explanation of the department's enforcement including, but not limited to, the following:

(1) the number of complaints for peeling paint in pre-1960 dwelling units where a child of applicable age resides, disaggregated by city or non-city ownership of the building which is the subject of the complaint;

(2) the number of inspections by the department pursuant to this article, disaggregated by the city or non-city ownership of the building where the inspection occurred;

(3) the number of violations issued by the department pursuant to this article;

(4) the number of violations issued pursuant to this article that were certified as corrected by the owner, the number of such certifications that did not result in the removal of such violations, and the number of civil actions brought by the department against such owners; and

(5) the number of jobs performed in which violations issued pursuant to this article were corrected by the department, the total amount spent by the department to correct the conditions that resulted in the violations, and the average amount spent per dwelling unit to correct such conditions; and

(6) a statistical profile with geographic indexing, such as by community district, council district, and/or zip code, of multiple dwellings in which violations are placed, indicating the ages of the multiple dwellings and other factors relevant to the prevalence of lead-based paint hazards, which may include the prior lead poisoning of a child in the multiple dwelling, outstanding violations, and emergency repair charges.

b. The department of health and mental hygiene shall prepare a report on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels. This report shall be utilized by the department in its implementation of this article. Such report shall be submitted to the council within nine months after the close of each calendar year.

c. The department shall maintain a central register of all department orders to correct a violation under this article. Such register shall indicate, if applicable, the date of the complaint, address of the premises, and the date of each inspection and reinspection.

§27-2056.13 Transmittal of Violations to the Department of Health and Mental Hygiene. The department shall send a notice which shall be addressed to the dwelling unit in the multiple dwelling, when a dwelling unit is identified, for which a violation of this article was issued. Such notice shall include a telephone number for the department of health and mental hygiene. The department shall also refer to the department of health and mental hygiene the address of the unit in the multiple dwelling for which such violation was issued, the name of the complainant, if any, and the complainant's telephone number, if available. The department of health and mental hygiene, pursuant to section 17-179 of this code, shall refer to appropriate medical providers any person who requests assistance in blood lead screening, testing, diagnosis or treatment, and upon the request of a parent or guardian, arrange for blood lead screening of any child who requires screening and whose parent or guardian is unable to obtain a lead test because the child is uninsured or the child's insurance does not cover such screening.

§27-2056.14 Inspections by Department of Health and Mental Hygiene and Removal of Health Code Violations by Department of Housing Preservation and Development. Whenever a report has been made to the department of health and mental hygiene of a person under eighteen years of age with an elevated blood lead level of fifteen micrograms per deciliter or higher residing in any dwelling unit, the department of health and mental hygiene shall conduct such investigation as may be necessary to identify potential sources of the elevated blood lead level, including but not limited to, an inspection of the dwelling unit where such person resides. If the department of health and mental hygiene issues an order to correct any violation, the department of health and mental hygiene shall notify the department of each dwelling unit in a dwelling for which the department of health and mental hygiene has issued an order to correct a violation. Where the owner of the dwelling or relevant dwelling unit within such dwelling fails to comply with an order of the department of health and mental hygiene to correct a violation placed by the department of health and mental hygiene, the department of health and mental hygiene shall certify such conditions to the department of housing preservation and development. The certification procedure shall be completed within sixteen days of the report of the elevated blood lead level. The conditions so certified shall be corrected within eighteen days of certification to the department.

§27-2056.15 Waiver of Benefit Void. a. No owner may seek to have an occupant of a dwelling unit waive the benefit or protection of any provision of this article. Any agreement by the occupant of a dwelling unit purporting to waive the benefit or protection of any provision of this article is void. Any owner who violates this section, or the rules promulgated hereunder, shall be guilty of a misdemeanor punishable by a fine of up to five hundred dollars or imprisonment for up to six months or both. In addition, any owner who violates this section shall be liable for a civil penalty of not more than five hundred dollars per violation.

b. Notwithstanding any other provision of this article, nothing herein shall be construed to alter existing or future agreements which allocate responsibility for compliance with the provisions of this article between a tenant shareholder and a cooperative corporation or between the owner of a condominium unit and the board of managers of such condominium.

c. The provisions of this article, other than section 27-2056.14, shall not apply to a dwelling unit in a multiple dwelling where (i) title to such multiple dwelling is held by a cooperative housing corporation or such dwelling unit is owned as a condominium unit, and (ii) such dwelling unit is occupied by the shareholder of record on the proprietary lease for such dwelling unit or the owner of record of such condominium unit, as is applicable, or the shareholder's or record owner's family.

§27-2056.16 Exemption for Emergency Conditions. For emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety or to protect property from further major damage, such as when a property has been damaged by a natural disaster, fire, structural collapse, cascading water, lack of utilities or other emergency conditions, occupants shall be protected from exposure to lead in dust and debris generated by such emergency actions to the extent practicable and the requirements of this article shall not apply. This exemption applies only to repairs immediately necessary to respond to the emergency. The requirements of this article shall apply to any work undertaken subsequent to or above and beyond such emergency actions.

§27-2056.17 Record Keeping Requirements. The owner of any multiple dwelling or dwelling that performs any work pursuant to this article shall retain all records relating to such work for a period of no less than ten years from the completion date of such work. The owner shall make any such records required to be retained by this section available to the department upon the department's request, and shall transfer such records to the owner's successor in title.

§27-2056.18 Application of this article based on age of child. For the purposes of this article, the term "applicable age" shall mean "under seven years of age" for at least one calendar year from the effective date of this section. Upon the expiration of such one year period, in accordance with the procedures by which the health code is amended, the board of health may determine whether or not the provisions of this article should apply to children of age six, and based on this determination, may redefine "applicable age" for the purposes of some or all of the provisions of this article to mean "under six years of age," but no lower.

§6. Section 27-2115 of the administrative code of the city of New York is amended by adding a new subdivision l to read as follows:

(l)(1) Notwithstanding any other provision of law, when the department serves a notice of violation to correct and certify a condition that constitutes a violation of article fourteen of subchapter two of this chapter, the notice of violation shall specify the date by which the violation shall be corrected, which shall be twenty-one days after service of the notice of violation, and the procedure by which the owner, for good cause shown pursuant to this subdivision, may request a postponement. The notice of violation shall further specify that the violation shall be corrected in accordance with the work practices established in accordance with section 27-2056.11 of this code. The notice of violation shall be served by personal delivery to a person in charge of the premises or to the person last registered with the department as the owner or agent, or by registered or certified mail, return receipt requested, or by certified mail with proof of delivery, to the person in charge of the premises or to the person last registered with the department as the owner or agent; provided that where a managing agent has registered with the department, such notice of violation shall be served on the managing agent. Service of the notice of violation shall be deemed completed three days from the date of mailing. Notification, in a form to be determined by the department, of the issuance of such violation shall be sent simultaneously by regular mail to the occupant at the dwelling unit that is the subject of such notice of violation. The department may postpone the date by which a violation shall be corrected upon a showing, made within the time set for correction in the notice, that prompt action to correct the violation has been taken but that full correction cannot be completed within the time provided because of serious technical difficulties, inability to obtain necessary materials, funds or labor, inability to gain access to the dwelling unit wherein the violation exists, or such other portion of the building as may be necessary to make the required repair. Such postponement shall not exceed fourteen days from the date of correction set forth in the notice of violation. The department may require such other conditions as are deemed necessary to insure correction of the violations within the time set for the postponement. The department may grant one additional postponement of no more than fourteen days for the reasons authorized by this section so long as the paint or other condition which is the subject of the violation has been stabilized. The department is also authorized to promulgate rules establishing criteria for a postponement of the time to correct for a longer period of time where such postponement is requested because of one or more substantial capital improvements will be made that will, when completed, significantly reduce the presence of lead-based paint in such multiple dwelling or dwelling unit including, but not limited to, a requirement that the paint which is the subject of the violation is stabilized. The department shall provide to the owner and the occupant a written statement signed and dated by the person making

such decision setting forth the reasons for each postponement of the date by which a violation shall be corrected or the reason for the denial of such application for a postponement. Said written statement shall be part of the records of the department.

(2) Notwithstanding any other provision of law, the notice of violation shall direct that the correction of each violation cited therein shall be certified to the department. Such certification shall be made in writing, under oath by the registered owner, a registered officer or director of a corporate owner or by the registered managing agent. Such certification shall include a statement that the violation was corrected in compliance with paragraph one of subdivision a of section 27-2056.11 of this code and shall include a copy of the lead-contaminated dust clearance test results. All certifications shall be delivered to the department and acknowledgment of receipt therefor obtained or shall be mailed to the department by certified or registered mail, return receipt requested, no later than five days after the date set for correction, and shall include the date when each violation was corrected. Such certification of correction shall be supported by a sworn statement by the person who performed the work if performed by an employee or agent of the owner. A copy of such certification shall be mailed to the complainant by the department not more than twelve full calendar days from the date of receipt of such certification by the department. Failure to file such certification shall establish a prima facie case that such violation has not been corrected.

(3) Whenever the department shall issue a notice of violation to correct a condition that constitutes a violation of section 27-2056.6 of article fourteen of subchapter two of this chapter, the department shall within fourteen days after the date set for the correction of such violation conduct a final inspection to verify that the violation has been corrected. Where, upon conducting an inspection, the department determines that a violation has not been corrected, the department shall correct such violation within forty-five additional days of such inspection or in such shorter time as is practicable.

(4) Notwithstanding any other provision of law, the department shall not remove a violation from its records nor shall it be deemed that such violation has been corrected unless the records of the department contain written verification that the department has conducted a final inspection of the premises and that such inspection verifies that the violation has been corrected, and copies of lead-contaminated dust clearance test results whenever such tests are required by applicable law, rule or regulation. A copy of the report of the final inspection of a dwelling unit and the status of the violation shall be mailed or delivered to the occupant and the owner.

(5) Notwithstanding any other provision of law, a person making a false certification of correction of a violation issued pursuant to article 14 of subchapter 2 of this chapter, in addition to any other civil penalty, shall be subject to a civil penalty of not less than one thousand dollars nor more than three thousand dollars for each false certification made, recoverable by the department in a civil action brought in a court of competent jurisdiction. If the person making such false certification is an employee of the owner then such owner shall be responsible for such civil penalty. In addition, any such person making a false certification of correction shall be guilty of a misdemeanor punishable by a fine of up to one thousand dollars or imprisonment for up to one year or both.

(6) Notwithstanding any other provision of law, a person who violates article fourteen of subchapter two of this chapter by failing to correct such violation in accordance with paragraph one of subdivision a of section 27-2056.11 of this code shall be subject to a civil penalty of two hundred fifty dollars per day for each violation to a maximum of ten thousand dollars from the initial date set for correction in the notice of violation until the date the violation is corrected and certified to the department, and in addition to any civil penalty shall, whenever appropriate, be punished under the provisions of article three of subchapter five of this code. There shall be a presumption that the condition constituting a violation continues after the service of the notice of violation. The owner shall be responsible for the correction of all violations noticed pursuant to article fourteen of subchapter two of this chapter, but in an action for civil penalties pursuant to this subdivision may in defense or mitigation of such owner's liability for civil penalties show:

(i) That the condition which constitutes the violation did not exist at the time the violation was placed; or

(ii) That he or she began to correct the condition which constitutes the violation promptly upon discovering it but that full correction could not be completed expeditiously because of serious technical difficulties, inability to obtain necessary materials, funds or labor, or inability to gain access to the dwelling unit wherein the violation exists, or such other portion of the building as might be necessary to make the repair, provided that a postponement was granted pursuant to this subdivision; or

(iii) That he or she was unable to obtain a permit or license necessary to correct the violation, provided that diligent and prompt application was made therefor; or

(iv) That the violation giving rise to the action was caused by the act of negligence, neglect or abuse of another not in the employ or subject to the direction of the owner, except that the owner shall be precluded from showing in

defense or mitigation of such owner's liability for civil penalties evidence of any acts occurring, undertaken, or performed by any predecessor in title prior to the owner taking control of the premises. Where the aforesaid allegations are made by way of mitigation of penalties, the owner shall show, by competent proof, pertinent financial data and efforts made to obtain necessary materials, funds or labor or to gain access, or to obtain a permit or license and such other evidence as the court may require.

If the court finds that sufficient mitigating circumstances exist, it may remit all or part of any penalties arising from the violations, but may condition such remission upon a correction of the violation within a time period fixed by the court.

(7) Notwithstanding any other provision of law, failure by the department to comply with any time period provided in this section relating to responsibilities of the department shall not render null and void any notice of violation issued by the department or the department of health and mental hygiene pursuant to such article or section, and shall not provide a basis for defense or mitigation of an owner's liability for civil penalties for violation of such article

§7. Title 17 of the administrative code of the city of New York is amended by adding new sections 17-179, 17-180, 17-181, 17-185, and 17-186, to read as follows:

§17-179 Department Screening, Diagnosis, and Treatment. a. The department shall refer to appropriate medical providers any person who requests assistance in blood lead screening, testing, diagnosis or treatment, and upon the request of a parent or guardian, arrange for blood lead screening of any child who requires screening and whose parent or guardian is unable to obtain a lead test because the child is uninsured or the child's insurance does not cover such screening.

b. The department shall develop a pamphlet explaining the hazards associated with lead-based paint and describing the procedures to be used in order for a violation of sections 27-2056.6 and 27-2056.7 of this code to be corrected. The pamphlet shall include appropriate telephone numbers to obtain lead poisoning screening, diagnosis and treatment information and to report unsafe lead-based paint work practices. Such pamphlet shall be made available in accordance with section 27-2056.9 of this code. Such pamphlet shall also be made available to any member of the public upon request.

§17-180 Training of Department Personnel. The department, in conjunction with the department of housing preservation and development, shall provide training for lead-based paint inspection and supervisory personnel. No department personnel shall conduct an inspection for lead-based paint pursuant to the health code unless that individual has received such training. At a minimum, such training shall (1) be equivalent to the training required under regulations issued by the United States environmental protection agency for the certification of lead-based paint inspectors and supervisors, (2) include background information pertaining to applicable state and local lead-based paint laws and guidance on identifying violations in a multiple dwelling, and (3) require that the individual has successfully demonstrated knowledge of the responsibilities of a certified inspector or certified supervisor, as the case may be, and the requirements of sections 173.13 and 173.14 of the health code or successor rules. The department shall provide for the continuing education of inspection and supervisory personnel.

§17-181 Lead-based paint; dry scraping and dry sanding prohibited. The dry scraping or dry sanding of lead-based paint or paint of unknown lead content in any dwelling, day care center or school is hereby declared to constitute a public nuisance and a condition dangerous to life and health. For the purpose of this section, dry scraping and dry sanding shall mean the removal of paint or similar surface-coating material by scraping or sanding without using water misting to reduce dust levels or other method approved by the department. The department shall promulgate such additional rules as necessary for the enforcement of this section.

§17-185 Inspection by the Department of Unsafe Work Practices. The department shall promulgate rules requiring the department to respond to complaints regarding unsafe lead-based paint work practices.

§17-186 Lead poisoning prevention in children. a. The department shall develop a brochure which, at a minimum, advises all appropriate medical providers of their obligations to screen and test children for lead poisoning according to all relevant federal, state and local laws, rules and regulations. Such pamphlet shall be distributed to all appropriate medical providers on an annual basis, starting on September 15, 2004.

b. The department shall develop a pamphlet regarding lead poisoning prevention in children. Such pamphlet shall, at a minimum, be printed in English and Spanish and shall include, at a minimum: (i) the manner in which children are most likely poisoned by lead; (ii) the effects of lead poisoning on a child's health; (iii) the intervals at which a child is required by New York state law to be tested for blood lead levels; (iv) the appropriate telephone numbers to obtain lead poisoning screening, diagnosis and treatment information; (v) the steps a parent or

guardian may take to protect his or her child from lead poisoning; and (vi) the requirement of landlords to inspect and repair lead-based paint hazards.

c. At a minimum, the department shall distribute the pamphlet produced pursuant to paragraph b of this section with each birth certificate furnished to the parent or guardian of a child pursuant to section 17-168 of this title. Such pamphlet shall also be made available to any member of the public upon request.

§8. Subdivision 1 of subsection a of section § 11-243 of the administrative code of the city of New York is amended to read as follows:

1. "Alteration" and "improvement": a physical change in an existing dwelling other than painting, ordinary repairs, normal replacement of maintenance items, [except that painting or repairs designated to eliminate the lead-based paint poisoning hazard shall be eligible for tax exemption and tax abatement under this section and] provided, however, that ordinary repairs and normal replacement of maintenance items, as defined by [regulations] *rules* adopted by the department of housing preservation and development pursuant to subdivision m of this section, shall be eligible for tax exemption and tax abatement under this section provided that repairs and maintenance items:

(1) were started and completed within a twelve-month period,

(2) were made to any common area of the dwelling premises concurrently with a major capital improvement thereto, as defined by [regulations] *rules* adopted by the department of housing preservation and development pursuant to subdivision m of this section, and

(3) require the issuance of a permit for at least one item thereof by any city agency, and

(4) the amount of money expended thereon shall not exceed two times the amount expended on the major capital improvement performed concurrently therewith.

"Alteration" and "improvement" shall also mean "an abatement" of lead-based paint hazards, as defined in part 745 of title forty of the code of federal regulations or any successor regulations, and shall include an "inspection" and "risk assessment" for lead-based paint hazards, as defined in such part, in a dwelling unit occupied by a child of applicable age, as established in accordance with section 27-2056.18 of this code, regardless of whether a child is or has been lead poisoned but shall not include any work performed to comply with a notice of violation issued for a violation of article fourteen of subchapter two of chapter .

§9. Title 17 of the administrative code of the city of New York is amended by adding a new chapter nine to read as follows:

Chapter 9
Lead-Based Paint in Day Care Facilities
Subchapter 1
Definitions

§17-900 Definitions.

Subchapter 2
Remediation of Lead-Based Paint Hazards in Day Care Facilities

§17-910 Presumption.
§17-911 Remediation.
§17-912 Department Rules.
§17-913 Annual Inspection.

Subchapter 1
Definitions

§17-900 Definitions. For the purpose of this chapter the following terms shall have the following meanings:

1. " Chewable surface" shall mean a protruding interior window sill in a day care facility that is readily accessible to a child of applicable age. "Chewable surface" shall also mean any other type of interior edge or protrusion in a day care facility, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where the operator of such day care facility has observed that a child under six years of age has mouthed or chewed such edge or protrusion.

2. "Day care facility" shall mean any facility used to provide day care service.

3. "Day care service" shall mean any service which, during all or part of the day, regularly gives care to seven or more children under six years of age, not all of common parentage, which operates more than five hours per week for more than one month a year. Day care service shall not mean a kindergarten or higher grade in a facility operated by the board of education.

4. "Deteriorated subsurface" shall mean an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including but not limited to, rotted or decayed wood, or wood or

plaster that has been subject to moisture or disturbance.

5. "Friction Surface" shall mean any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion, and abrade, scrape or bind when in motion. Friction surfaces shall include, but not be limited to, window frames and jambs, doors, and hinges.

6. "Impact Surface" shall mean any interior painted surface that shows evidence, such as marking, denting, or chipping, that it is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

7. "Lead-based paint" shall mean paint or other similar surface-coating material containing 1.0 milligrams of lead per square centimeter or greater, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. If an x-ray fluorescence analyzer is used, readings shall be corrected for substrate bias when necessary as specified by the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings shall be classified as positive, negative or inconclusive in accordance with the United States department of housing and urban development "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997) and the PCS released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings that fall within the inconclusive zone, as determined by the performance characteristic sheets, shall be confirmed by laboratory analysis of paint chips, results shall be reported in milligrams of lead per square centimeter and the measure of such laboratory analysis shall be definitive. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, laboratory analysis may be reported in percent by weight. In such case, lead-based paint shall mean any paint or other similar surface-coating material containing more than 0.5% of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

8. "Lead-based paint hazard" shall mean any condition that causes exposure to lead from lead-contaminated dust, from lead-based paint that is peeling, or from lead-based paint that is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.

9. "Lead-contaminated dust" shall mean dust containing lead at 40 or more micrograms per square foot on a floor, 250 or more micrograms per square foot on window sills, and 400 or more micrograms per square foot on window wells, or such more stringent standards as may be adopted by the New York City board of health.

10. "Operator of such day care facility" shall mean any person who provides day care service and the owner of the premises where such day care facility is located. "Person" shall mean an individual, corporation, partnership, association or other for-profit or not-for-profit entity.

11. "Peeling" shall mean that the paint or other surface-coating material is curling, cracking, scaling, flaking, blistering, chipping, chalking, or loose in any manner, such that a space or pocket of air is behind a portion thereof or such that the paint is not completely adhered to the underlying surface.

12. "Remediation" or "Remediate" shall mean the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead based paint, or other method approved by the commissioner of health and mental hygiene.

Subchapter 2

Remediation of Lead-Based Paint Hazards in Day Care Facilities

§17-910 Presumption. a. All paint or similar surface-coating material on the interior of any day care facility in a structure erected prior to January 1, 1978, shall be presumed to be lead-based paint.

b. The presumption established by this section may be rebutted by the operator or owner of the day care facility by submitting to the department a sworn written statement by the operator or owner of the day care facility supported by lead-based paint testing or sampling results, a sworn written statement by the person who performed the testing if performed by an employee or agent of the operator or owner of the day care facility, and such other proof as the department may require. Testing performed to rebut the presumption may only be performed by a person who has been certified as an inspector or risk assessor in accordance with subparts L and Q of part 745 of title 40 of the code of federal regulations or successor regulations. The determination as to whether such proof is adequate to rebut the presumption established by this section shall be made by the department.

§17-911 Remediation. a. There shall be no peeling lead-based paint in any portion of any day care facility.

b. Lead based paint or paint of unknown lead content that is peeling, or which is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces shall be immediately remediated in a manner authorized by the department.

c. Any equipment that is painted shall be painted with lead-free paint.

d. Whenever a condition prohibited by this section is found to exist, the department shall immediately serve an order on the operator or owner of such day care facility to remediate the condition. In the event such order is not complied with within forty-five days of service thereof, the department shall immediately request an agency of the city of New York to execute such order pursuant to the provisions of section 17-147 of this code. The agency shall execute the order within forty-five days of the department's request. The city of New York shall be entitled to enforce its rights for reimbursement of expenses incurred thereby, including as credits toward lease payments.

e. When lead-based paint hazards are remediated pursuant to this section such work shall be performed in compliance with work practices established by the department pursuant to section 17-912 of this subchapter.

§17-912 Department rules. The department shall promulgate such rules as may be necessary for the implementation of this chapter. Such rules shall incorporate work practices that are no less protective of public health than those set forth in section 173.14 (d) and (e) and those parts of subdivision b of the health code applicable thereto or a successor rule, and shall include a requirement that lead-contaminated dust clearance testing be performed at the completion of such work. Such rules shall require that such work be performed by a person who has, at a minimum, successfully completed a course on lead-safe work practices given by or on behalf of the department or, by the United States environmental protection agency or an entity authorized by it to give such course, or by the United States department of housing and urban development or an entity authorized by it to give such course. Such rules shall not apply where such work disturbs surfaces of less than (a) two square feet of peeling lead-based paint per room or (b) ten percent of the total surface area of peeling paint on a type of component with a small surface area, such as a window sill or door frame.

§17-913 Annual Survey. The operator of a day care facility shall conduct a survey of such facility annually, and more often if necessary, to determine the physical condition of surface-coating material throughout each such facility and shall provide a copy of the survey results to the department.

§10. All actions taken by the departments of housing preservation and development and health and mental hygiene pursuant to local law 38 of 1999 and local law 1 of 1982 shall be deemed valid to the extent that all violations written, and fines or penalties assessed, as well as any costs for repairs of such violations shall remain valid and enforceable, provided, however, that any such violations which remain uncorrected on the effective date of this local law shall be repaired using the work practices established pursuant to section 27-2056.11(a)(1) as added by section 5 of this local law, and the rules promulgated thereunder, and certified to the department of housing preservation and development in accordance with section 27-2056.10(c)(5) and subdivision (l) of section 27-2115 of the administrative code of the city of New York, as added by section five of this local law, and the rules promulgated thereunder pursuant to this local law.

§11. If any sentence, paragraph, section or part of this local law shall be adjudged invalid by a court of competent jurisdiction such judgment shall not impair or invalidate the remainder thereof but shall be confined to that part.

§12. Paragraph 4 of subdivision e of section 27-2056.4 of the administrative code of the city of New York, as added by section 5 of this local law, shall take effect immediately, and all other provisions of this local law shall take effect one hundred eighty days after its enactment, except that the commissioners of health and mental hygiene and housing preservation and development shall promulgate all rules and take all other actions necessary to implement this local law, other than paragraph 4 of subdivision e of section 27-2056.4, on or before the date upon which it shall take effect.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of the City of New York, passed by the Council on December 15, 2003, disapproved by the Mayor on December 17, 2003 and repassed by the Council Members on February 4, 2004 and said law is adopted notwithstanding the objection of the Mayor.

VICTOR L. ROBLES, City Clerk, Clerk of the Council

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27

Pursuant to the provisions of Municipal Home Rule Law §27, I hereby certify that the enclosed Local Law (Local Law 1 of 2004, Council Int. No. 101-A) contains the correct text and:

Received the following vote at the meeting of the New York City Council on December 15, 2003: 44 for, 5 against, 1 not voting.

Was disapproved by the Mayor on December 17, 2003.

Was returned to the City Clerk on December 19, 2003.

Was reconsidered by the Council on February 4, 2004 and received the following vote of the Council members at a meeting of the Council on February 4, 2004: 44 for, 5 against, 1 not voting.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel

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CERTIFICATION BY SPONSOR AND PRINCIPAL

THE 350 EAST 81ST STREET CONDOMINIUM

350 EAST 81ST STREET, NEW YORK, NEW YORK

We are the Sponsor and the principal 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 23 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(1) knew the truth;

(2) with reasonable effort could have known the truth;

(3) made no reasonable effort to ascertain the truth; or

(4) 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.

SPONSOR: HADRAMANT LLC

By: _____
MARCOS CAMHIS

PRINCIPAL OF SPONSOR: _____
MARCOS CAMHIS

REPUBLIC OF GREECE
PROVINCE OF ATTICA
CITY OF ATHENS
EMBASSY OF THE UNITED
STATES OF AMERICA

Sworn to before me this
31st day of July, 2018

_____
Notary Public

Natalia S. Presson
Consular Associate

JANET OLMSTED CROSS, AIA
CROSS ARCHITECTURE
167 MADISON AVENUE, #301
NEW YORK, NEW YORK 10016

CERTIFICATION OF SPONSOR'S ENGINEER OR ARCHITECT
PURSUANT TO 13 NYCRR SECTION 23.4

Real Estate Financing Bureau
New York State Department of Law
28 Liberty Street
New York, New York 10005

Re: 350 East 81st Street, New York, N.Y.

The undersigned, an architect registered in New York State, hereby certifies as follows:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report disclosing the condition of the property (the "Report"). I/We visually inspected the property numerous times, including but not limited to on January 8, 2020, and prepared the Report dated January 8, 2020, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I/We understand that I am/we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to the Report.

I/We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I/we certify that the Report and all documents prepared by me/us disclose all the material facts which were then discernible from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made.

I/We certify that the Report based on my/our visual inspection:

(1) sets forth in narrative form the physical condition of the entire property and is current and accurate as of the date of inspection;

(2) in my/our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;

(3) does not omit any material fact;

(4) does not contain any untrue statement of a material fact;

(5) does not contain any fraud, deception, concealment, or suppression;

(6) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) does not contain any representation or statement which is false, where I/we:

(1) knew the truth;
(2) with reasonable effort could have known the truth;
(3) made no reasonable effort to ascertain the truth; or
(4) did not have knowledge concerning the representation or statement made.

It is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I/We further certify that I am/we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing the 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.

Janet Olmsted Cross, AIA

Sworn to before me this
24th day of February, 2020

Ricardo F Mendes
Notary Public

RICARDO F MENDES
Notary Public, State of New York
Commission No. 01ME6177155
Qualified in Dutchess County
Commission expires Nov. 13th, 2023

REGISTERED ARCHITECT
JANET OLMSTED CROSS
031026
STATE OF NEW YORK

NEW YORK CITY MANAGEMENT
381 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10016

THE 350 EAST 81ST STREET CONDOMINIUM

350 EAST 81ST STREET, NEW YORK, NEW YORK

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

The sponsor of the condominium offering plan for the captioned property retained this firm to prepare Schedule B containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes ownership, operation and management of various forms of real property in New York City and elsewhere for more than ten years; during that period, we have managed not less than 40 residential buildings.

I/We understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to Schedule B.

I/We have reviewed Schedule B and have investigated the facts set forth in Schedule B and the facts underlying it with due diligence in order to form a basis for this certification. I/We also have relied on my/our experience in owning, operating and managing residential buildings.

I/We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/We certify that Schedule B:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I/we:

(1) knew the truth;

(2) with reasonable effort could have known the truth;

(3) made no reasonable effort to ascertain the truth; or

(4) did not have knowledge concerning the representation or statement made.

I/We further certify that I am/we are not owned or controlled (or employed) by the sponsor. I/We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

ARI WEISFOGEL

Sworn to before me this
14th day of February, 2020

Laura Doherty
Notary Public

LAURA DOHERTY
NOTARY PUBLIC, State of New York
No. 01D05027575
Qualified in Bronx County
Commission Expires 05/09/2022

ASHMULEWITZ/6398.0904/2378505

STATE OF NEW YORK | DEPARTMENT OF LAW

REAL ESTATE FINANCE BUREAU

M E M O R A N D U M

Re: Disclosure Requirements for Occupied Conversions Regarding Tenant Protections from Eviction and Unconscionable Rent Increases

June 19, 2013

The New York State Department of Law (DOL) has seen a recent increase in the number of offering plans for non-eviction conversion of buildings from residential rental status to cooperative or condominium ownership. This memorandum sets forth the disclosure requirements related to the provisions of General Business Law (GBL) §§ 352-eee and 352-eeee) and relevant judicial decisions that determine when unregulated tenants become protected from eviction and from unconscionable rent increases, and the extent of such protections for unregulated tenants whose tenancy commences after an offering plan is declared effective.*

Statutory Protection Against Eviction in Non-Eviction Plans

Both GBL § 352-eee (governing conversions in certain jurisdictions in Nassau, Rockland and Westchester Counties) and GBL § 352-eeee (governing conversions in New York City) require that non-eviction plans state that "[n]o eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy." GBL §§ 352-eee(2)(c)(ii), 352-eeee(2)(c)(ii).

Both sections define "[n]on-purchasing tenant" as, "[a] person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant." Id. §§ 352-eee(1)(e), 352-eeee(1)(e).

* This memorandum does not address the timing or scope of protections for non-purchasing seniors or disabled persons under GBL §§ 352-e, 352-eee, and 352-eeee.

Protection Against Unconscionable Rent Increases

The GBL further provides that non-purchasing tenants "shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy." Id. §§ 352-eee(2)(c)(iv), 352-eeee(2)(c)(iv).

Protections Generally Commence When a Plan is Declared Effective

Construing these provisions, the Appellate Division, First Department, has held that, "[w]here an unregulated tenancy has expired" before an offering plan is declared effective, "absent some special circumstance, the tenant retains only the minimal protections applicable to the common-law 'tenant at sufferance.'" MH Residential I, LLC v. Barrett, 78 A.D.3d 99, 104 (1st Dep't 2010) (citation omitted). Applying this principle, the First Department has found that unregulated tenants "whose leases had expired and holdover proceedings commenced," but no "warrants of eviction" had yet "issued" when the offering plan was declared effective, are not entitled to protection from eviction under GBL § 352-eeee(2)(c)(ii).

In the absence of a controlling decision from another Department of the Appellate Division, a decision of the First Department is binding on trial courts located in other departments. See Mountain View Coach Lines, Inc. v. Storms, 102 A.D.2d 663, 664 (2d Dep't 1984). Thus, unless and until another Department of the Appellate Division disagrees with MH Residential I or the issue is presented to the Court of Appeals, the First Department's holding in MH Residential I is binding on trial courts state-wide.

"Special Circumstance"

A "special circumstance" is, almost by definition, something that cannot be defined by hard-and-fast rules. There are no reported judicial decisions interpreting the phrase "special circumstance." Under the First Department's decision in MH Residential I, the courts may determine that "special circumstance[s]" are present allowing for greater protection for tenants.

Unregulated Tenants Who First Occupy
Unsold Apartments After the Plan is Declared Effective

The applicability of protections from eviction and unconscionable rent increases after the offering plan has been declared effective depends on the location of the building or complex undergoing conversion.

The Appellate Term, Second Department--the court to which appeals from housing court decisions in Kings, Queens, and Richmond Counties are directed--has held that unregulated tenants who first occupy sponsor-owned apartments after the offering plan is declared effective are protected from eviction and from "unconscionable" rent increases. Geiser v. Maran, 189 Misc. 2d 442, 445 (App. Term 2d Dep't 2001); Paikoff v. Harris, 185 Misc. 2d 372, 377-78 (App. Term 2d Dep't 1999).

The Appellate Division and Appellate Term, Second Department, have not addressed whether, in jurisdictions in Nassau, Rockland, and Westchester Counties subject to GBL § 352-eee, non-purchasing tenants who rent unsold apartments or units after the offering plan is declared effective are protected from eviction and from unconscionable rent increases. However, the relevant provisions of GBL §§ 352-eee and 352-eeee are identical, so, absent a contrary decision, Geiser and Paikoff should control in GBL § 352-eee jurisdictions.

The Appellate Term, First Department (Bronx and New York Counties) has reached the opposite conclusion, and has held that unregulated tenants who rent unsold apartments or units after the offering plan is declared effective are not protected from eviction or from "unconscionable" rent increases. Park West Village Assocs. v. Nishoika, 187 Misc. 2d 243, 245 (App. Term 1st Dep't 2000).

Model Disclosures

All offering plans for tenanted non-eviction conversions must disclose when the protections from eviction and from unconscionable rent increases commence and whether they apply to tenants whose tenancy commences after the offering plan is declared effective. These disclosures should be included in the "rights of existing tenants" section of the offering plan. See 13 NYCRR §§ 18.3(m)(1)(iii), 23.3(n)(7).

Given the existing state of the law, the following paragraphs are examples of disclosures that are acceptable for plans and amendments to plans for conversions of buildings or complexes located in Kings, Queens, Richmond, Nassau, Rockland, and Westchester Counties:

> Under this non-eviction offering plan, tenants whose leases expire and against whom holdover proceedings are commenced before the offering plan is declared effective retain only the minimal protections available to the common-law "tenant at sufferance," and **ARE NOT PROTECTED** from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases absent some special circumstance, as found by a court of competent jurisdiction.
>
> Tenants who lease unsold [apartments/units] after the offering plan is declared effective are protected from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases. Unconscionable increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy."

Given the existing state of the law, the following paragraphs are examples of disclosures that are acceptable for plans and amendments to plans for conversions of buildings or complexes located in Bronx and New York Counties:

> Under this non-eviction offering plan, tenants whose leases expire and against whom holdover proceedings are commenced before the offering plan is declared effective retain only the minimal protections available to the common-law "tenant at sufferance," and **ARE NOT PROTECTED** from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases absent some special circumstance, as found by a court of competent jurisdiction.
>
> Tenants who lease unsold [apartments/units] after the offering plan is declared effective **ARE NOT PROTECTED** from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases. Unconscionable increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy."

This memorandum is effective immediately. All non-eviction offering plans submitted for conversion of buildings from residential rental status to cooperative or condominium ownership that have not yet been accepted for filing by the DOL must include such disclosure.

STATE OF NEW YORK DEPARTMENT OF LAW

REAL ESTATE FINANCE BUREAU

M E M O R A N D U M

Re: Guidance on Compliance With the NYC Reserve Fund Law[1]

Date: May 4, 2015

I. Introduction

Landlords in New York City seeking to convert buildings with residential units to condominium ownership must comply with Local Law 70 of 1982 (Title 26, Chapter 8 of the New York City Administrative Code, 26-701 *et seq.*), commonly referred to as the Reserve Fund Law.[2] Additionally, sponsors are required to disclose compliance with Reserve Fund Law in the offering plan. Required disclosures are set forth in 13 N.Y.C.R.R. § 23.3(ac)(1) through (6) and the Reserve Fund Law. Violations of the Reserve Fund Law carry both civil and criminal sanctions. The Attorney General can and has sought injunctive and monetary relief against sponsors violating their offering plan representations regarding compliance with the Reserve Fund Law. This memo is a guidance document meant to assist sponsors in complying with the disclosure requirements of the Martin Act and governing regulations regarding the Reserve Fund Law.[3]

A reserve fund must be established pursuant to the Reserve Fund Law. A working capital fund, which may be established by a sponsor, is not a reserve fund.

[1] This memo has been reviewed by the City of New York Department of Housing Preservation and Development (HPD). HPD is the agency charged with oversight of the Reserve Fund Law. HPD approves the statements made in this memo regarding the Reserve Fund Law.

[2] Because most conversions involve condominiums, this memo will focus exclusively on condominium conversions. However, the same analysis governs cooperative conversions. The Reserve Fund Law and DOL regulations governing cooperative conversions also require certain disclosures regarding reserve funds.

[3] Buildings where construction was completed within three years prior to conversion may be exempt from the requirements of the Reserve Fund Law upon successful application made to the City of New York Department of Housing Preservation and Development. *See* N.Y.C Admin. Code § 26-703(d).

II. Reserve Fund Calculations

The Reserve Fund Law provides two methods of calculating mandatory contributions. The first option requires the entire contribution to be funded within thirty days of closing of the conversion (*i.e.*, within thirty days after the first residential unit closing has taken place). The second alternative permits the contribution to be paid out over five years. The sponsor may elect which of the two alternatives it prefers at the time of the initial contribution is made, and such decision must be disclosed in the post-closing amendment.

a. Reserve Fund is Funded Within 30 Days of the First Closing ("Option 1")

The first option requires an initial contribution of 3% of the "total price," which is the sum of the offering of all units in the offering at the last price that was offered to tenants in occupancy prior to the effective date of the plan.[4] This means that the total price is the sum of the tenant offering prices of all residential units that were offered for sale, whether occupied or not (*i.e.*, the amount on the Schedule A prior to the effective date, excluding commercial units). Funding of the initial contribution must be made within 30 days of the first residential unit closing, referred to in the Reserve Fund Law as "the closing of a conversion pursuant to an offering plan," and the Reserve Fund account must be transferred to the condominium board (*i.e.*, the reserve fund monies cannot be in an account owned by sponsor).

Sponsor must determine if any units should be deducted from Schedule A when calculating the total price. Based upon a plain reading of the Reserve Fund Law, the superintendent's unit, ancillary spaces (*e.g.*, wine cellars, storage spaces and other amenities such as parking that are separately deeded or licensed), and non-residential units (*e.g.*, commercial units, community facilities) may be excluded. The superintendent's unit would be excluded only if the unit is not offered for sale to the public. If this is not the case, and such unit is being offered to a bona fide purchaser, then it must be included in the calculation. All non-residential units are excluded because the Reserve Fund Law makes references to "bona fide purchasers," which are residential purchasers under the Martin Act. This section is subject to taking the credit as described in c below. In this case the entire payment is considered the mandatory initial contribution.

b. Reserve Fund is Paid Over Time ("Option 2")

Option 2 is more complex and has a number of steps, as follows:

---

[4] Turtle Bay Towers Corp. v. Welco Associates, 228 A.D.2d 189, 190 (1st Dept. 1996) ("last price" for purposes of calculating the amount of the reserve fund is the last price prior to the plan being declared effective and not the last price following the 90-day exclusive period offered to tenants in occupancy following acceptance of the plan for filing by the DOL); Bd. of Managers of 184 Thompson St. Condo. v. 184 Thompson St. Owner LLC, 106 A.D.3d 542, 542 (1st Dept. 2013).

1. It is necessary to determine 1% of the total price, which is the amount of the "mandatory initial contribution" to the reserve fund.

2. The sponsor should determine the credit it will claim for capital replacements.

3. Next, the sponsor should calculate 3% of the actual price for the sale of those residential units in contract on the date the offering plan is declared effective and determine whether this is less or more than the mandatory initial contribution. If the aggregate amount of actual sales prices by that time is less than the mandatory initial contribution, the sponsor must contribute the mandatory initial contribution to the condominium. However, if the total Credit claimed is the maximum permitted under the law, the mandatory initial contribution will equal the amount of the Credit, so there will be no mandatory initial contribution. If the Credit is less than 1% of the total price, the difference should be paid to the condominium board within 30 days of consummation of the plan. Note that the full Credit is always applied to the initial contribution to the reserve fund (which is the mandatory initial contribution). There is no credit available thereafter. An example of how to calculate the reserve fund mandatory initial contribution under this option is as follows:

3% of total price:	$150,000
1% of total price:	$50,000
Actual sales for effectiveness:	$1,000,000
3% of actual sales:	$30,000
Mandatory initial contribution:	$50,000
BUT	
Maximum Credit based on capital replacements:	$50,000
Accordingly,	
Mandatory initial contribution:	$0

3% of actual sales is less than 1% of total sales, so the mandatory initial contribution would be $50,000. However, because sponsor has a Credit of $50,000 (see (c) below), there would be no mandatory initial contribution.

4. For each closing pursuant to purchase agreements that are executed after the date the plan is declared effective, and within five years of the first closing, the sponsor must contribute to the reserve fund account an amount equal to 3% of the actual sales price of the unit no later than 30 days after the closing of the sale. In the event of a bulk sale, the

contribution may be paid at the time of bulk sale or by the successor sponsor upon each sale. The intent of the parties should be disclosed in an amendment to the offering plan.

5. If, on the date that is five years and thirty days following the first closing, the total amount contributed to the condominium reserve fund is less than the amount that would have been payable under Option 1, the difference must be paid to the condominium board on that date. Otherwise, no payment is due.

Because prices can be expected to increase over time, the reserve fund payments under Option 2 may be more, and in some cases substantially more, than they would have been had a sponsor funded using Option 1; under that circumstance, sponsor will receive no refund or allowance at the conclusion of the five-year period.

Other than as set forth above, no contributions are due after five years from the date of the first closing .

c. Capital Replacements Credit (the "Credit")

The sponsor is permitted a credit against this mandatory initial contribution for qualifying work performed between the initial submission of the offering plan to the Department of Law (the "red herring") and the date the offering plan is declared effective. Courts have held that work for which a credit is claimed may not be utilized for MCI increases as they relate to rent regulated tenants. The work, which must be identified in the offering plan together with the actual or estimated cost thereof, is limited to "capital replacements." For purposes of the Reserve Fund Law, capital replacements must include only building-wide replacements of a major component of certain systems, specifically the elevator, heating, ventilation and air conditioning, plumbing, wiring, windows, as well as a major structural replacement to the building. Replacements made to cure code violations are not considered capital replacements and thus the sponsor may not use reserve funds to cure violations of record. The amount of the Credit is limited to the lesser of (i) the actual cost of the capital replacements, or (ii) 1% of the total price. This means that if the maximum credit is claimed (1%), the reserve fund contribution when funding in full within 30 days of the first closing shall be 2% of the total price. An example of how to calculate the reserve fund contribution and the maximum credit are as follows:

Total price of offering:	$5,000,000 (this is for residential units only)
3% of total price:	$150,000

Capital replacements made by sponsor between the date the red herring is submitted and the date the plan is declared effective:

Elevator:	$50,000
Plumbing:	$50,000
Windows:	$150,000

6. If applicable, disclose the section of the by-laws that authorizes the establishment of the reserve fund.

7. Discuss whether the reserve fund will be sufficient to pay for the replacement of capital items likely to be needed as disclosed in the description of property and building condition report.

8. Identify the condominium's available means and options to finance needed capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects.

9. Disclose that reserve funds pursuant to the Reserve Fund Law shall never been used to reduce common charges.

10. Disclose the useful life of the boiler and burner, as required by 13 N.Y.C.R.R. § 23.7(k) (3) and (4).

11. Identify any warranties for capital replacements and any limitations on the warranty, including time limitations and whether the warranty covers materials only.

10. State that neither the Department of Law nor any other governmental agency has passed upon the adequacy of the reserve fund, and that the obligations under the Reserve Fund Law shall not be waived under any circumstances.

11. Disclose the obligation of the board of the condominium to provide a semi-annual report with respect to all deposits into and withdrawals from the reserve fund as mandated by the Reserve Fund Law.

12. Disclose any other matter as required at 13 N.Y.C.R.R. § 23.3(ac)(1) through (6).

STATE OF NEW YORK **DEPARTMENT OF LAW**

REAL ESTATE FINANCE BUREAU

M E M O R A N D U M

Re:	**Disclosure Requirements Regarding Building Smoking Policies Pursuant to Local Law 147**	**Issued Date:**	**August 15, 2018**
		Effective Date:	**August 29, 2018**

The New York State Department of Law ("DOL") publishes this memorandum as a guidance document pursuant to State Administrative Procedure Act § 102(14).

1. INTRODUCTION

On August 28, 2017, New York City Mayor Bill De Blasio signed Local Law 147,[1] which goes into effect on August 28, 2018. Local Law 147 amends the Administrative Code of the City of New York ("NYC Administrative Code") 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. Local Law 147 does not dictate the contents of a building's smoking policy.

As such, Local Law 147 affects most condominiums and cooperative apartment corporations ("cooperatives") located in New York City. This guidance document clarifies how Local Law 147 affects DOL disclosure requirements for sponsors of condominiums and cooperatives located in New York City with three or more residential dwelling units or apartments.[2] Solely for the purposes of this guidance document, the terms "condominium" and "cooperative" shall refer only to condominiums and cooperatives located in New York City with three or more residential dwelling units or apartments.

[1] NYC Int. 1585, 2017 Local Law 147.

[2] Please note that Local Law 147 applies to all owners of class A multiple dwellings in New York City, not only sponsors of condominiums and cooperatives. Sponsors of condominiums and cooperatives and all other owners of class A multiple dwellings in New York City are encouraged to consult with their respective attorneys to determine if they are in compliance with Local Law 147 and/or have additional obligations pursuant to Local Law 147. This guidance document pertains only to the DOL's disclosure requirements for sponsors of condominiums and cooperatives with respect to building smoking policies.

2. LOCAL LAW 147

Pursuant to Local Law 147, the owner(s) of each building in New York City with three or more residential dwelling units must establish a written smoking policy for the building no later than August 28, 2018. In the context of condominiums or cooperatives, Local Law 147 defines "owner" as the board of managers or board of directors, respectively. NYC Administrative Code § 17-506.1.

The building's smoking policy must address all indoor locations of the premises, including common areas and dwelling units, as well as all outdoor areas of the premises, including common courtyards, rooftops, balconies and patios and any outdoor areas connected to the dwelling units. The building's smoking policy must apply to all its tenants,[3] shareholders, and/or unit owners and their invitees as well as other persons on the premises. NYC Administrative Code § 17-506.1(a)(2).

A copy of the building's smoking policy must be posted in a prominent location and/or provided to all tenants, shareholders, and/or unit owners. The building's smoking policy also must be incorporated into any agreement to rent or purchase a dwelling unit, including a dwelling unit in a condominium or shares in a cooperative. Finally, the building's smoking policy must be incorporated into the bylaws or rules of the condominium or cooperative. NYC Administrative Code §§ 17-506.1(b)(2)-(5).

Failure by owners to adopt and disclose the building's smoking policy could result in civil penalties assessed by one of several New York City agencies. In addition, failure of any tenant-shareholder, condominium unit owner, or tenant who rents or leases a dwelling unit to another person to disclose the building's smoking policy could result in civil penalties. NYC Administrative Code § 17-508(e).

For further information, the full text of Local Law 147 is available at the following web address:

http://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3028946&GUID=E8E7774B-D4D0-43BB-B7E9-919852FABED8&FullText=1

3. CURRENT RESIDENTIAL SMOKING LAW IN NEW YORK CITY

The current law governing smoking in class A multiple dwellings in New York City is the Smoke-Free Air Act ("SFAA"). As of the date of this guidance document, SFAA prohibits smoking or using electronic cigarettes in common indoor areas of buildings with three or more residential dwelling units. SFAA does not prohibit smoking in private units or apartments or other private residences (except in areas where child day care centers or health care facilities operate and are open or employees are working). Owners of residential buildings are responsible for all violations reported concerning the SFAA and may incur penalties if they fail to comply with SFAA. NYC Administrative Code § 17-505.

Local Law 147 does not change the requirements of SFAA. Thus, a building cannot adopt a smoking policy permitting smoking in indoor common areas, lest the owners be in violation of SFAA.

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[3] "Tenant" means a tenant, tenant-shareholder of a cooperative apartment corporation, condominium unit owner, subtenant, lessee, sublessee or other person entitled to the possession or to the use or occupancy of a dwelling unit, when the term "tenant" is used in reference to a dwelling unit in a class A multiple dwelling. NYC Administrative Code § 17-502(xx).

For further information, the full text of SFAA is available at the following web address:

http://legistar.council.nyc.gov/LegislationDetail.aspx?ID=1526765&GUID=15D04C6D-C760-40EA-88A4-2E40C0374E43&Options=ID|Text|&Search=1210-2013

4. DOL DISCLOSURE REQUIREMENTS REGARDING THE SMOKING POLICY

An offering plan must afford potential purchasers an "adequate basis upon which to found their judgment and shall not omit any material fact." New York General Business Law ("GBL") § 352-e(1)(b). To provide prospective purchasers and contract vendees with "complete, current, and accurate" information regarding their purchase and be in compliance with Local Law 147, sponsors of condominiums and/or cooperatives must disclose the building's smoking policy in the offering plan or an amendment thereto, as applicable. 13 NYCRR Parts 18.1(b)(1); 20.1(b)(1); 21.1(b)(1); and 23.1(b)(1). The DOL will deem most changes to a condominium or cooperative's existing written smoking policy, or the adoption of a new smoking policy where there was no previously disclosed written smoking policy, to be a change in fact or circumstances that is sufficiently material to necessitate an amendment to an offering plan in which the updated or new smoking policy is disclosed. *See* 13 NYCRR Parts 18.5(a)(1), (2); 20.5(a)(1), (2); 21.5(a)(3), (4); and 23.5(a)(1), (2).

The smoking policy disclosure in the offering plan and/or amendment must address all indoor locations of the premises, including common areas and dwelling units, as well as all outdoor areas of the premises, including common courtyards, rooftops, balconies and patios and any outdoor areas connected to the dwelling units.[4] The disclosure must be included in the Special Risks and Rights and Obligations of Unit Owners sections of the offering plan. Additionally, the building's smoking policy must be incorporated into the interim lease (if applicable), purchase agreement, and bylaws or rules that are included in Part II of the offering plan pursuant to DOL regulations.

5. PROCEDURE FOR DISCLOSURE OF THE SMOKING POLICY IN OFERING PLANS AND AMENDMENTS

Effective August 29, 2018, the DOL will require sponsors of the following categories of condominium and cooperative offering plans to adhere to the specific procedures for disclosing the building's smoking policy described herein.

(a) Offering Plans Submitted to the DOL on or After August 29, 2018

Sponsors of condominium or cooperative offering plans first submitted to the DOL on or after August 29, 2018 must disclose the building's smoking policy in the offering plan. The disclosure must be in

[4] Where a non-sponsor-controlled board either fails to adopt a building smoking policy or adopts one that is not in compliance with Local Law 147 (*i.e.*, the building's smoking policy cannot comply with the disclosure requirements cited in section 4 of this guidance document), the sponsor must disclose the following in the body of an amendment to the offering plan: (1) the building's smoking policy as adopted by the non-sponsor-controlled board (or the lack of a current building smoking policy, if applicable); (2) that the building's smoking policy may not be in compliance with Local Law 147; and (3) the building's smoking policy may be required to be amended in the future to comply with Local Law 147.

accordance with the parameters set forth in **section 4** of this guidance document.

(b) Offering Plans the DOL Has Accepted for Submission But Not Yet Accepted for Filing as of August 29, 2018

Sponsors of condominium or cooperative offering plans that the DOL has accepted for submission but not yet accepted for filing as of August 29, 2018 must revise their pending offering plan to disclose the building's smoking policy prior to acceptance of the offering plan for filing. The disclosure must be in accordance with the parameters set forth in **section 4** of this guidance document.

(c) Offering Plans Filed with the DOL Prior to August 29, 2018

Sponsors of condominium or cooperative offering plans that the DOL has accepted for filing prior to August 29, 2018 must amend their offering plans to disclose the building's smoking policy, unless the smoking policy is already disclosed in the Special Risks and Rights and Obligations of Unit Owners sections of the offering plan and incorporated into the interim lease (if applicable), purchase agreement, and bylaws or rules. The disclosure must be in accordance with the parameters set forth in **section 4** of this guidance document and be included in the body of the amendment. The portions of the interim lease, purchase agreement, and bylaws or rules that have been updated to include the building's smoking policy must be attached as an exhibit to the amendment, as applicable (to the extent possible, such updated portions should be submitted in blacklined or redlined format).

However, sponsors of such offering plans are **not** required to immediately amend the offering plan to disclose the building's smoking policy prior to marketing or selling units or apartments (although the DOL highly encourages such sponsors to do so). Instead, the DOL will permit sponsors to disclose the building's smoking policy as detailed in **section 4** of this guidance document in the next substantive amendment[5] to the offering plan submitted to the DOL on or after August 29, 2018. In such amendment, sponsor also must offer a right of rescission to all contract vendees whose contracts remain executory and who did not receive written notice of the building's smoking policy prior to executing the purchase agreement, unless (1) sponsor is not required to offer contract vendees a right of rescission pursuant to **section 6** of this guidance document, or (2) sponsor has already provided such contract vendees a right of rescission due to a change in the condominium or cooperative's smoking policy (as discussed in the following two paragraphs).

If the sponsor of such an offering plan chooses not to immediately amend the offering plan to disclose the building's smoking policy, sponsor must attach a rider to the interim lease and/or purchase agreement disclosing the smoking policy prior to entering into any interim lease or purchase agreement. The rider must be limited solely to disclosure of the condominium or cooperative's smoking policy. An example of a rider to an interim lease or purchase agreement is New York City's "Sample Policy of Smoking for a Residential Building," which can be accessed at the following web address:

https://www1.nyc.gov/assets/doh/downloads/pdf/smoke/smoking-sample-policy-residential.pdf

[5] For the purposes of this guidance document, "substantive amendment" shall refer to all amendments submitted to the DOL that are not solely limited to price changes.

In addition, if the sponsor of such an offering plan chooses not to immediately amend the offering plan to disclose the building's smoking policy, sponsor must timely inform all persons who were contract vendees as of August 28, 2018 of the building's smoking policy prior to closing on the unit or apartment.[6] Sponsor also must simultaneously offer such contract vendees a right of rescission, unless sponsor is not required to offer contract vendees a right of rescission pursuant to **section 6** of this guidance document. When sponsor eventually submits to the DOL the amendment disclosing the building's smoking policy, sponsor must (1) include the rider as a back-up document to the amendment, and (2) disclose in the attorney transmittal letter whether a right of rescission was offered to contract vendees (and if rescission was not offered to contract vendees, the attorney transmittal letter must detail why rescission was not offered).[7] If the DOL determines the disclosure in the rider and/or the offer of rescission was inadequate, the DOL may require sponsor to provide a right of rescission to all contract vendees whose contracts remain executory regardless of whether such contract vendee was previously offered a right of rescission.

(d) Amendments to Offering Plans Accepted for Submission But Not Yet Accepted For Filing as of August 29, 2018

Sponsors of condominium or cooperative offering plans with an amendment that the DOL has accepted for submission but not yet accepted for filing as of August 29, 2018 must revise the pending amendment to disclose the building's smoking policy prior to acceptance of the amendment for filing, unless the smoking policy is already disclosed in the Special Risks and Rights and Obligations of Unit Owners sections of the offering plan and incorporated into the interim lease (if applicable), purchase agreement, and bylaws or rules. The disclosure must be in accordance with the parameters set forth in **section 4** of this guidance document and be included in the body of the amendment. The portions of the interim lease, purchase agreement, and bylaws or rules that have been updated to include the building's smoking policy must be attached as an exhibit to the amendment, as applicable (to the extent possible, such updated portions should be submitted in blacklined or redlined format).

In such amendment, sponsor also must offer a right of rescission to all contract vendees whose contracts remain executory and who did not receive written notice of the building's smoking policy prior to executing the purchase agreement, unless (1) sponsor is not required to offer contract vendees a right of rescission pursuant to **section 6** of this guidance document, or (2) sponsor has already provided such contract vendees a right of rescission due to a change in the condominium or cooperative's smoking policy (as discussed in **section 5(c)** of this guidance document).

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[6] Sponsor must also timely inform all other contract vendees of the building's smoking policy if such contract vendees did not have prior written notice of the building's smoking policy (*e.g.*, sponsor enters into a purchase agreement with a purchaser on August 30, 2018, but does not provide such purchaser with written notice of the smoking policy prior to executing the interim lease and/or purchase agreement). Sponsor also must also offer such contract vendees a right of rescission, unless sponsor is not required to offer contract vendees a right of rescission pursuant to **section 6** of this guidance document.

[7] In instances in which a right of rescission was offered to purchasers in conjunction with a rider to the purchaser agreement, the DOL reserves the right to request a copy of sponsor's rescission offer and proof of service on contract vendees.

(e) Offering Plans with an Exemption Pursuant to Cooperative Policy Statement #5

Pursuant to Cooperative Policy Statement #5 ("CPS-5"),[8] condominiums or cooperatives with a CPS-5 exemption are required to amend the offering plan only in the scenarios delineated in CPS-5, and not all material changes to the offering plan require an amendment. Accordingly, the DOL will not deem a change to the building's existing written smoking policy, or the adoption of a new smoking policy where there was no previously disclosed written smoking policy, to be a change necessitating the submission of an amendment to the offering plan or a new or updated CPS-5 application. Therefore, sponsors of such offering plans are **not** required to amend the offering plan to disclose the building's smoking policy prior to marketing or selling units or apartments nor required to submit a new or updated CPS-5 application (unless specifically requested by the DOL). Additionally, the adoption and disclosure of an updated or new building smoking policy will **not** automatically terminate a sponsor's existing CPS-5 exemption.

If the sponsor of such an offering plan chooses not to amend the offering plan to disclose the building's smoking policy, sponsor must attach a rider to the interim lease and/or purchase agreement disclosing the smoking policy prior to executing any interim lease or purchase agreement. In so doing, the sponsor must adhere to all parameters set forth in **section 5(c)** of this guidance document, including, but not limited to, all rescission requirements. If sponsor chooses to amend the offering plan to disclose the building's smoking policy in lieu of using a rider, sponsor must also adhere to all parameters set forth in **section 5(c)** of this guidance document, including, but not limited to, all rescission requirements.

If the DOL determines the disclosure in the rider and/or the offer of rescission was inadequate, the DOL may require sponsor to provide a right of rescission to all contract vendees whose contracts remain executory regardless of whether such contract vendee was previously offered a right of rescission. Please note that each time a condominium or cooperative with an exemption pursuant to CPS-5 updates its smoking policy, the sponsor must attach an updated rider to the interim lease and/or purchase agreement unless it amends the offering plan.

6. CHANGES TO THE SMOKING POLICY

As discussed in **section 4** of this guidance document, most changes to a condominium or cooperative's existing written smoking policy, or the adoption of a new smoking policy where there was no previously disclosed written smoking policy, are changes in fact or circumstances that are sufficiently material to necessitate an amendment to an offering plan in which the updated or new smoking policy is disclosed. *See* 13 NYCRR Parts 18.5(a)(1), (2); 20.5(a)(1), (2); 21.5(a)(3), (4); and 23.5(a)(1), (2). Furthermore, a **material and adverse** change to a condominium or cooperative's existing smoking policy, or the adoption of a new smoking policy where there was no previously disclosed written smoking policy, may trigger a right of rescission for contract vendees. *See* 13 NYCRR Parts 18.5(a)(5); 20.5(a)(5); 21.5(a)(5); and 23.5(a)(5).

However, the DOL will **not** require sponsors to offer contract vendees a right of rescission due to a

[8] Cooperative Policy Statement #5 can be accessed at the following web address: https://ag.ny.gov/sites/default/files/cooperative_policy_statement_5.pdf

change in the smoking policy in the following scenarios:

- The condominium or cooperative did not have a previously disclosed written smoking policy, but the newly adopted smoking policy substantially mirrors SFAA (*i.e.*, smoking is prohibited in all common areas, but not prohibited in most individual residences);

- The condominium or cooperative's current smoking policy was disclosed to the contract vendee prior to executing the purchase agreement;

- The condominium or cooperative had a previously disclosed written smoking policy and such smoking policy has changed, but the change is not material and adverse.[9]

All other **material and adverse** changes to a condominium or cooperative's smoking policy while a contract vendee's contract is still executory will require the sponsor to provide all such contract vendees with a right of rescission and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right of rescission. *See* 13 NYCRR Parts 18.5(a)(5); 20.5(a)(5); 21.5(a)(5); and 23.5(a)(5).

Although Local Law 147 does not require purchase agreements signed prior to August 29, 2018 to disclose the building's smoking policy, the building's smoking policy created pursuant to Local Law 147 will be binding on purchasers who signed purchase agreements prior to August 29, 2018. Therefore, the enactment of a material and adverse change to a building's smoking policy, or the adoption of a new smoking policy pursuant to Local Law 147 where there was no previously disclosed written smoking policy, may trigger a right of rescission for any contract vendee who executed a purchase agreement prior to August 29, 2018 if such purchase agreement remains executory and the contract vendee did not receive written notice of the building's smoking policy prior to executing the purchase agreement.

7. FAILURE TO DISCLOSE OR ADEQUATELY DISCLOSE THE SMOKING POLICY OR CHANGES TO THE SMOKING POLICY

The DOL reserves the right to reject offering plans and amendments thereto that fail to comply with this guidance document and all other applicable laws and regulations. Additionally, the Attorney General has the authority under Article 23-A of the GBL to investigate and strictly enforce violations of the statutes and regulations governing disclosure requirements. Nothing contained in this guidance document shall be construed to be a waiver of or a limitation on the Attorney General's authority to take enforcement action pursuant to Article 23-A of the GBL and other applicable provisions of law, except as expressly stated herein.

[9] Examples of changes to a building's smoking policy that the DOL would not deem to be material and adverse changes requiring rescission would be if the only change to the building's smoking policy is a change to the penalties associated with violating the smoking policy, or if smoking was previously permitted in an outdoor common area during certain hours and such hours change slightly.

Protect Your Family From Lead in Your Home

EPA United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

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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 eat healthy, low-fat foods high in iron, calcium, and vitamin C.
- 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.

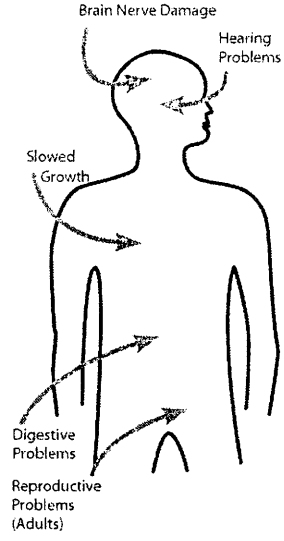
Women of childbearing age should know that lead is dangerous to a developing fetus.

- 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 sampling 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.

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]

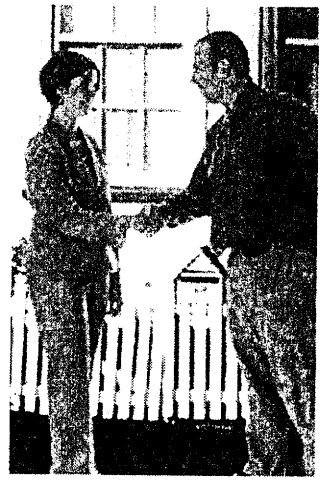
[3] Hearing-or speech challenged individuals may access this number through TTY by calling the Federal Relay Service at 1-800-877-8399.

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 eat nutritious, low-fat meals high in iron, and calcium, such as spinach and dairy products. Children with good diets absorb less lead.

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 page12) 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.

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.

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Renovating, Remodeling, or Repairing (RRP) a Home with Lead-Based Paint

If you hire a contractor to conduct renovation, repair, or painting (RRP) projects in your pre-1978 home or childcare facility (such as pre-school and kindergarten), your contractor must:

- Be a Lead-Safe Certified firm approved by EPA or an EPA-authorized state program
- Use qualified trained individuals (Lead-Safe Certified renovators) who follow specific lead-safe work practices to prevent lead contamination
- Provide a copy of EPA's lead hazard information document, *The Lead-Safe Certified Guide to Renovate Right*

RRP contractors working in pre-1978 homes and childcare facilities must follow lead-safe work practices that:

- **Contain the work area.** The area must be contained so that dust and debris do not escape from the work area. Warning signs must be put up, and plastic or other impermeable material and tape must be used.
- **Avoid renovation methods that generate large amounts of lead-contaminated dust.** Some methods generate so much lead-contaminated dust that their use is prohibited. They are:
  - Open-flame burning or torching
  - Sanding, grinding, planing, needle gunning, or blasting with power tools and equipment not equipped with a shroud and HEPA vacuum attachment and
  - Using a heat gun at temperatures greater than 1100°F
- **Clean up thoroughly.** The work area should be cleaned up daily. When all the work is done, the area must be cleaned up using special cleaning methods.
- **Dispose of waste properly.** Collect and seal waste in a heavy duty bag or sheeting. When transported, ensure that waste is contained to prevent release of dust and debris.

To learn more about EPA's requirements for RRP projects visit epa.gov/getleadsafe, or read *The Lead-Safe Certified Guide to Renovate Right.*

Other Sources of Lead

While paint, dust, and soil are the most common sources of lead, other lead sources also exist:

- **Drinking water.** Your home might have plumbing with lead or lead solder. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might contain lead:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.

  Call your local health department or water supplier to find out about testing your water, or visit epa.gov/lead for EPA's lead in drinking water information.
- **Lead smelters** or other industries that release lead into the air.
- **Your job.** If you work with lead, you could bring it home on your body or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture. Call your local health department for information about hobbies that may use lead.
- Old **toys** and **furniture** may have been painted with lead-containing paint. Older toys and other children's products may have parts that contain lead.[4]
- Food and liquids cooked or stored in **lead crystal** or **lead-glazed pottery or porcelain** may contain lead.
- Folk remedies, such as **"greta"** and **"azarcon,"** used to treat an upset stomach.

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[4] In 1978, the federal government banned toys, other children's products, and furniture with lead-containing paint (16 CFR 1303). In 2008, the federal government banned lead in most children's products. The federal government currently bans lead in excess of 100 ppm by weight in most children's products (76 FR 44463).

For More Information

The National Lead Information Center
Learn how to protect children from lead poisoning and get other information about lead hazards on the Web at epa.gov/lead and hud.gov/lead, or call **1-800-424-LEAD (5323).**

EPA's Safe Drinking Water Hotline
For information about lead in drinking water, call **1-800-426-4791**, or visit epa.gov/lead for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline
For information on lead in toys and other consumer products, or to report an unsafe consumer product or a product-related injury, call **1-800-638-2772,** or visit CPSC's website at cpsc.gov or saferproducts.gov.

State and Local Health and Environmental Agencies
Some states, tribes, and cities have their own rules related to lead-based paint. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your state or local contacts on the Web at epa.gov/lead, or contact the National Lead Information Center at **1-800-424-LEAD.**

Hearing- or speech-challenged individuals may access any of the phone numbers in this brochure through TTY by calling the toll-free Federal Relay Service at 1-800-877-8339.

U. S. Environmental Protection Agency (EPA) Regional Offices

The mission of EPA is to protect human health and the environment. Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT) One Congress Street
Boston, MA 02114-2023
(617) 918-1524

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 205, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3
1650 Arch Street
Philadelphia, PA 19103
(215) 814-2088

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
AFC Tower, 12th Floor, Air, Pesticides & Toxics
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-7836

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and 66 Tribes)

Regional Lead Contact
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-2704

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
11201 Renner Blvd.
WWPD/TOPE
Lenexa, KS 66219
(800) 223-0425

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
1595 Wynkoop St.
Denver, CO 80202
(303) 312-6966

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. EPA Region 9 (CMD-4-2)
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4280

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Solid Waste & Toxics Unit (WCM-128)
1200 Sixth Avenue, Suite 900
Seattle, WA 98101
(206) 553-1200

Consumer Product Safety Commission (CPSC)

The CPSC protects the public against unreasonable risk of injury from consumer products through education, safety standards activities, and enforcement. Contact CPSC for further information regarding consumer product safety and regulations.

CPSC
4330 East West Highway
Bethesda, MD 20814-4421
1-800-638-2772
cpsc.gov or saferproducts.gov

U. S. Department of Housing and Urban Development (HUD)

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. Contact HUD's Office of Healthy Homes and Lead Hazard Control for further information regarding the Lead Safe Housing Rule which protects families in pre-1978 assisted housing and the lead hazard control and research grant programs.

HUD
451 Seventh Street, SW, Room 8236
Washington, DC 20410-3000
(202) 402-7698
hud.gov/offices/lead/

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U. S. EPA Washington DC 20460
U. S. CPSC Bethesda MD 20814
U. S. HUD Washington DC 20410

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IMPORTANT!

Lead From Paint, Dust, and Soil in and Around Your Home Can Be Dangerous if Not Managed Properly

- Children under 6 years old are most at risk for lead poisoning in your home.
- Lead exposure can harm young children, babies, and fetuses even before they are born.
- Homes, schools, and child care facilities built before 1978 are likely to contain lead-based paint.
- Even children who seem healthy may have dangerous levels of lead in their bodies.
- Disturbing surfaces with lead-based paint or removing lead-based paint improperly can increase the danger to your family.
- People can get lead into their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- People have many options for reducing lead hazards. Generally, lead-based paint that is in good condition is not a hazard (see page 10).