

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 INFINITY 8 ON CHERRY CONDOMINIUM
136-04 CHERRY AVENUE
FLUSHING, NEW YORK 11355**

	Price to Tenant Purchasers*	Price to Non-Tenant Purchasers
TOTAL PURCHASE PRICE FOR 75 RESIDENTIAL UNITS	\$47,020,712.00	\$55,242,600.00
TOTAL PURCHASE PRICE FOR 8 STORAGE LOCKER LICENSES	\$80,000.00	\$80,000.00
RESERVE FUND**	\$1,410,621.00	\$1,410,621.00
WORKING CAPITAL FUND***	\$0.00	\$0.00

* See the Section entitled "Rights of Existing Tenants" for a discussion of the rights of bona fide tenants to buy their own Residential Units during the first 90 days of this offering.

** This is an estimate of the minimum amount of the Reserve Fund required under the terms of a law enacted by the New York City Council without deduction for credits allowed to Sponsor. The actual amount cannot be determined until the First Closing since it depends on which option Sponsor chooses under the Reserve Fund Law. See the Section entitled "Reserve Fund."

*** The Purchaser of each Residential Unit shall be required to make a contribution to the Working Capital Fund. See the Section entitled "Working Capital Fund and Apportionments."

The Condominium will have a total of 75 Residential Units and 10 Commercial Units (not offered for sale). 75 Residential Units are being offered for sale hereby. (The Superintendent's Apartment is included in the Residential Common Elements.)

SPONSOR

CHERRY ASSOCIATES LLC
ONE PENN PLAZA, SUITE 4000
NEW YORK, NEW YORK 10119
(212) 564-2111

SELLING AGENT

KELLER WILLIAMS NYC
575 FIFTH AVENUE, 14th FL
NEW YORK, NEW YORK 10017
(212) 838-3700

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

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

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

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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PART I

SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

(See the “Definitions” Section of this Plan for definitions of capitalized terms used but not defined in this Section.)

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

1. A law enacted by the New York City Council provides a formula for determining the amount of the Reserve Fund (the “Reserve Fund Law”), which is to be used exclusively for making capital repairs, replacements and improvements for the health and safety of residents of the Building. The exact amount of the Reserve Fund cannot be ascertained until this Plan is declared effective. The Reserve Fund shall be established in an amount equal to either (i) 3% of the sum of the cost of all Residential Units offered for sale pursuant to this Plan at the last price which was offered to tenants in occupancy of the Building prior to the effective date of this Plan regardless of the number of sales made (the “Total Price”), or (ii) (A) 3% of the actual sales prices of all Residential Units offered for sale pursuant to this Plan which are sold by Sponsor at the effective date of this Plan; provided, however, that if such amount is less than 1% of the Total Price, then the Reserve Fund shall be established as a minimum of 1% of the Total Price; plus (B) supplemental contributions to be made by Sponsor at a rate of 3% of the actual sales price of Residential Units for each Residential Unit offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the effective date of this Plan and within 5 years of the First Closing notwithstanding that the total amount contributed may exceed 3% of the Total Price; and provided, further, that if 5 years from 30 days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than 3% of the Total Price, Sponsor shall pay the difference between the amount contributed and 3% of the Total Price. In accordance with the Reserve Fund Law, Sponsor is entitled to take a credit against the Reserve Fund for qualifying work performed in the Building. The aggregate credit may not exceed the lesser of the actual cost of the capital replacements or 1% of the Total Price. The exact amount of the Reserve Fund cannot be determined until the First Closing. Under no circumstances will the Reserve Fund be less than 2% of the Total Price. No Purchaser will be entitled to rescind his or her Agreement solely because the actual amount of the Reserve Fund is less than the estimated amount. The Reserve Fund under option (ii) above may be more, and, in some cases substantially more, than it would be under option (i) above because prices of Residential Units, on which the Reserve Fund is based, may be increased over time. Under option (ii), Sponsor will not receive a refund nor allowance at the conclusion of the 5 year period. However, under option (ii), the Condominium may have less funds in the Reserve Fund in the early years after the Condominium is established. See the Sections of this Plan entitled “Reserve Fund”.

2. Sponsor may engage one or more contractors to perform the following qualifying work for a possible credit against the Reserve Fund (at the following approximate costs):

- a. Sidewalk Pavement: repair the cracked and spalled sidewalk pavement on Byrd Street (estimated cost is approximately \$10,000);

- b. Fencing: remove tenant installed fencing and repair the roofing at all penetrations (estimated cost is approximately \$5,000);
- c. FISP Report: correct SWARMP condition cited in FISP Cycle 7 report and file Cycle 8 report (estimated cost is approximately \$15,000);
- d. Parapet Walls: repair cracks on main roof parapet walls (estimated cost is approximately \$45,000);
- e. Bulkhead Interior Wall: repair the deteriorated bulkhead interior wall (estimated cost is approximately \$1,000);
- f. Courtyard Paving: replace the deteriorated concrete paving in the upper level of the courtyard (estimated cost is approximately \$10,000);
- g. Hot and Cold Piping: insulate the exposed hot and cold water piping in the cellar (estimated cost is approximately \$5,000);
- h. Backflow Preventer: provide backflow preventer for the existing sprinkler service (estimated cost is approximately \$25,000);
- i. Replace All Windows: the manufacturer will provide a 10 year warranty after the replacement is completed (estimated cost is approximately \$250,000). For warranty details see Appendix 10 of the Description of Property contained in Part II of this Plan;
- j. Repaint Roof Covering: repaint roof covering with aluminum coating paint (estimated cost is approximately \$15,000);
- k. Repair Cracks on Exterior Brick Walls: repair the cracks on exterior brick walls where steel fire escape brackets are connected into the brick (estimated cost is approximately \$10,000);
- l. Repaint Steel Fire Escapes: paint (estimated cost is approximately \$15,000);
- m. Convert Existing Oil Burner: to work in combination with gas-oil conversion (estimated cost is approximately \$55,000).

Sponsor currently intends to perform the work listed in items a, b, c, e, f, h, i, j, k, l and m above and take credit for such work against the Reserve Fund, if warranted. Residential Unit Owners will be responsible for the cost of work not done by Sponsor (i.e., items d and g). Sponsor is entitled to take a credit against the Reserve Fund for the actual cost of certain capital replacements commenced in the Building after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. In accordance with the Reserve Fund Law, Sponsor's aggregate credit may not exceed the lesser of the actual cost of the capital replacements or 1% of the Total Price.

No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of certain capital items. Moreover, if Sponsor elects to fund the Reserve Fund through supplemental contributions, there may not be a sufficient amount in the Reserve Fund at the time repairs are deemed necessary or appropriate and, if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Residential Unit Owners

or Sponsor may elect to advance its contributions to the Reserve Fund and take a credit against future supplemental contributions. In addition, at Closing, Sponsor will collect from each Purchaser of a Residential Unit, on behalf of the Board, an amount equal to 2 months' Common Charges. The Working Capital Fund may be expended for any purpose, including the reduction of Common Charges, during any period, including the period during which Sponsor controls the Board (see the Section entitled "Control By Sponsor"). See the Sections of this Plan entitled "Reserve Fund" and "Working Capital Fund and Apportionments" which may be found in Part I of this Plan and the Reserve Fund Law (Local Law 70) which may be found in Part II of this Plan for more details.

3. At the time an Agreement is executed, a Purchaser is required to make a Deposit in an amount equal to \$1,000 (for Tenant Purchasers) or 10% of the Purchase Price (for all others). In the event a Purchaser defaults under the Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within 30 days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Agreement and retain, as liquidated damages, the Deposit made by the Purchaser (which Deposit may be more than 10% of the Purchase Price). If a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.04% of the Purchase Price of the Residential Unit for each day that the Closing is adjourned. If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under the Plan, or contracted for, charged or received, results in Purchaser having paid any interest in excess of that permitted by applicable law, then it is Sponsor's express intent that all excess amounts theretofore collected by Sponsor shall be credited to Purchaser. Purchasers are further advised that (i) if a Purchaser makes a Deposit in excess of \$250,000 for the purchase of a Residential Unit, such Deposit will be placed in the escrow account which will not be federally insured in excess of \$250,000 and (ii) while a Deposit is in the checking portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed \$250,000, since the federal insurance is limited to \$250,000 in total for the checking portion of the Master Escrow Account. No representation or guaranty is made by Sponsor that the Federal Deposit Insurance Corporation will insure any depositor's funds, if and when called upon to do so. Funds drawn on out-of-state or foreign banks will not be accepted in payment of the purchase for a Residential Unit unless otherwise agreed to by Sponsor in writing. THE AGREEMENT ALSO PROVIDES, IN CLEAR AND EXPLICIT TERMS, THAT EXCEPT AS PROHIBITED BY LAW, THE PARTIES WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THIS PLAN, THE AGREEMENT OR THE RELATIONSHIP CREATED THEREBY. See the Section of this Plan entitled "Procedure to Purchase" for further discussion of the foregoing.

4. Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Residential Unit pursuant to the Agreement shall not be contingent on obtaining such financing. Any Prospective Purchaser who executes an Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the Purchase Price. No representation is made by Sponsor nor any Selling Agent as to the availability or cost of financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing an Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the Closing Date. See the Section entitled "Procedure to Purchase" for further details.

5. Prior to the closing of title to a Residential Unit, Non-Tenant Purchasers are expressly prohibited from advertising the Residential Unit, listing the Residential Unit with a broker or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or lease ("Advertising Activities") without Sponsor's prior written consent. If any Non-Tenant Purchaser engages in any of the

foregoing Advertising Activities, it shall be considered an event of default under the terms of the Agreement, thereby entitling Sponsor to any and all remedies under the terms of the Agreement. Purchasers are referred to the Agreement set forth in Part II of this Plan for further details.

6. Sponsor and its designees may exercise veto power over some actions of the Board. So long as Sponsor continues to own either at least 25% in number or 25% of the Residential Common Interests of all Residential Units, but in no event later than 5 years after the First Closing, the Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements, Residential Common Elements, Residential Limited Common Elements, Commercial Limited Common Elements or to any Unit, (b) assess any Common Charges for the creation of, addition to or replacement, of all or part of a working capital, reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in this Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in this Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit. Sponsor's written consent is not necessary for the Board to incur expenses to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to (i) comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium; (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer. Sponsor may not exercise veto power over funding of expenses described in Schedule B - Projected Budget for the First Year of Operation. Sponsor will pay its respective share of Common Charges and assessments in accordance with its percent of Common Interest of ownership. See the Section entitled "Control By Sponsor" for further details.

7. Each Residential Unit Owner has the right to vote at meetings of Residential Unit Owners and to vote with respect to amendments of the Declaration and By-Laws, as more particularly described in the Section of this Plan entitled "Board of Managers" and in the Declaration and By-Laws set forth in Part II of this Plan.

8. TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE AGREEMENT, INCLUDING, WITHOUT LIMITATION, THE PAYMENT OF THE BALANCE OF THE PURCHASE PRICE. In the event Purchaser fails to close on the designated date, then Purchaser will have a 30 day period after written notice within which to cure such default, time being of the essence. In the event Purchaser does not cure such default within 30 days after Sponsor gives written notice to Purchaser of such default, Sponsor may, at its option, cancel such Agreement and retain, as liquidated damages, the Deposit made by Purchaser (which Deposit may be more than 10% of the Purchase Price). See the Section of this Plan entitled "Procedure to Purchase" for further detail.

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

10. The Superintendent will continue to occupy apartment number LB located on the Lobby/Cellar Level of the Building (the “Superintendent’s Apartment”). The Superintendent’s Apartment will be part of the Residential Common Elements and all charges attributable to the Superintendent’s Apartment, including the costs of utilities and the costs of repairs, alterations and improvements to the Superintendent’s Apartment, shall be borne by all Residential Unit Owners as a Common Expense. See the Sections of this Plan entitled “Description of Property” and “Schedule B” for further detail.

11. The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes payable with respect to each Residential Unit for the first year of Condominium operation will be allocated in proportion to each Residential Unit’s Common Interest as set forth on Schedule A – Prices of Residential Units and Related Information in Part I of this Plan. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Units in proportion to each Unit’s purchase price or imputed market value rather than its Common Interest, and, if so, Units having the same or similar percentage interests, but determined to have a higher purchase price or market value, will pay higher real estate taxes than are reflected on Schedule A. See the Section of this Plan entitled “Real Estate Taxes” for further detail.

12. Sponsor and any subsequent owner of any Unsold Residential Units have the right to subdivide and combine portions of the Unsold Residential Units, without the consent or approval of the Board, the Residential Unit Owners, the Commercial Unit Owners or the Mortgage Representatives, if any, to: change the use or layout of, or number of spaces or rooms in the Unsold Residential Units; amend the Certificate of Occupancy for the Building as it relates to the Unsold Residential Units; change the size of the Unsold Residential Units by subdividing a Unsold Residential Unit into 2 or more separate Residential Units or combining 2 or more separate Residential Units resulting from such subdivision into 1 or more Residential Units and if appropriate, reapportion among the Residential Units affected by such change in size or number their respective Common Interests, subject to the provisions of the Declaration and By-Laws. See the Section of this Plan entitled “Rights and Obligations of the Sponsor” for further detail.

13. Sponsor shall have the right, without the consent or approval of the Board, the Residential Unit Owners, the Commercial Unit Owners or the Mortgage Representatives, if any, to: change the use (including but not limited to residential use) or layout of, or number of spaces or rooms in the Commercial Units; amend the Certificate of Occupancy for the Building as it relates to the Commercial Units; change the size of any Commercial Unit by subdividing a Commercial Unit into 2 or more separate Commercial Units or combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units and if appropriate, reapportion among the Commercial Units affected by such change in size or number their respective Common Interests, subject to the provisions of the Declaration and By-Laws. See the Section of this Plan entitled “Rights and Obligations of the Sponsor” for further detail.

14. Except as set forth in Section 6.14 of the By-Laws, the Residential Units may be used only for residential purposes subject to conditions set forth in Article 9 of the Declaration. Exceptions to the restrictions on use in Section 6.14 of the By-Laws include home occupation. Sponsor and its designee and the owner of any Unsold Residential Unit may use the Residential Units for any purpose permitted by Law and may modify the certificate of occupancy to reflect a change in use, subject to conditions set forth in Article 9 of the Declaration. The Commercial Unit Owners may use the Commercial Units for any purpose permitted by Law, including, if so permitted, for residential purposes, and Sponsor may modify the certificate of occupancy to reflect a change in use, subject to conditions set forth in Article 9 of the Declaration. See the Section of this Plan entitled “Rights and Obligations of Residential Unit Owners and the Board of Managers” for further details.

15. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, Special Assessments and real estate taxes with respect to the Unsold Residential Units.

Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Residential Units. See the Section of this Plan entitled “Rights and Obligations of Sponsor” in Part I of this Plan for further details.

16. The windows (including the glass) located in any Unit shall be replaced and/or repaired at the Unit Owner’s sole cost and expense in accordance with the Condominium’s specifications and the interior side shall be washed and cleaned at such Unit Owner’s sole cost and expense. See the Section of this Plan entitled “Rights and Obligations of Residential Unit Owners and the Board of Managers” for further details.

17. Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax, which by Law are the primary obligation of a seller. For purposes of calculating the taxes payable by Purchasers, the amounts of such taxes will be included in the consideration subject to such tax. If the purchase price of the Residential Unit is \$1,000,000 or more, Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the “Mansion Tax,” which is currently 1% of the purchase price, and by Law is the primary obligation of a purchaser. See the Section of this Plan entitled “Closing Costs and Adjustments” of this Plan for further details.

18. In accordance with the terms of this Plan, Sponsor has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to one or more Non-Tenant Purchasers for investment or resale or lease occupied Residential Units to others or to retain vacated Residential Units for future rental. The Fee Mortgage (as hereinafter defined) does not obligate Sponsor to market Residential Units for sale as they become vacant. The Property is currently encumbered by a mortgage (the “Fee Mortgage”) held by Santander Bank N.A. (the “Fee Mortgagee”) in the original principal amount of \$10,150,000 having a maturity date of January 1, 2022. The Fee Mortgagee will release or partially assign the lien of the Fee Mortgage with respect to each Residential Unit as same is conveyed to Purchasers under this Plan upon payment to the Fee Mortgagee of a release price. As of the date hereof, the Fee Mortgagee will release a Residential Unit from the lien of the Fee Mortgage upon the payment of: (i) the greater of 65% of the gross sales price of the Residential Unit or 125% of the Residential Unit’s pro rata share of the original loan amount and (ii) an amount, as necessary, for the remaining loan balance to exhibit a 6.9% debt yield and a 75% loan to value as determined by an appraisal that is no more than 12 months old. See the Section of this Plan entitled “Rights of Existing Tenants” for further details.

19. This Plan may not be declared effective until Agreements have been executed and delivered for at least 15% of all Residential Units in the Building (i.e., 12 Residential Units), by bona fide residential tenants in occupancy or bona fide purchasers who purchase without fraud or discriminatory repurchase agreements or other discriminatory inducements and represents that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant. As to residential tenants who were in occupancy on the Filing Date of this Plan, the Agreement must be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements. See the Section of this Plan entitled “Effective Date” for further details.

Even if this Plan is declared effective with the minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey fewer Residential Units than the minimum number of sales if purchasers counted towards effectiveness do not ultimately close title to their Residential Units.

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 Sponsor or holder of unsold units has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be 70% or higher. 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 may also be difficult for a purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

See the Section of this Plan entitled “Effective Date” for further details.

20. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make bulk sales of Residential Units to a single Purchaser (such bulk Purchaser hereinafter referred to as “Sponsor’s Transferee”). Sponsor and Sponsor’s Transferee, if any, reserve the right to rent, rather than sell, any or all of the Residential Units as they become vacant. Sponsor’s and Sponsor’s Transferee’s, if any, right to rent, rather than sell, Residential Units once they become vacant is unconditional and exercisable in their sole discretion. Accordingly, it is possible that a significant proportion of Residential Unit Owners will not be residents of the Building and that a significant portion of occupants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor and Sponsor’s Transferee, if any, to sell more than the 15% of the Residential Units needed to declare this Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units.

Even if the Plan is declared effective with 15% of the Residential Units needed to declare this Plan effective, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number which are the subject of Agreements, if Purchasers counted towards effectiveness do not close title to their Residential Units. In the event that all of the Agreements are either rescinded or terminated prior to the First Closing, and the Declaration of Condominium has been recorded, Sponsor will re-declare this Plan effective in accordance with the Section of this Plan entitled “Effective Date”, or abandon this Plan.

21. Any sales of Residential Units occupied by Non-Purchasing Tenants are subject to the rights of such Non-Purchasing Tenants, if any, to continued occupancy under applicable rent regulation Laws and to purchase their Residential Units during a subsequent Exclusive Purchase Period, if any, which occurs prior to the effective date. Sponsor has further reserved the right to rent, license or lease any Residential Unit prior to closing the sale thereof to the Purchaser thereof or any other party and to cease marketing Residential Units for sale at any time. Accordingly, residents of the Condominium may be comprised of Residential Unit Owners, Non-Purchasing Tenants and tenants leasing from Sponsor or other Residential Unit Owners after the Property is submitted to a condominium regime. The By-Laws do not require that after the Sponsor Control Period a majority of the Board Members be owner-occupants of Residential Units or members of owner-occupant’s households who are unrelated to Sponsor and its principals. Owner-occupants and nonresident owners (including Sponsor and any other Residential Unit Owners) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing Residential Units, such as a purchase for use as a home as opposed to a purchase for investment.

Generally, “free-market” leases do not provide for any renewal rights to be exercised by tenants. Current case law provides that unless, prior to the date an offering plan is accepted for filing, a warrant of eviction has been issued for a residential tenant who has continued in occupancy of a dwelling unit under such a “free-market” lease, such tenant has a right to purchase the Residential Unit even if the term of his or her residential lease has expired prior to the date the offering plan was accepted for filing or the “black book” date. See the Section of this Plan entitled “Rights of Existing Tenants” for further details.

22. Individuals who first lease Unsold Residential Units from Sponsor after the Effective Date will not, except as may be expressly provided in their respective leases, have any special rights to purchase such Residential Units, but are protected from eviction and from “unconscionable” rent increases. In addition, a Purchaser may be acquiring a Residential Unit that has been previously occupied, but such Residential Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Any Interim Use and Occupancy Agreement for a Residential Unit entered into with a non-Tenant Purchaser will provide, however, among other things, that an uncured default by such non-Tenant Purchaser under the Agreement with respect to the Residential Unit which is the subject of the Interim Use and Occupancy Agreement will constitute a default under the Interim Use and Occupancy Agreement entitling Sponsor, at its sole option, to terminate such Interim Use and Occupancy Agreement in accordance with applicable Law. In addition, each Agreement may provide that an uncured default by the non-Tenant Purchaser under any Interim Use and Occupancy Agreement with respect to the Residential Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor, at its sole option, to terminate such Agreement and to exercise any remedies therein provided. Individuals who rent vacant Unsold Residential Units from Sponsor after the Effective Date are not Tenant Purchasers under this Plan and shall have no rights to purchase thereunder. Purchasers or any other persons entering into an Interim Use and Occupancy Agreement for a Residential Unit shall be required to pay the legal fees of Sponsor’s counsel in connection therewith upon execution of the Interim Use and Occupancy Agreement. Such legal fees are estimated to be approximately \$2,500 assuming that the Purchaser’s counsel does not negotiate the terms of the Interim Use and Occupancy Agreement. All other charges or other fees due under an Interim Use and Occupancy Agreement shall be adjusted as of the Closing to the Residential Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Interim Use and Occupancy Agreement. See the Section of this Plan entitled “Rights and Obligations of Sponsor”.

23. All legal costs, fees and expenses charged by the Purchaser’s attorney shall be the sole responsibility of each Purchaser. In addition, each Purchaser shall also be responsible for payment of the following fees to Sponsor’s attorneys, Pryor Cashman LLP, in connection with the closing of title to Purchaser’s Residential Unit: (i) the sum of \$2,500 to pay Sponsor’s legal fees, (ii) if the Purchaser requests the Closing to occur other than at the offices of Pryor Cashman LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$750 for each Closing held within Manhattan and \$1,000 for each Closing held in any borough outside Manhattan, (iii) if Sponsor, in its sole discretion, consents to a Purchaser’s request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, a fee of \$750, payable in advance, for preparation of an assignment agreement and (iv) a reschedule fee of \$300 if the Purchaser postpones the scheduled Closing (with the consent of Sponsor) less than 5 business days prior to the date thereof. See the Section of this Plan entitled “Closing Costs and Adjustments” for further details.

24. All references in this Plan to “floors” are “marketing” designations and may not be the same designation given to the floors on the plans submitted to the New York City Department of Buildings. However, in no event shall any designation, label or nomenclature used in marketing materials permit the use of any area or room in a manner which conflicts with the legally permitted use of such area or room. Purchasers are advised that, as is customary in New York, the square footage of each Residential Unit as reflected in the floor plans and on Schedule A - Prices of Residential Units and Related Information may significantly exceed the usable floor area of each Residential Unit and the actual area may be significantly less than the area listed in Schedule A. Each Residential Unit was measured on 1 or more floors from the midpoint of the exterior walls, at the Building line and/or Property line, to the midpoint of the interior walls and partitions separating a Residential Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Unit. Since measurements of Residential Units are not from interior surfaces of interior walls, the actual useable floor area of each Residential Unit is significantly

less than the square foot area listed in Schedule A. See the Section of this Plan entitled “Footnotes to Schedule A” for further details.

25. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice to, and without the consent of the Board, any Unit Owner or Mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing 1 or more such Residential Units into 2 or more separate Unsold Residential Units, (c) combine separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into 1 or more Residential Units, altering any boundary walls between 1 or more Residential Units, or otherwise, including incorporating Common Elements and/or Residential Common Elements (such as a portion of a hallway) which exclusively benefit a Residential Unit and/or Residential Limited Common Elements into such Residential Unit, (d) designate all or a part of a Residential Unit, a Common Element and/or Residential Common Element and/or Residential Limited Common Element as part of a newly created Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests and Residential Common Interests. No material change will be made in the size or number of Residential Units or in the size or quality of the Common Elements and/or Residential Common Elements except by amendment to this Plan and, when applicable, by amendment to the Declaration. Unless a Purchaser consents, no material adverse change will be made in the relevant Residential Unit’s layout or percentage of Common Interest (or Residential Common Interest) if an Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default. No material adverse change will be made in the size or quality of the Common Elements and/or Residential Common Elements unless Purchasers not in default receive a right to rescind their respective Agreements within a reasonable period of time that is not less than 15 days after the date of presentation of an amendment setting forth the right to rescind. Sponsor will return any Deposit promptly to Purchasers who rescind. See the Section of this Plan entitled “Changes in Prices and Residential Units” for further details.

26. Each Purchaser of a Residential Unit or a Commercial Unit will be obligated to enter into a power of attorney at the closing of title to the relevant Unit (the “Power of Attorney”). The form of Power of Attorney, set forth in Part II of this Plan, grants broad powers to the Board to enter into agreements affecting the Common Elements and Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements. The Power of Attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to Units owned by Sponsor. See the form of Power of Attorney set forth in its entirety in Part II of this Plan

27. Any walls or partitions contained in a Residential Unit which do not conform to the Floor Plans contained in Part II of this Plan must be removed at the Residential Unit Owner’s sole cost and expense in accordance with the provisions of the Declaration and By-Laws of the Condominium and as required by law. Any walls or partitions to be erected in a Residential Unit other than those shown on the Floor Plans contained in Part II of this Plan must conform with the requirements of the Declaration and By-Laws of the Condominium and applicable legal requirements, and the Residential Unit Owner must obtain a valid work permit and a certificate of completion from the New York City Department of Buildings for such partition or wall. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls without Sponsor’s consent or knowledge. Consequently, Sponsor makes no representation, warranty or guarantee as to whether any of said alterations were completed in compliance with all applicable governmental laws and regulations. Vacant Units owned by Sponsor will conform with the Floor Plans contained in Part II of this Plan (or a Floor Plan agreed to by Purchaser and Sponsor and attached to the relevant Agreement) and applicable legal requirements prior to conveyance to a Purchaser, unless a

Purchaser elects to purchase the Residential Unit “as is”, in which case such Purchaser undertakes to conform the Residential Unit to applicable legal requirements. See the Section of this Plan entitled “Rights and Obligations of Sponsor”.

28. Sponsor, or its designee and their respective licensees shall have, and the Commercial Units, Commercial Limited Common Elements, Residential Units, Common Elements, Residential Common Elements and Residential Limited Common Elements shall be subject to, an easement, for any lawful purpose including but not limited to: (a) to install, utilize, operate and maintain satellite dishes, antenna, telecommunications equipment and similar equipment on the roof and/or the Facade of the Building and elsewhere on the Common Elements, Commercial Limited Common Elements, Residential Common Elements and Residential Limited Common Elements and the conduit and other Facilities relating thereto, and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Commercial Unit, Commercial Limited Common Element, Residential Unit, or Common Element or Residential Common Element or Residential Limited Common Element or elsewhere on the Property resulting from the operation or maintenance thereof. Sponsor shall be entitled to assign, lease, license or otherwise transfer their rights with respect to the foregoing easements and the Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor or its designees or assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dishes, equipment or other facilities placed upon the roof and/or the Facades of the Building and elsewhere on the Common Elements, Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements by Sponsor or its designees, their assignees, licensees or transferees shall be the exclusive property of Sponsor or its designees or assignees, licensees, tenants, or transferees and neither the Condominium nor any Residential Unit Owner nor any Commercial Unit Owner (other than Sponsor or its designees) shall have any rights with respect thereto. See Section of this Plan entitled “Sponsor Easement” for further details.

29. Local Law 1 of 2004 (“Local Law 1”) requires that landlords must inspect every apartment occupied by a child under the age of 6 for conditions that may cause lead exposure, and if found, correct them. Landlords must verify whether a child under the age of 6 resides in an apartment and if so, conduct an inspection at least annually, and more often if necessary, for lead paint hazards. The landlord is required to investigate the circumstances if any tenant does not respond to the inquiry as to the presence of children. Landlords must look for peeling paint, evidence of friction or chipping, and underlying conditions that may cause paint to peel, and promptly correct any hazard. The landlord has a duty under the law to inspect the apartment as well as all common areas for the presence of lead-based paint hazards, and to remove or cover all lead paint on friction surfaces and to replace window slides and panes on friction surfaces containing lead paint.

The Building received Certificate of Occupancy No. 148279 in 1962. 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 Local Law 1 a copy of which is contained in Part II of this Plan. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained in Local Law 1.

Landlords must provide written notice to the tenant of the landlord's obligation to inspect for and repair lead-paint hazards and the tenant's obligation to provide access to their apartment. The obligations under Local Law 1 apply to a Residential Unit Owner who purchases an occupied Residential Unit, as well as to a Residential Unit which was vacant but becomes occupied by a tenant subsequent to its purchase. A Purchaser of an occupied Residential Unit which is vacant but becomes occupied by a Tenant subsequent to its purchase may be required to take steps in order for the Residential Unit to comply with Local Law 1.

Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint, whether Local Law 1 will be further modified and enacted or whether the City or State of New York will adopt other laws dealing with lead-based paint or what the provisions of such law may be.

Prospective purchasers are urged to review Local Law 1 and any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Residential Unit Owner and the actions a Residential Unit Owner may be required to take thereunder. Residential Unit Owners shall be deemed “owners” of their respective Residential Units with the obligation to comply with the requirements of all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint.

Prospective purchasers of a Residential Unit for their own occupancy, particularly those with young children, are additionally advised to consult with a professional to determine the existence of any lead paint and the appropriate remediation for lead paint.

See Section of this Plan entitled “Rights and Obligations of Residential Unit Owners and The Board of Managers” for further details.

30. It is the responsibility of each Residential Unit Owner to notify the Managing Agent in writing when a child or children under the relevant age according to Local Law 1 reside or visit (even temporarily) in the Residential Unit. It is the responsibility of each Residential Unit Owner to install, at such Residential Unit Owner’s expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in no event without full knowledge of the Managing Agent.

31. All determinations with respect to the continuance of services provided to the Building, if initially made available, will be made by the Board, which will be controlled by Sponsor until the expiration of the period ending on the earlier of (i) the closing of title with Purchasers under this Plan to Residential Units comprising more than 50% in number and having more than 50% of the aggregate Residential Common Interests of all Residential Units, or (ii) 5 years after the First Closing (the “Sponsor Control Period”), as described in the Section of this Plan entitled “Control by Sponsor.” See the Section of this Plan entitled “Description of Property” for further details.

32. The proposed insurance coverage for the first year of Condominium operation does not include terrorism insurance, which is typically not maintained in the City of New York for residential buildings. While terrorism insurance is currently available for the Property, there is no assurance that such insurance will be available in the future or at a price that the Board would be prepared to spend. It can be reasonably anticipated that without terrorism insurance, in the event of a terrorist attack, the Property would not be insured or would have insufficient insurance to rebuild or repair any damage and Residential Unit Owners could be assessed to cover the costs of restoration and a Residential Unit Owner’s failure to pay such assessment could lead to a foreclosure of the relevant Residential Unit. Purchasers should further note that the insurance coverage maintained on behalf of the Condominium does not cover the individual Residential Units or Storage Lockers or any property contained in a Residential Unit or Storage Locker. Purchasers should refer to the Declaration in Part II of this Plan for a description of the Residential Units. Pursuant to the By-Laws, each Residential Unit Owner is required to, at the Residential Unit Owner’s own cost and expense, obtain and keep in full force and effect (a) personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon or from the Residential Unit or any Residential Limited Common Element appurtenant thereto or any part thereof, with minimum combined single limits of liability of \$1,000,000 for bodily injury

or death arising out of any 1 occurrence and \$1,000,000 for damage to property plus at least \$2,000,000 umbrella liability coverage and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon or from the Residential Unit or any part thereof (including, but not limited to, appropriate coverage for additions, alterations, improvements and betterments and loss due to water damage as well as personal property). The limits of liability and other requirements relative to each Residential Unit Owner's insurance coverage may be modified by the Board from time to time. All policies shall provide that they cannot be canceled without at least 30 days' prior notice to the Board. The limits of liability set forth in (a) and (b) above may be increased by the Board from time to time. In the event a Residential Unit Owner fails to obtain the requisite insurance or deliver evidence of same to the Board, as required, the Board may, in its sole and absolute discretion, (i) obtain such insurance on behalf of said defaulting Residential Unit Owner or (ii) impose such fines and penalties as the Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Residential Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Residential Unit Owner. See the Section of this Plan entitled "Footnotes to Schedule B" for further details.

33. The By-Laws provide that each Unit and all portions of the Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements will be kept in good condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water which will cause damage to the Building) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof. In the event a Unit Owner fails to keep such Unit Owner's Unit or Limited Common Element in such condition, the Board may, at the expense of such Unit Owner, enter such Unit and/or Limited Common Element and perform such acts as are necessary to cure such default. See the subsection entitled "Rights of Access".

34. In accordance with the provisions of 13 NYCRR 23.7(cc) (the "Asbestos Regulations"), Sponsor requested Singer Environmental Group Ltd. to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM on the Building (the "Asbestos Report") which indicates that in the office on the Lobby/Cellar Level there may be ACM in the piping above the drop ceiling, which is enclosed in its current state and poses no health hazard; it is suspected that the hallways on floors 2 through 6 may contain ACM non friable 9"x9" floor tile in good condition. Asbestos containing materials are believed to be present on the roof in tars, felts and papers used in roof coatings. These materials were examined visually and found to be in stable, non friable, satisfactory condition. In the event of any renovation/demolition/modification alteration of any area in the Building, a more thorough inspection must be conducted prior to any commencement of work.

A copy of the Asbestos Report for the Building is set forth in Part II of this Plan. The Asbestos Regulations do not require Sponsor to remove any ACM identified in the Asbestos Report; however, Sponsor may remove ACM during its performance of any proposed alterations or otherwise, in its sole discretion.

35. The charges for electricity consumed by each Residential Unit Owner for the relevant Residential Unit will be separately metered and billed directly to such Residential Unit Owner by Con Edison. Residential Unit Owners will be required to pay charges for electricity consumed for any air conditioning for each Residential Unit. Water charges and sewer rents, assessed by the City of New York, will be billed to the Condominium as a Common Expense. The costs and expenses of gas consumed by Residential Unit Owners will be billed to the Condominium as a Common Expense. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Residential Unit. See the Notes to Schedule A with respect to the bases of such estimates.

36. Sponsor reserves the right to undertake substantial construction work in the Common Elements, Residential Common Elements, Commercial Units and vacant Residential Units in the Building, including the installation of new electric wiring, sheetrock, kitchens and baths. A Purchaser may request and Sponsor may agree, in Sponsor's discretion, that a vacant Residential Unit be delivered at Closing in its "as is" condition. Construction workers and related personnel may be at the Building from time to time performing various tasks relating to such construction, which will occur between the hours of 7:00 A.M. and 6:00 P.M. Monday through Friday. Access to the Building will be provided to the construction workers by the Superintendent. Debris from the construction will be removed in most instances through the elevators and outside doors on the Lobby/Cellar Level and/or Sub Cellar Level and hauled away. The foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Sponsor will use reasonable commercial efforts to minimize any dust and/or debris from affecting surrounding Residential Units. Various systems, including but not limited to water supply and heating, may need to be shut down temporarily. Said work may be undertaken any time that Sponsor has Unsold Units. When Sponsor is doing substantial construction work to the Building, Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with DOB. The Tenant Protection Plan will include, but is not limited to: (a) at all times during construction provision shall be made for adequate egress as required and the egress provided shall be identified; required egress shall not be obstructed at any time except where approved by DOB commissioner; (b) fire safety - all necessary laws and controls, including those with respect to occupied dwellings, as well as additional safety measures necessitated by the construction shall be strictly observed; (c) Sponsor will use reasonable commercial efforts to minimize dust, construction debris will be removed and hauled away, pest control and maintenance of sanitary facilities; limit of noise; (d) comply with applicable provisions of law relating to lead and asbestos; (e) comply with the requirements of the New York City Housing Maintenance Code, and, where applicable, the New York State Multiple Dwelling Law; no structural work shall be done that may endanger the occupants of the Building; (f) hours of the day or the days of the week in which construction will be undertaken will be limited pursuant to the New York City Noise Control Code; (g) construction operations will be confined to Monday through Friday 7:00 AM to 6:00 PM except holidays, no work will be done on weekends and holidays without a permit, work after hours must provide approved variance and proper lighting.

Sponsor is currently in compliance with the Tenant Protection Plan contained in Appendix 5 of the Engineer's Report included in Part II of this Plan. Construction work will be performed in accordance with the Tenant Protection Plan included as Appendix 5 to the Description of Property in Part II of this Plan, and any subdivided and/or combined Units shall only be offered in accordance with an amendment to the Plan disclosing the same.

37. While Unsold Residential Units are being renovated and/or offered for sale or lease by Sponsor or any other owner of Unsold Residential Units, there will be a greater number of visitors to the Building than would otherwise be the case. All such visitors to the Building will be accompanied by the Selling Agent when inspecting Unsold Residential Units. No representation or warranty is made and no assurance is given as to when such construction, selling or leasing activity will terminate. None of Sponsor or any other owner of Unsold Residential Units, the Board or the Managing Agent will be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, if any. No representation or warranty is made and no assurance is given that the security systems and procedures of the Condominium, if any, will prevent personal injury or damage to or loss of personal property.

38. On or about the date of the First Closing, the Condominium will enter into a management agreement for an initial term of 3 years with Pinnacle Managing Co., LLC (the "Managing Agent") which will provide management services to the Condominium at an annual fee of \$30,000.00, payable in equal monthly installments. The management agreement will be automatically renewed from year to year unless

terminated by the Board upon 90 days' written notice prior to the expiration of the term, as the same may have been renewed. The Board, at its option, may terminate the Management Agreement at any time, by giving written notice thereof to Managing Agent, for only the following reasons: (i) fraud, misrepresentation, misappropriation of funds, furnishing any statement, report, notice writing or schedule the Managing Agent knows to be untrue or misleading in any material respect on the date as of which the facts set forth therein are state or certified, (ii) the failure of Managing Agent to comply with any term or condition of the Management Agreement, after receipt of notice and expiration of cure period, that although not included in subsection (i) above, has a material adverse effect on the Property, (iii) the bankruptcy or insolvency of, the assignment for the benefit of creditors, by or the appointment of a receiver for any property of Managing Agent which is not dismissed in 60 days, and (iv) an intentional or grossly negligent or illegal act committed by Managing Agent against the Board. The Managing Agent shall have the right to terminate the Management Agreement at any time by giving 60 days written notice thereof to the Board. The management fee is comparable to the prevailing rates charged by other management services firms in New York City providing similar services in comparable buildings. In the event a new managing agent is substituted for the Managing Agent, the annual fee will be as mutually agreed upon between the Board and the new managing agent. The Managing Agent will work in the best interest of the Condominium and the Unit Owners. In addition, on or about the date of the First Closing, the Condominium will enter into a month-to-month service contract with Secure Watch 24, which will provide the Building with video surveillance and certain security services at a monthly fee of \$120.00 (security) and monthly fee of \$2,178.00 (security watchman). Joel Wiener, a principal in the Managing Agent and an investor in Secure Watch 24, is also a President and Chairman of the Board of Zarasai Ltd. (defined under "Identity of Parties – Sponsor"), the managing member of Zarasai Group (defined under "Identity of Parties – Sponsor").

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 11.C.0 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by the sponsor or sponsor affiliate within 2 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 under 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 association in a conversion project, or of property serving the condominium unit owners in such 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 the sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3 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 such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, the sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that the sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by the sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by the unit owners to the sponsor or sponsor affiliate.

See the Section of this Plan entitled "Identity of Parties" for further details.

39. Sponsor acquired fee title to the Property on January 24, 2017. A certified statement of income and expense for the Building for the years ended December 31, 2017 and December 31, 2018 (the "Financial Statements") prepared by DDK & Company LLP, CPA ("DDK") is set forth in Part I of this Plan. See the Section of this Plan entitled "Accountant's Certified Statement of Operation" for further discussion.

The Budget for the First Year of Condominium Operation is based upon the income and expenses for 2017, 2018 and Budget Expert's experience managing mixed use Buildings of similar age and size.

40. The Building contains 10 Commercial Units – Lobby/Cellar Level: 7 stores and 1 Garage Unit, with off-street parking and Sub-Cellar Level: 2 stores. The Commercial Units are not being offered for sale pursuant to the Plan and will initially be owned by Sponsor. Sponsor, however, reserves the right to sell or lease the Commercial Units (including individual garage spaces) and/or to combine or divide the Commercial Units at any time. Sponsor will endeavor to make off-street parking spaces, which are rented to non-residents, available to residents of the Building within 30 days after a resident makes a written request to Sponsor to rent a parking space at the monthly market rate. The Board shall not directly or indirectly assess or otherwise charge the Commercial Unit Owners, including but not limited to the Garage Unit Owner, for any costs or expenses attributable to the Residential Common Elements or Residential Limited Common Elements. See the Section of this Plan entitled "Commercial Units" for further details.

41. Prospective Purchasers are advised that the use of the Commercial Units may generate noise or other disturbances over which the Residential Unit Owners will have no control. Sponsor may rent any off-street parking spaces to non-residents of the Building for periods of not less than 1 week and not more than 1 month. Sponsor shall endeavor to make any off-street parking spaces, which are rented to non-residents, available to residents of the Building within 30 days after a resident makes a written request to Sponsor to rent a parking space at the monthly market rate. See the Section of this Plan entitled "Commercial Units" for further details.

42. The Commercial Units will initially be owned by Sponsor or an affiliate of Sponsor. During the existence of the Condominium, the Commercial Unit Owners will not pay any portion of the Common Expenses of the Condominium other than a portion of certain items expressly set forth on Schedule B – Projected Budget for First Year of Condominium Operation in Part I of this Plan, specifically, insurance, management fees and auditing fees. The Board shall not directly or indirectly assess or otherwise charge the Commercial Unit Owners, for any costs or expenses attributable to the Common Elements, Residential Common Elements or Residential Limited Common Elements. The Commercial Unit Owners will be responsible for the upkeep of the Commercial Units and utilities (electric only) servicing the Commercial Units are or will be separately metered or measured to the Commercial Units. The Commercial Unit Owners will not be liable for any repairs and/or maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements at any time during the existence of the Condominium. The Garage Unit Owner will not be liable for any repairs and/or maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Common Elements (if any) or Commercial Limited Common Elements (if any) at any time during the existence of the Condominium.

43. The Condominium will enter into a 25 year concession agreement for the laundry room with Sponsor or an affiliate of Sponsor. The concession agreement with Sponsor or an affiliate of Sponsor may prevent the Condominium from negotiating a concession agreement with another vendor and possibly receiving a higher annual rental amount. The initial annual rent shall be \$3,000.00. The laundry room will be a part of the Residential Common Elements and will only be for the use of residents of the Building. The Condominium will provide at its cost all necessary utilities, including but not limited to gas, electricity, water and sewer. It is anticipated that the expense to the Condominium for the foregoing shall not exceed the rent payable. The annual rent shall increase by \$50 per month on the 5th, 10th, 15th and 20th anniversary of the lease commencement date. Notwithstanding the foregoing, within 90 days of the end of each year, the Condominium shall have the right to furnish Sponsor with a written statement in reasonable detail of the actual utility costs for the usage of the laundry room for the preceding year. If the actual utility costs for the laundry room for such year exceed the aggregate of Sponsor's rent payments for said year, Sponsor shall pay the Condominium any deficiency due within 20 days after receipt of said statement, so that Sponsor's

actual payment for such year shall equal 110% of the prior year's actual utility costs for the usage of the laundry room.

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 11.C.0 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by sponsor or sponsor affiliate within 2 years after the date that 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 under 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 association in a conversion project, or of property serving the condominium unit owners in such 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 the sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3 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 such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, the sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that the sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by the sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by the unit owners to the sponsor or sponsor affiliate.

44. Sponsor reserves the right from time to time to change Residential Unit and/or Commercial Unit numbers and/or floor designations. Any such change(s) will be set forth in a duly filed amendment to the Plan.

45. After the expiration of the Sponsor Control Period, Sponsor (or its designees) shall have the right to designate the following minimum number of Residential Board Members: (a) 2 Residential Board Members, for so long as the Common Interests attributable to the Unsold Residential Units equal, in the aggregate, more than 15% of the Common Interests of all Residential Units; and (b) 1 Residential Board Member, for so long as Sponsor (or its designees) owns at least 1 Unsold Residential Unit. In addition to Sponsor (or its designees) designating the aforesaid number of Residential Board Members, Sponsor (or its designees) may cast its votes for individuals nominated to the Board who are not nominated or designated by Sponsor (or its designees), which individuals, if elected shall not be deemed to be Sponsor's nominees or designees and shall not be deemed to cause Sponsor (or its designees) to control the Board. After the expiration of the Sponsor Control Period, in the event a vote of the Board Members is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Sponsor designee Board Members (whether Residential Members or Commercial Members) voting will not exceed the number of elected Board Members entitled to vote on said issue who are not Sponsor designees. See Section of this Plan entitled "Control by Sponsor" for further details.

46. The Commercial Unit Owners shall be entitled to designate a total of 4 Commercial Board Members; the Garage Unit Owner shall designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall collectively designate 3 Commercial Board Members. Sponsor and/or its designee(s) shall have the right to vote all of the Common Interests attributable to Unsold Commercial Units owned by it until Sponsor and/or its designee(s) has closed title to all of the Unsold Commercial Units owned by it. Sponsor and/or its designee(s) shall have the right to designate 2 Commercial Board Members for so long as Sponsor and/or its designees own at least 4 Commercial Units (excluding the Garage Unit). For so long as Sponsor and/or its designee(s) owns at least 1 Commercial Unit (in addition to the Garage Unit)

Sponsor and/or its designee(s) shall have the right to designate at least 1 Commercial Board Member, in addition to the 1 Commercial Board Member designated by the Sponsor as Garage Unit Owner. In addition to Sponsor and/or its designee(s) designating the aforesaid Commercial Board Members, Sponsor and/or its designee(s) may cast votes for individuals nominated to the Board who are not nominated or designated by Sponsor and/or its designee(s), which individuals, if elected, shall not be deemed to cause Sponsor's and/or its designee's nominees or designees to control the Board. For so long as Sponsor and/or its designee(s) is entitled to designate at least 1 Commercial Board Member, in addition to the Commercial Board Member designated by Sponsor as the Garage Unit Owner, the number of Board Members may not be increased without the consent of Sponsor and/or its designee(s). Any vacancy created by removal of a Commercial Board Member designated (or nominated and elected) by Sponsor and/or its designee(s), or by any other cause which results in a Commercial Board Member designated (or nominated and elected) by Sponsor and/or its designee(s) ceasing to be a member of the Board, shall be filled by a person designated by Sponsor and/or its designee(s). See Section of this Plan entitled "Control by Sponsor" for further details.

47. Plans depicting layouts of Residential Units appear in Part II of this Plan. Any floor plan or sketch shown to a Prospective Purchaser including those set forth in this Plan, is only an approximation, within reasonable tolerances, of the dimensions and layout of each Residential Unit. In no event shall any designation, label or nomenclature used in marketing materials permit the use of any area or room in any manner which conflicts with the legally permitted use of such area or room. The actual layout of a Residential Unit may have been altered by the tenants thereof or by others without Sponsor's consent or knowledge. The actual dimensions and configuration of a Residential Unit may also immaterially vary from its Floor Plan due to, for example: (a) changes required by the Building Department or other government authorities having jurisdiction; (b) normal construction allowances and variances; and (c) varied masonry bearing wall thicknesses. Purchasers will not be excused from their obligations under the Agreement in the event of non-material inaccuracies in a Residential Unit's size. Tenant Purchasers occupy their own Residential Units and therefore are fully familiar with the approximate dimensions, actual layout and configuration of their Residential Units. If any vacant Residential Units have material variations from the floor plans included in Part II of this Plan, Sponsor will either amend this Plan to disclose such material variations from the floor plans or Sponsor shall attach revised floor plans of such Residential Units, as such Residential Units will be delivered at Closing to Non-Tenant Purchasers, to any Agreements relating to such Residential Units. If a Residential Unit which is vacant has DOB violations against it, Sponsor will either amend this Plan to disclose such violations, remove such violations prior to offering such Residential Unit for sale or disclose such violations in the applicable Agreement with a Non-Tenant Purchaser. Sponsor shall deliver a vacant Residential Unit to Purchaser at Closing free and clear of any DOB violations against the Unit. A Purchaser may request and Sponsor may agree, in Sponsor's discretion, that a vacant Residential Unit be delivered at Closing in its "as is" condition, in such case, Purchaser shall be responsible for the removal of any DOB violations against the Unit. No immaterial variation will affect a Purchaser's obligations under the Agreement or this Plan unless the square footage area of the Residential Unit is materially diminished. A decrease in a Residential Unit's square foot area of 5% or less will not affect a Purchaser's obligation unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. If the Residential Unit is available for inspection by a Non-Tenant Purchaser before the Agreement is executed, the Residential Unit layout as actually exists shall supersede and govern any variation, substantial or otherwise, from any and all Floor Plans, drawings and diagrams. Notwithstanding the foregoing, in the event that a Non-Tenant Purchaser and Sponsor agree that revisions shall be made to the layout of a Residential Unit, Sponsor shall attach to the Agreement a revised Floor Plan of such Residential Unit, as it will be delivered at Closing to such Non-Tenant Purchaser. Each Residential Unit should be inspected prior to execution of the Agreement to determine its actual dimensions, layout and physical condition. Sponsor's sole obligation if the square foot area is materially diminished shall be to refund to Purchaser the Deposit made under the Agreement and any interest earned thereon. Each Residential Unit will be measured on each of 1 or more floors from the midpoint of the exterior walls, at the Building line

and/or Property line, to the midpoint of the interior walls and partitions separating a Residential Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Columns and mechanical pipes (whether along the perimeter or within the Residential Unit) are not deducted from the square foot area of the Residential Units. Measured vertically, each Residential Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the slab above. However, any Common Elements or Residential Common Elements or Residential Limited Common Elements located within a Residential Unit (including any structural slabs separating floors of a Residential Unit located on more than 1 floor) shall not be considered a part of such Residential Unit. As is customary in New York, these square foot areas will exceed the usable floor area of each Residential Unit. The measurements are not taken from interior surfaces of interior walls and therefore, the actual useable square footage comprising the Residential Unit is significantly less than the area listed in Schedule A. Each Prospective Purchaser should carefully inspect the Residential Unit (or similar revised vacant Residential Unit) prior to entering into the Agreement therefor to determine its actual dimensions, layout, ceiling heights and physical condition. See the Section of this Plan entitled "Schedule A Prices of Units and Related Information" for further details.

48. Prior to entering into an Interim Use and Occupancy Agreement, Sponsor may require Purchaser to pay up to an additional 5% of the Purchase Price as an additional deposit under the Agreement (the "Additional Deposit"). The Additional Deposit shall be added to the Deposit and shall thereafter be deemed to be part of the Deposit. See the Section of this Plan entitled "Interim Use and Occupancy Agreements" for further details.

49. Pursuant to NYS Real Property Law 339-M and Article 6 of the By-Laws of the Condominium, the Garage Unit and the Commercial Units do not benefit from all services and therefore do not participate in all expenses. If the Garage Unit and Commercial Units are not contributing to a specific expense, the Residential Unit Owners will pay for 100% of such expense. See the Section of this Plan entitled "Schedule B – Projected Budget for First Year of Condominium Operation" for further details.

50. The condition of a building is classified as Safe, Safe with Repair and Maintenance Items (SWARMP), or Unsafe. A Safe building needs no further action, a building that is Safe With Repair And Maintenance Items (SWARMP) must be repaired in the time frame listed by the Engineer or Architect in the report, and an Unsafe building must provide immediate protection of the public and be repaired within 30 days. A copy of the most recent Façade Inspection Safety Report ("FISP") for the Property as prepared by A&T Corp. dated August 31, 2011, is set forth in Part II of this Plan (the "FISP Report"). As set forth in the FISP Report, the inspection consisted of a thorough visual examination of all the exterior brick walls using binoculars and a camera to take photos for records and fire escapes were used as a close up inspection platform. The FISP Report found the Building has no deterioration or movement detected. The condition of the exterior walls appears in SAFE condition with only a few exceptions. There are a few minor cracks on the brick facing near windows. The overall condition of the exterior walls is classified as SWARMP. The condition of water tightness of the exterior wall appears in SAFE condition with 1 exception, there is a minor water seal crack on the lintel of the windows. The condition of the exterior appurtenances appear in SAFE condition with only 1 exception, a window AC bracket was not installed properly to provide enough support. Aging and weathering could be the main cause for the SWARMP condition. The FISP Report recommends that for minor cracks on the exterior wall brick facing, seal the existing crack and for the window AC bracket, reinforce the bracket to provide proper support. All observed conditions conform to New York City Code Requirements and Applicable Rules, Regulations and Directives. Sponsor corrected the aforesaid SWARMP conditions which will be noted in the Cycle 8 FISP. The Cycle 8 FISP Report has not yet been filed. Before the Cycle 8 FISP Report can be filed Sponsor must gain access to certain apartments in order to install brackets to support window air conditioners installed by tenants. Sponsor anticipates that the Cycle 8 FISP Report will be filed on or about November 20, 2019, provided that the tenants provide access to their

apartments. After the Cycle 8 FISP Report is filed, a copy of the Report will be included in an amendment to this Plan.

Under the terms of FISP, property owners are obligated to have the Facades of their buildings periodically inspected and perform remedial work as determined by the licensed architect or engineer performing the required inspections. Sponsor makes no representations regarding future expenditures which may be required to comply with FISP or the costs of the inspections for FISP Report. The Condominium will be responsible for obtaining future FISP Reports and complying with the recommendations of the same. FISP Reports must be filed every 5 years by a registered architect or engineer.

51. The roof does not have a currently valid warranty.

52. As stated in the Description of Property in Part II of this Plan, the oil tank is not accessible in order to be inspected to disclose its description, condition or anticipated remaining useful life.

53. Sponsor entered into an Elevator Maintenance Agreement with Sentry Elevator Corporation dated January 25, 2017, which will be assigned to the Condominium on or about the date of the First Unit Closing. The Elevator Maintenance Agreement provides that on a monthly basis the company will systematically examine, clean, lubricate and furnish lubricants for the machine, motor and controller parts including, worms, gears, thrusts, bearings, brake magnet coils, brake shoes, brushes, windings, commutators, coils, contacts, resistors, magnets frame, and will replace rollers, belts, springs, cams, guides, bushings, keepers, selector guide shoes, limit contacts, small relays, shunts, fuses, resistors, controller coils, vanes, interlock contacts, controller contacts and carbons, where necessary, and adjust equipment for proper operation.

The company will respond to all requests for service and emergency calls at no extra charge seven (7) days a week during the hours of 7:30 A.M. through 7:30 PM, with the understanding that the company is responsible only for adjustments that could be made in lieu of a regular inspection, and not for repair operations. The contract includes the labor and materials necessary to perform any minor repairs and adjustments required to reactivate the elevator. For any work requested to be performed outside the hours of 7:30 AM through 7:30 PM, the company's usual overtime rates will apply. For further detail the Elevator Maintenance Agreement with Sentry Elevator Corporation consult the copy which is contained in Appendix 6 to the Description of Property in Part II to this Plan.

INTRODUCTION

Cherry Associates LLC, a New York limited liability company (“Sponsor”), hereby presents this offering plan (the “Plan”) for the conversion to condominium ownership of the land (the “Land”), together with the building erected thereon known as and having a street address of 136-04 Cherry Avenue, Flushing, New York 11355 (the “Building”), containing 75 residential units (the “Residential Units”) and the Superintendent’s Apartment on the Lobby/Cellar Level, which is included in the Residential Common Elements, 10 commercial units (the “Commercial Units”) currently containing 9 stores and 1 off-street parking garage (the “Garage Unit”), and 8 storage lockers (the “Storage Lockers”) anticipated to be installed prior to the First Closing. The Residential Units and the Commercial Units are together referred to as “Units”. The Land and the Building are collectively referred to herein as the “Property.” The condominium will be known as “The Infinity 8 on Cherry Condominium” and is called the “Condominium” in this Plan.

The purpose of this Plan is to set forth in detail all material facts relating to the offering by Sponsor of the Residential Units. Sponsor may from time to time amend or supplement this Plan by filing an amendment with the New York State Department of Law (the “Department of Law”) and serving such amendment on 1 residential tenant per Residential Unit, Purchasers that have executed and delivered Agreements to Sponsor or Selling Agent and are not in default under the Agreement, Residential Unit Owners and any other persons entitled to service pursuant to law.

This Plan is presented in 2 parts (in 1 volume) which together constitute the entire Plan. Part I sets forth a general description of this Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of this Plan. Also included in Part II is a detailed physical description of the Property, certifications of Sponsor and Sponsor’s engineer and certifications of an expert selected by Sponsor concerning the adequacy of the budget for the first year of Condominium operation. In addition, Sponsor has filed exhibits to this Plan with the Department of Law, which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). This Plan, including all Schedules set forth herein and Parts A, B, C and D of the exhibits, constitutes the entire offer of Sponsor. Copies of this Plan and the exhibits will be available for inspection by prospective Purchasers without charge and for copying at reasonable copying fees at Sponsor’s office and at the office of the Department of Law and may be borrowed from Sponsor upon payment of a \$150 deposit, which amount will be fully refunded upon either (i) the prompt return of all borrowed materials in good condition or (ii) the execution by the borrower of an Agreement subsequently accepted by Sponsor. Copies of this Plan will be served upon all Tenant Purchasers in accordance with the GBL. All of these documents are important and should be carefully read by prospective purchasers. Prospective purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. Prices of Residential Units and Storage Lockers are not subject to approval by the Department of Law or any other government agency. All capitalized terms used in this Plan shall have the meanings ascribed thereto in the Section entitled “Certain Definitions,” unless otherwise indicated.

The Property

On January 24, 2017, Sponsor acquired fee title to the Building. The Building consists of a 6 story building, sub-cellar and lobby level (cellar). Apartments are on the Sub-Cellar Level, Lobby/Cellar Level and floors 1 through 6. The Superintendent’s Apartment is on the Lobby/Cellar Level. The Lobby/Cellar Level also includes or will include: 7 stores and a garage, elevator room, security room, meter room, storage, laundry room and Storage Lockers (anticipated to be installed prior to the First Closing). The Sub-Cellar includes 2 stores, the boiler room and the compactor room. A copy of the Certificate of Occupancy for the Building is contained in Part II of this Plan in the Description of Property in Appendix 1. The Certificate of Occupancy provides for 2 apartments on the Lobby/Cellar Level, one of which is used by the

superintendent. The Commercial Units are not being offered for sale hereby. There are no recreational facilities currently located within the Building.

Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to such Unit Owner's Unit and is entitled to the exclusive possession thereof and the exclusive use of the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit (see Schedule A in Part I to this Plan). A Unit Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements.

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

A Unit Owner may decorate the interior of such Unit Owner's Unit in any way desired except as otherwise provided herein, subject to compliance with the By-Laws, the Residential Rules and Regulations and Law, and will be solely responsible for the cost of maintenance and interior repairs to such Unit Owner's Unit after Closing.

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor will such Unit Owner's Unit be subjected to any lien arising from the non-payment of, real estate taxes on other Units. Please refer to the opinion of Pryor Cashman LLP, counsel to Sponsor, set forth in full in Part I of this Plan, for a discussion regarding the deductibility, for federal, New York State and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Unit.

With certain exceptions (for example only and not as a limitation, Sponsor and its designees are not required to give the Board a right of first refusal with respect to any Unsold Residential Units), any sale or lease of a Residential Unit will be subject to a right by the Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. Other than exercising its right of first refusal, the Board has no right to approve or disapprove purchasers and the By-Laws contain no requirement that such purchasers be owner-occupants of the Residential Units. There is no limit on the number of purchasers who may purchase for investment rather than personal occupancy. Accordingly, there may always be a substantial percentage of owners who are non-residents. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" under the subsection entitled "Sales and Leases of Residential Units."

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act." The Property will be submitted to the provisions of the Condominium Act by Sponsor's recording of the Declaration in the City Register's Office. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

Generally, the cost of operating the Common Elements will be borne by the Unit Owners in proportion to their respective Common Interests, except as otherwise provided in Schedule B - "Projected

Budget for First Year of Condominium Operation” in Part I of this Plan or in accordance with the terms of the By-Laws.

Matters affecting the Common Elements will be decided by the Board. Sponsor will control the Board during the Sponsor Control Period. Purchasers should note that Sponsor has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to 1 or more Non-Tenant Purchasers for investment or resale or lease occupied Residential Units to others or to retain vacated Residential Units for future rental.

The Fee Mortgage does not obligate Sponsor to market Residential Units for sale as they become vacant. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make bulk sales of Units to a single Purchaser (such bulk Purchaser hereinafter referred to as “Sponsor’s Transferee”). If Sponsor makes a bulk sale of all or some of its Residential Units, Sponsor’s Transferee shall be bound by Sponsor’s representations, if any, regarding Sponsor’s commitment, if any, to sell Residential Units. Sponsor and Sponsor’s Transferee, if any, reserve the right to rent, rather than sell, any or all of the Residential Units as they become vacant. Sponsor’s and Sponsor’s Transferee’s, if any, right to rent, rather than sell Residential Units once they become vacant is unconditional and exercisable in their sole discretion. Accordingly, it is possible that a significant proportion of Residential Unit Owners will not be residents of the Building and that a significant portion of occupants in the Building may not be Residential Unit Owners.

Because there is no commitment on the part of Sponsor and Sponsor’s Transferee, if any, to sell more than the 15% of the Residential Units (i.e., 12 Residential Units) needed to declare this Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. Even if the Plan is declared effective with 15% of the Residential Units needed to declare this Plan effective, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number which are the subject of Agreements, if Purchasers counted towards effectiveness do not close title to their Residential Units. The By-Laws do not require that after the Sponsor Control Period a majority of the Board Members be owner-occupants of a Residential Unit or members of owner-occupant’s household who are unrelated to Sponsor and its principals. Owner occupants and nonresident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to purchase for investment. Please refer to the Sections of this Plan entitled “Control by Sponsor” and “Board of Managers” in Part I of this Plan.

In the event that all of the Agreements required to declare this Plan effective are either rescinded or terminated prior to the First Closing, regardless of whether the Declaration of Condominium has been recorded, Sponsor will redeclare this Plan effective in accordance with the Section of this Plan entitled “Effective Date”, or abandon this Plan.

After the Declaration is recorded creating the Condominium, spaces presently occupied as apartments will become the Residential Units of the Condominium. All such apartments are referred to as Residential Units throughout this Plan. A Non-Purchasing Tenant of a Residential Unit will not be evicted solely by reason of conversion of the Property to a Condominium. During the conversion process from rental building to condominium, and after the condominium is created, Purchasers may be living in a mixed rental and owner occupied Building for an indeterminate period of time. Because there is no commitment on the part of Sponsor and Sponsor’s Transferee, if any, to sell more than the 15% of the Residential Units needed to declare this Plan effective, owner occupants may never gain effective control and management of the Condominium. Sponsor or its designee reserves the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Residential Unit not yet conveyed and occupied or to withdraw Residential Units

from the market. Sponsor or its designee further has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to one or more Non-Tenant Purchasers for investment or resale or to retain vacant Residential Units for future rental. Sponsor's and Sponsor's designee, if any, right to rent, rather than sell, Residential Units once they become vacant, is unconditional and exercisable in their sole discretion. It is possible that a significant proportion of Residential Unit Owners will not be residents of the Building and that a significant portion of occupants in the Building may not be Residential Unit Owners. The By-Laws do not require that after the expiration of the Sponsor Control Period a majority of the Board Members be owner-occupants of a Residential Unit or members of owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and nonresident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to purchase for investment.

Santander Bank N.A., with a place of business at 200 Liberty Street, 17th Floor, New York, New York, 10281 (the "Fee Mortgagee"), will release or partially assign the lien of the Fee Mortgage with respect to each Residential Unit as same is conveyed to Purchasers under this Plan upon payment to the Fee Mortgagee of a release price. As of the date hereof, the Fee Mortgagee will release a Residential Unit from the lien of the Fee Mortgage upon the payment of: (i) the greater of 65% of the gross sales price of the Residential Unit or 125% of such Residential Unit's pro rata share of the original loan amount and (ii) an amount, as necessary, for the remaining loan balance to exhibit a 6.9% debt yield and a 75% loan to value as determined by an appraisal that is no more than 12 months old.

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 residential units in a building or group of buildings be sold before the 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 other owner of Unsold Units has not sold a substantial percentage of the residential units 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 residential unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

As more particularly set forth in the By-Laws, the Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Board determines, the Board will assess Unit Owners for Common Charges to meet Common Expenses. Common Charges shall also be deemed to include any Special Assessments imposed by the Board. Such charges will be assessed against Unit Owners in proportion to their respective Common Interests except as otherwise provided in Schedule B "Projected Budget for First Year of Condominium Operation" in Part I of this Plan or as determined by the Board in accordance with the Condominium Act, Sections 339-(i) and (m). Please refer to Schedule B for further details. Purchasers should note, however, that in view of the current energy situation, and the fact that energy costs have fluctuated greatly, it is not possible to predict with any certainty whether the budgeted amount for energy costs will be sufficient to pay for the actual costs incurred in the first year of Condominium operation.

The cost of improvements, repairs, replacements, alterations and additions to the Common Elements and Residential Common Elements, which are part of the Common Expenses, will be determined by the Board and assessed against all Residential Unit Owners in proportion to their respective Common Interests. The estimated Common Charges for each Residential Unit for the first year of Condominium operation are set forth in Schedule A.

After the closing of title to a Residential Unit, a Residential Unit Owner will be solely responsible for maintaining casualty insurance with respect to the Residential Unit, including its fixtures, flooring, wall coverings, appliances, equipment and personal property and improvements and betterments situated within and constituting a part of such Residential Unit Owner's Residential Unit, and any Residential Limited Common Elements, as well as liability insurance with respect to occurrences in or about such Residential Unit Owner's Residential Unit or Residential Limited Common Elements. The By-Laws require that each Residential Unit Owner maintain such insurance coverage. The Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements and Residential Common Elements, in accordance with the provisions of the By-Laws. All Residential Unit Owners must comply with the terms of the Declaration, By-Laws, Residential Rules and Regulations, Alteration Agreements and any other requirement of the Board. See the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" for a more complete discussion of the foregoing.

There are no limitations on who may purchase a Residential Unit. Under the New York Real Property Law, a condominium unit may be owned by an individual, corporation, partnership, limited liability company, association, trust or any other entity which is permitted to take title to real property pursuant to New York Law. Notwithstanding the foregoing, Sponsor is not obligated to offer or sell any Residential Units and may, if it chooses, withhold 1 or more Residential Units for future sale. Sponsor need not endeavor in good faith to sell Residential Units rather than rent Residential Units as they become vacant. Sponsor and Sponsor's Transferee, if any, reserve the right to rent, rather than sell, any or all of the Residential Units as they become vacant. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Board, any Unit Owner or mortgagee, to refuse to approve and execute an Agreement for any Residential Unit; provided, however, that, in either event, Sponsor shall not discriminate against any person because of race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Residential Unit unless and until an Agreement, executed by both Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser's required Deposit thereunder (see the Section entitled "Procedure to Purchase" for more details). Sponsor will not accept an offer of purchase from an individual younger than 18 years of age or an incompetent under Law.

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

Offering of Residential Units for Sale

Sponsor hereby offers all of the Residential Units in the Building for sale under this Plan. The purchase prices, estimated Common Charges and estimated real estate taxes for each of the Residential Units are listed below in the Section entitled "Schedule A - Purchase Prices and Related Information" (hereinafter referred to as "Schedule A"). **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.** While Sponsor is currently offering the Residential Units for sale, Sponsor has reserved the right to rent, rather than sell, Residential Units once they become vacant, which right is unconditional and exercisable in Sponsor's sole discretion.

(a) The Offer to Present Residential Tenants

Tenant Purchasers (defined in the Section entitled “Rights of Existing Tenants”) have the exclusive right to purchase their respective Residential Units during the 90 day period following the Presentation Date of this Plan to them (the “Exclusive Purchase Period”) at the discounted purchase prices set forth in Schedule A. If this Plan is substantially amended prior to the first closing of title to a Purchaser, the exclusive right to purchase time period shall be extended, as follows:

(i) If the presentation of the substantial amendment occurs during the initial exclusive right to purchase period, such period shall terminate at the later of 30 days after presentation of the substantial amendment or the expiration of the original exclusive right to purchase period, and

(ii) If the presentation of the substantial amendment occurs after the expiration of the initial exclusive right to purchase period, the substantial amendment must grant to all residential tenants who had the right to purchase during the initial period a new exclusive right to purchase on the terms offered in the amendment for a period of not less than 30 days from the date of presentation.

There will be no increase in prices to Tenant Purchasers during any Exclusive Purchase Period for Tenant Purchasers and Sponsor will not accept Agreements from Non-Tenant Purchasers for occupied Residential Units during any Exclusive Purchase Period.

The purchase prices offered to Tenant Purchasers for the Residential Units are approximately 15% below the purchase prices currently offered to Non-Tenant Purchasers.

In order to qualify for the foregoing benefits during the Exclusive Purchase Period, a Tenant Purchaser must submit to Sponsor or any Selling Agent during the Exclusive Purchase Period, a signed Agreement and the Deposit in an amount equal to \$1,000. See the Section entitled “Procedure to Purchase” for more details.

If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and a Deposit before Sponsor amended the terms and conditions of this offering shall benefit from the more favorable terms and conditions.

(b) The Offer to Non-Tenant Purchasers

Sponsor hereby offers for sale those Residential Units in the Building set forth in Schedule A to Non-Tenant Purchasers on the following terms:

(i) They shall have the opportunity to purchase a vacant Residential Unit (if any) at the prevailing Purchase Price for Non-Tenant Purchasers as set forth on Schedule A; and

(ii) They shall have the opportunity to purchase an occupied Residential Unit either following the Exclusive Purchase Period afforded Tenant Purchasers or upon receipt of a written waiver by the Tenant Purchaser of his or her right to purchase during the Exclusive Purchase Period at the prevailing Purchase Price for Non-Tenant Purchasers as set forth on Schedule A.

In order to qualify for the foregoing benefits, a Non-Tenant Purchaser must submit to the Sponsor or any Selling Agent a signed Agreement and the Deposit in an amount equal to 10% of the Purchase Price for the Residential Unit to be purchased. See the Section entitled “Procedure to Purchase” for more details.

(c) Offering of Storage Locker Licenses

Sponsor hereby offers Purchasers of Residential Units the opportunity to purchase a license to use a Storage Locker pursuant to a Storage Locker License. The price for a Storage Locker License is \$10,000, subject to negotiation with each Purchaser, unless it constitutes a discriminatory inducement. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

The term of the Storage Locker License will commence no earlier than the date upon which Purchaser closes title to a Residential Unit and no later than the date upon which Purchaser closes on the purchase of the Storage Locker License if not simultaneously with the purchase of a Residential Unit. Sponsor is offering 8 Storage Locker Licenses for purchase. The license grants a licensee a revocable and exclusive privilege to use and occupy a space without granting the licensee an interest in the property. Sponsor reserves the right to change the size and/or number of Storage Lockers for so long as Sponsor holds Storage Locker Licenses.

The term of the Storage Locker License will terminate upon the earlier of (i) the termination of the Storage Locker License by the Board pursuant to the terms of the Storage Locker License or By-Laws; (ii) the date on which the Licensee no longer is a Residential Unit Owner and has not transferred the Storage Locker License to another Residential Unit Owner pursuant to its terms; or (iii) the date on which the Licensee voluntarily terminates the Storage Locker License. The Plan does not provide at this time for any fees associated with the licensing of a Storage Locker other than the Purchase Price of the Storage Locker License.

The Storage Space in which the Storage Lockers will be located is a Residential Common Element. Individual Storage Lockers will be deemed to be, and treated as, for all intents and purposes, Residential Limited Common Elements as such Storage Licenses exist for the use and enjoyment of the purchasing Residential Unit Owners to the exclusion of all other Residential Unit Owners. As a Residential Limited Common Element, any special fees arising in connection with the maintenance of the Storage Space or a particular Storage Locker will be imposed in accordance with the By-Laws as it relates to these types of Residential Common Elements.

Storage Locker Licenses are transferable in accordance with the terms thereof; provided, however, that, other than transfers by Sponsor and/or its designees, the transferee is, or will be at the time of transfer, a Residential Unit Owner.

Sponsor reserves the right to offer for sale as many Storage Locker Licenses as it determines and to withhold one or more for future sale. Sponsor reserves the right to change the size and/or number of Storage Lockers for so long as Sponsor holds Storage Locker Licenses. Additionally, Sponsor reserves the right to add Storage Lockers within the Storage Space and/or the Sub-Cellar Level and/or the Lobby/Cellar Level and offer additional Storage Locker Licenses for sale prior to the fifth anniversary of the Closing of the first Residential Unit. The Board shall not charge Sponsor any fees in connection with Sponsor's exercise of its rights to add additional Storage Lockers.

Sponsor reserves the right to designate at Closing the Storage Locker which will be subject to such Storage Locker License. In addition, Sponsor has the right to limit the number of Storage Locker Licenses sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit. Storage Lockers may only be used for the uses set forth in the Plan and the Storage Locker License, except for those owned by the Sponsor, cannot be licensed independently of the ownership of a Residential Unit.

(d) General

The prices for each of the Residential Units offered under this Plan are listed in "Schedule A - Prices of Residential Units and Related Information." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY.

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

This offering is restricted to individuals the age of 18 years or older, corporations, partnerships, limited liability companies, trusts, estates and other business entities that may hold title to real estate pursuant to New York Law. If the Purchaser is a trust, the Purchaser must, prior to executing an Agreement, provide Sponsor's attorney with documentation satisfactory to Sponsor's attorney which shall include, without limitation, a copy of the trust agreement, an affidavit from the trustee regarding the validity of the trust and all other information as may be required by Sponsor's attorney.

Each Residential Unit and its appurtenant Common Elements, Residential Common Elements and Residential Limited Common Elements, is being sold "as is" in the condition in which it exists on the date a Purchaser executes an Agreement for such Residential Unit, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the First Closing and to make repairs, improvements or decorations as may be otherwise set forth in this Plan. All equipment and furnishings described in this Plan as included in the Residential Unit are included in the purchase prices set forth on Schedule A. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls without Sponsor's consent or knowledge. Consequently, Sponsor makes no representation, warranty or guarantee as to whether any of said alterations were completed in compliance with all applicable governmental laws and regulations.

Sponsor reserves the right to undertake substantial construction work in Common Elements, Residential Common Elements, including the lobby and hallways, Commercial Units and vacant Residential Units in the Building, including the installation of new electric wiring, sheetrock, kitchens and baths. A Purchaser may request and Sponsor may agree, in Sponsor's discretion, that a vacant Residential Unit be delivered at Closing in its "as is" condition. Construction workers and related personnel may be at the Building from time to time performing various tasks relating to such construction, which will occur between the hours of 7:00 A.M. and 6:00 P.M. Monday through Friday. Access to the Building will be provided to the construction workers by the Superintendent. Debris from the construction will be removed in most instances through the elevators and outside doors on Sub-Cellar Level and/ or Lobby/Cellar Level and hauled away. The foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Sponsor will use reasonable commercial efforts to minimize any dust and/or debris from affecting surrounding Residential Units. Various systems, including but not limited to water supply and heating, may need to be shut down temporarily. Said work may be undertaken any time that Sponsor has Unsold Units. When Sponsor is doing substantial construction work to the Building, Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with DOB. Violation and/ or non-compliance with the Tenant Protection Plan may result in fines or work stoppage orders from DOB.

Any walls or partitions contained in a Residential Unit which do not conform to the Floor Plans contained in Part II of this Plan must be removed at the Residential Unit Owner's sole cost and expense in accordance with the provisions of the Declaration and By-Laws of the Condominium and as required by law. Any walls or partitions to be erected in a Residential Unit other than those shown on the Floor Plans

contained in Part II of this Plan must conform with the requirements of the Declaration and By-Laws of the Condominium and as required by law, and the Residential Unit Owner must obtain a valid work permit and a certificate of completion from the New York City Department of Buildings for such partition or wall. Vacant Units owned by Sponsor will conform with the Floor Plans contained in Part II of this Plan (or a Floor Plan agreed to by Purchaser and Sponsor and attached to the relevant Agreement) and applicable legal requirements prior to conveyance to a Purchaser, unless a Purchaser elects to purchase the Residential Unit “as is”, in which case such Purchaser undertakes to conform the Residential Unit to applicable legal requirements.

The estimated Common Charges for each Residential Unit for the first year of operation of the Property as a condominium are also set forth in Schedule A.

Additionally, each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund of the Condominium at the time of Closing of the Residential Unit, in an amount equal to 2 months of the Common Charges in effect at the time of the closing of each Residential Unit. See the Section entitled “Working Capital Fund and Apportionments.”

In addition to the payment of Common Charges, each Residential Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against such Residential Unit Owner’s Residential Unit, interest and amortization payments on the mortgage, if any, obtained by Purchaser and charges for electricity consumed in such Residential Unit Owner’s Residential Unit and the cost for telephone, cable and similar services. The charges for electricity consumed by each Residential Unit Owner for the relevant Residential Unit will be separately metered and billed directly to such Residential Unit Owner by Con Edison. Water charges and sewer rents, assessed by the City of New York, will be billed to the Condominium as a Common Expense, as described with greater detail in Schedule B - Projected Budget for First Year of Condominium Operation. The costs and expenses of gas consumed by Residential Unit Owners will be billed to the Condominium as a Common Expense. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Residential Unit. See the Notes to Schedule A with respect to the bases of such estimates.

Applicable Rent Laws

After the Declaration is recorded creating the Condominium, spaces presently occupied as apartments will become the Residential Units of the Condominium. All such apartments are referred to as Residential Units throughout this Plan.

This Plan is a non-eviction plan and is being presented in compliance with the requirements of Section 352-eeee of the General Business Law (the “GBL”) which sets forth the procedure for converting dwelling units to condominium ownership. Under the GBL, Sponsor may declare this Plan to be effective when Agreements have been executed for at least 15% of the Residential Units in the Building by bona fide tenants in occupancy on the Filing Date or bona fide purchasers who represent that they intend that they or 1 or more specified members of their immediate family will occupy the Residential Unit when it becomes vacant. A Non-Purchasing Tenant of a Residential Unit will not be evicted solely by reason of conversion of the Property to condominium ownership. However, the lease of a Non-Purchasing Tenant that is not subject to the Rent Laws and that expires prior to the effective date of this Plan may not be renewed by Sponsor and such Non-Purchasing Tenant may be evicted as the result of such non-renewal. No eviction proceedings will be commenced at any time after the effective date of this Plan against Non-Purchasing Tenants for failure to purchase or any other reason solely 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 Condominium or its Managing Agent, a breach by the Non-Purchasing Tenant of his or her obligations to the owner of the Residential Unit, the failure of the Non-Purchasing

Tenant to enter into a renewal lease or such other grounds for eviction as may then be permitted by Law; and provided further that an owner of a Residential Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that the Residential Unit is needed for the use and occupancy of the Non-Tenant Purchaser or the Non-Tenant Purchaser's family. Please refer to the Sections of this Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants" for further details.

Certain of the Residential Units in the Building being offered for sale under this Plan are subject to the New York City Rent and Rehabilitation Law and the Rent and Eviction Regulations of the New York City Housing and Development Administration (rent control), the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 and 1997 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder, as same may be amended (collectively, the "Rent Laws"), as a result of the Building being constructed prior to July 1, 1974 and containing more than 6 residential apartments. As of November 4, 2019, 65 of the Residential Units being offered for sale are subject to rent stabilization and 10 of the Residential Units being offered for sale are vacant. As of November 4, 2019, there are 2 non-payment proceeding and 0 holdover proceeding pending against tenants at the Building. Notwithstanding the foregoing, Sponsor reserves the right to bring any proceedings under the Rent Laws in the future. There is no major capital improvement ("MCI") application currently pending pursuant to which Sponsor is seeking a rent increase for work performed in the Building from those tenants whose rents are regulated under the Rent Laws. Sponsor reserves the right to seek MCI and other increases in the future to the extent available. The status of each Residential Unit under the Rent Laws is set forth in Schedule A. Please refer to the Sections of this Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants" for further details. Please refer to the Section of this Plan entitled "Rights of Existing Tenants" for further information regarding the rights of tenants holding "free market" leases.

The term "Non-Purchasing Tenant" (as such term is defined in the GBL) means a person who has not purchased a Unit pursuant to this Plan and who is a tenant entitled to possession at the time this Plan is declared effective or a person to whom a Unit is rented by Sponsor subsequent to the effective date of this Plan. A person who sublets a Unit from "a purchaser under this Plan" (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

(A) No eviction proceedings will be commenced at any time after the Effective Date of this Plan against Non-Purchasing Tenants for failure to purchase or any reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the Unit, refusal of reasonable access to the Unit by the Condominium or its Managing Agent or a breach by the Non-Purchasing Tenant of his or her obligations to the owner of the Unit or such other grounds for eviction as may then be permitted by Law; and provided further that an owner of a Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that he or she seeks the Unit for the use and occupancy of himself or herself or family members.

(B) Non-Purchasing Tenants who reside in Units subject to government regulation as to rentals and continued occupancy prior to the conversion of the Building to Condominium ownership shall continue to be subject to such regulations. Nothing contained herein shall be deemed to extend greater rights to a Non-Purchasing Tenant than such tenant would have had if the Building had not been converted to condominium ownership, except as otherwise provided in subparagraph (C) below.

(C) Under this non-eviction Plan, Non-Purchasing Tenants who reside in Units not subject to government 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 Filing Date of this Plan, and whose leases expire and against whom holdover

proceedings are commenced before the Effective Date of this Plan, 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 Units after the Effective Date of this Plan are protected from eviction and from unconscionable rent increases if they do not purchase their Unit. Unconscionable rent increases are defined by law as increases that are “beyond ordinary rentals for comparable apartments during the period of their occupancy”.

Non-Purchasing Tenants are advised that complaints of unconscionable rent increases may be referred to the New York State Department of Law, Bureau of Real Estate Financing, 28 Liberty Street, 21st Floor, New York, New York 10005.

Non-Purchasing Tenants may be subject to rent increases as the result of major capital improvements (“MCI”) made by Sponsor, the Board or purchasers of Units occupied by such Non-Purchasing Tenants. Under current Law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund for such improvement. Sponsor may take a credit against the Reserve Fund for qualifying work performed in the Building. Sponsor may perform or engage 1 or more contractors to perform qualifying work. Please refer to the Section of this Plan entitled “Reserve Fund” for further details.

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

(E) The rights granted under this Plan to “purchasers under this Plan” (as such term is defined in the GBL) and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, the GBL. Please refer to the Section entitled “Rights and Obligations of Unit Owners and the Board of Managers” in Part I of this Plan for further details.

Neither Sponsor nor its principals own in whole or in part, nor do they have an option or right to acquire, any adjacent areas which are not fully developed. Currently there are no unused floor area development rights of the Property. Notwithstanding the foregoing, Sponsor shall have the right to any unused floor area development rights of the Property as a result of an up zoning or otherwise, including the right to transfer any such retained development rights to adjoining properties. In the event that Sponsor or its principals obtain an option or right to acquire any adjacent areas which are not fully developed, Sponsor will disclose same in an amendment to this Plan. Sponsor shall retain any unused floor area development rights.

CERTAIN DEFINITIONS

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

“ACM” refers to asbestos containing material.

“Act” refers to the Federal Condominium and Cooperative Abuse Relief Act of 1980, as amended from time to time, and found in 15 11.C.0 3601.

“Additional Deposit” refers to a deposit under the Agreement of up to 5% of the Purchase Price which Sponsor may require Purchaser to pay prior to entering into an Interim Use and Occupancy Agreement. The Additional Deposit shall be added to the Deposit and shall thereafter be deemed to be part of the Deposit.

“Advertising Activities” refers to advertising a Residential Unit, listing a Residential Unit with a broker or otherwise offering, promoting or publicizing the availability of a Residential Unit for sale or lease.

“Affidavit” refers collectively to an “Affidavit of Bona Fide Tenant Purchaser For Purposes of Declaring Offering Plan Effective” and an “Affidavit of Bona Fide Non-Tenant Purchaser For Purposes of Declaring Offering Plan Effective,” which are included in the Agreement contained in Exhibit I of Part II of this Plan.

“Agreement” refers to the agreement to purchase a Residential Unit pursuant to this Plan, the form of which is set forth in Part II of this Plan.

“Alteration” refers collectively to any alteration, addition or improvement to any Common Element or Residential Common Element.

“AOD” refers to an Assurance of Discontinuance.

“AOD2” refers to a second Assurance of Discontinuance.

“Appurtenant Interest” refers to: (i) the undivided interest in the Common Elements and Residential Common Elements of a Residential Unit, (ii) the interest of such Residential Unit Owner in any other Residential Unit acquired by the Board or its designee, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Residential Unit Owner in any other assets of the Condominium, pursuant to the provisions of Section 339-x of the Condominium Act.

“Asbestos Regulations” refers to the provisions of 13 NYCRR 23.7(cc), as amended from time to time, which pertain to the disclosure of testing performed to determine whether asbestos containing material is present in insulating or fireproofing material in occupied residential property being converted to condominium ownership.

“Asbestos Report” refers to the report on asbestos containing material in the Building prepared by Singer Environmental Group Ltd. and reproduced in Part II of this Plan.

“Bank” refers to Citibank, N.A., located at 666 Fifth Avenue, 5th Floor, New York, New York 10103.

“Board” refers to the board of managers comprised of representatives of the Unit Owners.

“Board Members” refers to the members of the Board elected by Unit Owners or designated or nominated and elected by Sponsor or its designee.

“Building” refers to the structure and improvements including above and below grade segments, known as 136-04 Cherry Avenue, Flushing, New York 11355 in which the Units of the Condominium are located.

“By-Laws” refers to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of this Plan.

“Capital Replacement” refers to 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) windows; or (6) a major structural replacement to the Building; provided, however, that replacements made solely to cure code violations of record shall not be included.

“Casualty Loss” refers to the damage to or destruction of the Building or any part thereof (other than the Units) by fire or other casualty.

“Change” refers to an amendment, modification, addition or deletion of the Declaration, By-Laws or Residential Rules and Regulations.

“City Register’s Office” refers to the Queens County office of the Register of The City of New York.

“Closing” refers to the time, place and procedure by which fee title to a Residential Unit is conveyed to a Purchaser pursuant to a fully executed Agreement.

“Closing Date” refers to the date on which Closing occurs.

“Code” refers to the Internal Revenue Code of 1986, as amended from time to time.

“Commercial Board” refers to the Commercial Board Members only.

“Commercial Board Members” refers to the Board Members elected by the Commercial Unit Owners or designated or nominated and elected by Sponsor or its designee.

“Commercial Common Elements” refers to those portions of the Building and improvements thereon, if any, that serve or benefit all of the Commercial Units or the Commercial Unit Owners.

“Commercial Limited Common Elements” refers to those portions of the Building and improvements thereon, if any, that serve or benefit exclusively one or more but not all of the Commercial Units or the Commercial Unit Owners.

“Commercial Unit Owner Change” refers to each or any combination of the following: (a) alterations, additions, improvements or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Units; (b) change in the use or layout of, or number of spaces or rooms in the Commercial Units; (c) amendment of the Certificate of Occupancy for the Building as it relates to the Commercial Units; (d) change in the size of any Commercial Unit by (w) subdividing the Commercial Unit into 2 or more separate Commercial Units, (x) combining 2 or more

separate Commercial Units resulting from such subdivision into 1 or more Commercial Units, (y) altering the boundary walls of 2 or more separate Commercial Units resulting from such subdivision or combination, or (z) otherwise; and (e) if appropriate, reapportionment among the Commercial Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests.

“Commercial Unit Owners” refers to the owners of the Commercial Units.

“Commercial Units” refers to the 9 stores and 1 off-street parking garage. The Commercial Units are not being offered for sale hereby.

“Common Charges” refers to assessments payable to the Condominium by the Unit Owners for the purpose of meeting the cost of Common Expenses, as more particularly defined in the Declaration.

“Common Elements” refers to the Land and all parts of the Building, including its, foundations and supports, other than the Units, Residential Common Elements, Residential Limited Common Elements, Commercial Common Elements (if any), Commercial Limited Common Elements (if any), as more particularly defined in the Declaration.

“Common Expenses” refers to the costs and expenses (including the payment of wages) in connection with the Maintenance and operation of, and any alteration, addition or improvement to, the Common Elements and Residential Common Elements and certain other expenses common to all Unit Owners.

“Common Interest” refers to the proportionate undivided interest in the Common Elements appurtenant to each Unit, expressed as a numerical percentage, determined in accordance with the Declaration.

“Concessionaire” refers to Sponsor or an affiliate of Sponsor that operates the laundry facility on the Lobby/Cellar Level of the Building pursuant to a concession agreement with the Condominium.

“Condominium” refers to The Infinity 8 on Cherry Condominium.

“Condominium Act” refers to the New York Condominium Act, as amended from time to time, and presently found in, Article 9-B of the New York Real Property Law.

“DDK” refers to DDK & Company LLP, CPA.

“Declarant”, “Declarant and/or its designee(s)” and “Declarant or a designee of Declarant” each refer to Cherry Associates LLC, a New York limited liability company, and its successors and assigns, any of the members of Declarant, any affiliate of Declarant, any affiliate of any members of Declarant, any officer or shareholder of a corporate member of Declarant, or any member of a limited liability company which is a member of Declarant or any party designated in writing as a designee. An affiliate shall be deemed to be a person or an entity who or which owns more than 50% of the legal and beneficial interest of Declarant or of any member of Declarant, a person or an entity with respect to which either Declarant or any member owns more than 50% of the legal and beneficial interest, or an entity as to which more than 50% of its legal and beneficial interest is owned by a person or an entity which owns more than 50% of the legal and beneficial interest of Declarant or of any member thereof.

“Declaration” refers to the instrument creating the Condominium, as the same may be amended from time to time, the form of which is set forth in Part II of this Plan.

“Department of Law” refers to the New York State Department of Law.

“Deposit” refers to the payment that is required to be made at the time of execution of an Agreement.

“DHCR” refers to the New York State Division of Housing and Community Renewal.

“DOB” refers to the New York City Department of Buildings.

“Documentary Evidence” is limited to any cancelled check drawn to the order of, a receipt from, or a lease signed by any predecessor-in-interest.

“Effective Date” refers to the date on which this Plan is declared effective.

“Emergency” refers to any situation where the applicable person, in his or her reasonable judgment, concludes that a particular action (including, without limitation, the expenditure of funds) is immediately necessary (i) to avoid material damage to all or any material portion of the Building or the Property, (ii) to protect any person from harm, or (iii) to avoid the unforeseen and unforeseeable suspension of any necessary material service in or to the Building or the Property that would have a material and adverse effect on the Building or the Property.

“Escrow Agent” refers to the law firm of Pryor Cashman LLP.

“Estoppel Letter” refers to a statement issued by the Board to any seller or purchaser of a Residential Unit prior to the permissible sale, transfer or other conveyance of a Residential Unit. Such statement sets forth the amount of the unpaid Common Charges accrued against a Residential Unit and states that neither such seller nor purchaser shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in such statement.

“Exclusive Purchase Period” refers to the 90 day period following the Presentation Date of this Plan during which Tenant Purchasers have the exclusive right to purchase their respective Residential Units.

“Facade” or “Facades” refers to the exterior facades of the Building including, without limitation, the exterior walls, window sills, cornices, parapets, doors and entrance ways and all other components (excluding the roof) of the exterior surfaces of the Building.

“Facility” or “Facilities” refers to all equipment and facilities necessary for the operation of the Building or its systems and includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: any system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

“Fee Mortgage” refers to a mortgage in the original principal amount of \$10,150,000 held by Santander Bank N.A. and having a maturity date of January 1, 2022 that currently encumbers the Property.

“Fee Mortgagee” refers to Santander Bank N.A., with a place of business at 200 Liberty Street, 17th Floor, New York, New York, 10281, the holder of the Fee Mortgage that currently encumbers the Property.

“Financial Statements” refers to a statement of income and expense for the Building.

“FinCEN” refers to the Financial Crimes Enforcement Network of the U.S. Department of the Treasury.

“First Annual Meeting” refers to a special meeting of the Residential Unit Owners called by the Board to elect new Residential Board Members.

“First Closing,” or “First Closing Date” or words of similar import, refers to the date of the first closing of fee title to a Residential Unit to a Purchaser pursuant to this Plan.

“FISP” refers to the New York City Façade Inspection Safety Program.

“Floor Plans” refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Department of The City of New York and filed with the City Register’s Office.

“Garage Unit” refers to 1 of the Commercial Units.

“Garage Unit Owner” refers to the owner of the Garage Unit.

“Garage Unit Owner Change” refers to each or any combination of the following: (a) alterations, additions, improvements or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Garage Unit; (b) change in the use or layout of, or number of spaces or rooms in the Garage Unit; (c) amendment to the Certificate of Occupancy for the Building as it relates to the Garage Unit; (d) change in the size of the Garage Unit by (w) subdividing the Garage Unit into 2 or more separate Garage Units, (x) combining 2 or more separate Garage Units into 1 or more Garage Units, (y) altering the boundary walls of 2 or more separate Garage Units resulting from such subdivision or combination, or (z) otherwise; and (e) if appropriate, apportionment among the Garage Units created by such change their respective Common Interests.

“GBL” refers to the New York State General Business Law.

“GOB” refers to the New York State General Obligations Law.

“Governmental Entity” refers to a government or governmental mission, or to a department, agency or consulate of a government, or to any other party who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act, as the same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable).

“HVAC” refers to heating, ventilating and air conditioning (if any) servicing the Units.

“Initial Control Period” refers to the period ending the earlier of (i) the closing of title with Purchasers under this Plan to Residential Units comprising more than 50% in number and having more than 50% of the aggregate Residential Common Interests of all Residential Units, or (ii) 5 years after the First Closing.

“Institutional Mortgage” refers to any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant and /or its designee(s), (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, or (iii) a federal, state, municipal, teacher’s or union employee, welfare, pension or retirement fund or system.

“Insurance Trustee” refers to a bank or trust company in the City of New York, designated by the Board and having a capital surplus and undivided profits of \$500,000,000 or more.

“Interim Use and Occupancy Agreement” refers to an agreement allowing a Purchaser to take possession of a vacant Residential Unit prior to Closing.

“IRS” refers to the U.S. Internal Revenue Service.

“JW” refers to Joel Wiener.

“KW” refers to Keller Williams NYC.

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

“Law” or “Laws” refers to laws and ordinances of any or all of the federal, state, city and county governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property, any Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to law, and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

“Letter” refers to the August 13, 2018 letter prepared by Keller Williams NYC and contained in this Plan, as required by NYCRR Section 23.3(i).

“Licensee” refers to a Person that has entered into a Storage Locker License.

“Lobby/Cellar Level” refers to the lobby/cellar level. It is above the Sub-Cellar level, but below the first floor.

“Local Law 1” refers to Local Law 1 of the City of New York for 2004, as amended from time to time, which pertains to landlords’ obligations with respect to lead-based paint. Local Law 1 sets forth the obligations of Residential Unit Owners and the actions Residential Unit Owners may be required to take thereunder with respect to lead-based paint in their respective Units.

“Maintenance” or “Maintain” refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, improvement, decorating, painting, installation, alteration, addition, reconstruction, construction, demolition, restoration, replacement or other similar action as and when necessary or desirable of any portion of the Building.

“Majority of Unit Owners” means those Unit Owners having more than 50% of the total votes cast (in person or by proxy) at any meeting at which a quorum is present of Unit Owners, determined in accordance with the provisions of Section 3.8 of the By-Laws.

“Management Agreement” refers to the management agreement entered into by the Condominium with the Managing Agent.

“Managing Agent” refers to the managing agent or manager of the Building at the time in question.

“Mansion Tax” refers to the New York State Additional Tax pursuant to Article 31 of the Tax Law, as amended from time to time, which a Purchaser of a Residential Unit having a purchase price of \$1,000,000 or more is obligated to pay.

“Master Escrow Account” refers to an escrow account entitled “Pryor Cashman LLP, Attorney Trust Account” established at the Bank.

“Material Garage Unit Owner Change” refers to any Garage Unit Owner Change which (i) affects the exterior of the Garage Unit in any material manner or (ii) affects the structural elements of the Garage Unit in any material manner, and in either case, such that it materially affects the structure of the Building.

“MCI” refers to a major capital improvement to the Building made by Sponsor, the Board or purchasers of Units occupied by Non-Purchasing Tenants.

“Mortgage Representatives” refers to 1 or more, but not more than 3, representatives designated by the holders of Institutional Mortgages to act on behalf of all holders of Institutional Mortgages with respect to any matter requiring their consent or approval under the Declaration or By-Laws.

“New York Simplified Procedure for Court Determination of Disputes” refers to the manner of resolving disputes set forth in Section 3031 of the New York Civil Practice Law and Rules.

“Non-Purchasing Tenant” (as such term is defined in the GBL) means a person who has not purchased a Residential Unit pursuant to this Plan and who is a residential tenant entitled to possession at the time this Plan is declared effective or a person to whom a Residential Unit is rented by Sponsor subsequent to the effective date of this Plan. A person who sublets a Residential Unit from “a purchaser under this Plan” (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

“Non-Tenant Purchaser” refers to a Purchaser who is not a Tenant Purchaser.

“NYRSL” refers to the New York Rent Stabilization Law.

“NYS Tax” refers to the New York State Real Estate Transfer Tax.

“OAG” refers to the New York State Office of the Attorney General.

“Offeree” refers to (a) a Purchaser who has executed and delivered an Agreement for a Residential Unit and who is not in default thereunder, (b) a Residential Unit Owner, and (c) any other person or entity who, pursuant to Law, is an offeree of this Plan.

“Offeree Commercial Unit Owner” refers to the Commercial Unit Owner to whom an Outside Offer is made.

“Offeree Residential Unit Owner” refers to the Residential Unit Owner to whom an Outside Offer is made.

“Opposing Party” refers collectively to the Board, Mortgage Representative or Unit Owner whose consent is required in the event a Proponent proposes to make an Alteration pursuant to the By-Laws.

“Outside Offer” refers to (i) a bona fide offer received by any Residential Unit Owner to (a) purchase such Residential Unit Owner’s Residential Unit together with its appurtenant Common Interest, or (b) lease such Residential Unit Owner’s Residential Unit; or (ii) a bona fide offer received by any Commercial Unit Owner to (a) purchase such Commercial Unit Owner’s Commercial Unit together with its appurtenant Common Interest, or (b) lease such Commercial Unit Owner’s Commercial Unit.

“Outside Offeror” refers to the party making an Outside Offer.

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

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

“Permitted Mortgagee” refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the mortgages given by Sponsor to acquire or improve the Property.

“PGNY” refers to Pinnacle Group NY LLC.

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

“Plan Documents” refers to the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium.

“Power of Attorney” refers to a written document, the form of which is set forth in Part II of this Plan that each Purchaser of a Residential Unit or a Commercial Unit is obligated to execute at the closing of title to the relevant Unit. The Power of Attorney grants broad powers to the Board to enter into agreements affecting the Common Elements and Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements. The Power of Attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to Units owned by Sponsor.

“Presentation Date” refers to the date on which this Plan or an amendment thereto, as the case may be, is personally delivered or the 5th day after mailing to the tenants in occupancy of Residential Units following acceptance of this Plan or an amendment thereto for filing by the Department of Law.

“Property” refers, collectively, to the Land, the Building and the appurtenances thereto.

“Proponent” refers, collectively, to Declarant and/or its designee(s) in the event that same propose to make an Alteration pursuant to the By-Laws that requires any consent by the Board, Mortgage Representative or Unit Owner.

“Prospective Purchaser” refers to person(s) or entity(ies) that intend to enter into an Agreement for the purchase of a Residential Unit.

“Purchaser” refers to person(s) or entity(ies) named as Purchaser(s) in an Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

“Rent Laws” refers to (i) the New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the New York City Rent and Rehabilitation Law, (iii) the Rent and Eviction Regulations of the New York City Housing and Development Administration (rent control), (iv) New York State General Business Law, Section 352-eeee, (v) the Rent Regulation Reform Act of 1993 and 1997, (vi) the Emergency Tenant Protection Act of 1974 and (vii) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof to the extent that any or all of the same shall apply to the Property, as the same may be amended from time to time.

“Required Documentation” refers to such applications, permits, certifications, affidavits, forms, agreements, acknowledgments or other documents as may be required to enable Declarant and/or its designee(s) to exercise its rights or obligations under the Plan or the Declaration and the By-Laws, including, without limitation, Declarant’s rights to undertake, perform and complete work to the Unsold Units.

“Reserve Fund” refers to a fund, established by the sponsor of an offering plan for the conversion of a building from rental to condominium status, to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such building.

“Reserve Fund Law” refers to Local Law No. 70 of the City of New York, which amends Chapter 51 of the Administrative Code of the City of New York.

“Residential Board” refers to the Residential Board Members only.

“Residential Board Members” refers to the Board Members elected by the Residential Unit Owners or designated or nominated and elected by Sponsor or its designee.

“Residential Common Elements” refers to those parts of the Building as well as the Facilities therein, existing for the exclusive common use of the Residential Units or the Residential Unit Owners.

“Residential Common Expenses” refers to all costs and expenses to be incurred by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements.

“Residential Common Interest” or “Residential Common Interests” refers to the undivided interest in the Residential Common Elements appurtenant to each Residential Unit, expressed as a numerical percentage, determined in accordance with the Declaration.

“Residential Limited Common Elements” refers to those portions of the Building, and improvements (other than the Residential Units), if any, to which a particular Residential Unit Owner has exclusive access and use.

“Residential Rules and Regulations” refers to the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

“Residential Unit” refers to a Residential Unit designated in the Declaration and the Floor Plans, and all such Residential Units are collectively, referred to as the “Residential Units”.

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

“RPL” refers to the New York Real Property Law, as may be modified from time to time.

“RPT Tax” refers to the New York City Real Property Transfer Tax.

“RRRA” refers to the New York State Rent Regulation Reform Act of 1993 and 1997, as may be modified from time to time.

“Schedule A” refers to “Schedule A – Prices of Residential Units and Related Information” for the Projected First Year of Condominium Operation set forth in Part I of this Plan.

“Schedule B” refers to “Schedule B - Projected Budget for First Year of Condominium Operation” set forth in Part I of this Plan.

“Selling Agent” refers to any selling agent designated by Sponsor at the time in question.

“Sign” refers to one or more signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like within the Property and/or on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit or Unsold Commercial Unit and (ii) the operation of any business of Sponsor, a tenant, occupant, managing agent or operator of all or any portion of any Unsold Residential Unit and/or Commercial Unit.

“Smoking” is defined as inhaling, exhaling, breathing, burning or carrying a lighted cigar, cigarette, pipe, hookah, electronic cigarette, vape pen or other similar device in any manner or form.

“Special Assessment” refers to changes allocated and assessed by the Board to Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or the By-Laws) in accordance with the By-Laws of the Condominium or to the Residential Unit Owners pro-rata in accordance with the By-Laws of the Condominium or to the Residential Unit Owners pro-rata in accordance with their respective Residential Common Interests (except as otherwise provided in the Declaration or By-Laws) in accordance with the By-Laws of the Condominium.

“Sponsor” refers to Cherry Associates LLC, a New York limited liability company, and its designees, successors and assigns.

“Sponsor Control Period” refers to the period ending the earlier of (i) the closing of title with Purchasers under this Plan to Residential Units comprising more than 50% in number and having more than 50% of the aggregate Residential Common Interests of all Residential Units, or (ii) 5 years after the First Closing.

“Sponsor’s Transferee” refers to a Purchaser to whom Sponsor makes a bulk sale of Units.

“Storage Locker” refers to any storage locker located in the Storage Space.

“Storage Locker License” or “Storage Locker License Agreement” refers to an agreement entitling the Licensee to use a Storage Locker.

“Storage Space” refers to an area located in the Lobby/Cellar Level and/or Sub-Cellar Level of the Building containing Storage Lockers. The Storage Space will be a Residential Common Element.

“Sub-Cellar Level” refers to the level below the Lobby/Cellar Level.

“Superintendent’s Apartment” refers to apartment number LB, which is located on the Lobby/Cellar Level of the Building and is occupied by the Superintendent. The Superintendent’s Apartment will be a Residential Common Element.

“Taking” refers to the taking in condemnation or by eminent domain of the Common Elements or Residential Common Elements or any part thereof.

“Tenant Protection Plan” refers to a plan required under NYC Administrative Code 28-104.8.4 to safeguard the health and safety of the occupants for buildings undergoing alterations in which dwelling units will be occupied during construction.

“Tenant Purchaser” shall have the meaning set forth in the Section of this Plan entitled “Rights of Existing Tenants.”

“Title Company” refers to Commonwealth Land Title Insurance, having an office at 685 Third Avenue, 20th Floor, New York, New York 10017, Attn: Peter G. Doyle, Jr., Telephone: 212-973-6209, e-mail: pdoyle@cltic.com.

“Total Price” refers to the sum of the cost of all Residential Units offered for sale pursuant to this Plan at the last price which was offered to tenants in occupancy of the Building prior to the effective date of this Plan regardless of the number of sales made.

“Transferor” refers to a Residential Unit Owner who sells or leases such Residential Unit Owner’s Residential Unit.

“Trust Fund” refers to monies actually received by the Board in connection with net insurance proceeds payable under insurance policies maintained by the Board by reason of a Casualty Loss or Taking that are held in trust for the benefit of all Unit Owners and their Permitted Mortgagees.

“2021 Taxable Year” refers to the taxable year ending December 31, 2021.

“Unit” refers to any Unit designated as a Unit in the Declaration and Floor Plans, as same may be amended from time to time, and all such Units, are, collectively, referred to as the “Units.”

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

“Unsold Commercial Unit” refers to any Commercial Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee or a Sponsor’s Transferee; a Commercial Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor or 1 or more of the principals of Sponsor, is a member; or any Commercial Unit for which there is a signed Agreement but for which Closing has not yet occurred.

“Unsold Residential Unit” refers to any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee or a Sponsor’s Transferee; a Residential Unit that is acquired, individually or collectively, by a

principal of Sponsor or a group of which Sponsor or 1 or more of the principals of Sponsor, is a member; a Residential Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Sponsor or the designee of a holder of such a Permitted Mortgage; or any Residential Unit for which there is a signed Agreement but for which Closing has not yet occurred.

“Work” refers to repair or restoration work arranged by the Board to repair or restore the portion(s) of the Building affected by a Casualty Loss or the portion(s) of the Common Elements or Residential Common Elements affected by a Taking.

“Working Capital Fund” refers to the working capital fund of the Condominium.

“Zarasai Group” refers to The Zarasai Group LLC.

“Zarasai Ltd.” refers to The Zarasai Group Ltd.

All other capitalized terms used in Part I of this Plan not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

DESCRIPTION OF PROPERTY

The Building

The structure and improvements including above and below grade segments, known as 136-04 Cherry Avenue, Flushing, New York 11355 was constructed in approximately 1959 as an apartment building (the "Building"). The Building consists of a 6 story building plus a Lobby/Cellar Level and Sub-Cellar Level. There are a total of 75 Residential Units situated on the Sub-Cellar Level, Lobby/Cellar Level and floors 1 through 6. There are apartments on the Sub-Cellar Level, Lobby/Cellar Level and floors 1 through 6. The Superintendent's Apartment is on the Lobby/Cellar Level. The Lobby/Cellar Level also includes: 7 stores and 1 garage with off-street parking (the "Garage Unit") the Superintendent's Apartment, elevator room, meter room, workshop, storage, laundry room and Storage Lockers (anticipated to be installed prior to the First Closing). The Sub-Cellar includes 2 stores, the boiler room and the compactor room. The 7 stores on the Lobby/Cellar Level, 1 Garage Unit and 2 stores on the Sub-Cellar Level are herein collectively referred to as "Commercial Units". The Commercial Units are not being offered for sale hereby. There are no recreational facilities currently located within the Building. The Building is not an individual landmark or within a landmarked district. The Building received Certificate of Occupancy No. 148279 in 1962. A copy of the Certificate of Occupancy for the Building is contained in Part II of this Plan in the Description of Property in Appendix 1.

Residential Units

Subject to the rights of Sponsor and its designee to change the number of Residential Units, there are a total of 75 Residential Units situated on the Sub-Cellar Level, Lobby/Cellar Level and floors 1 through 6 of the Building. The Superintendent's Apartment is on the Lobby/Cellar Level. Detailed descriptions of the Residential Units are set forth in the Declaration and in the "Description of Property" in Part II of this Plan. See also the Section entitled "Changes in Prices and Residential Units." Please refer to "Schedule A - Prices of Units and Related Information" for further details.

Each Residential Unit and its appurtenant Common Elements, Residential Common Elements and Residential Limited Common Elements are being sold "as is" in the condition in which they exist on the date an Agreement is executed for such Residential Unit, subject to ordinary wear and tear and further subject to Sponsor's obligation to Maintain the Building until the First Closing and further subject to Sponsor's obligation to make repairs, improvements or decorations as may be otherwise set forth in this Plan. Currently, no Residential Unit has Residential Limited Common Elements, however, at such time as any Residential Unit Owner purchases a Storage Locker License, such Storage Locker will be deemed to be, and treated as, for all intents and purposes, a Residential Limited Common Element as it will, upon the purchase of such Storage Locker License, exist for the use and enjoyment of the purchasing Residential Unit Owner to the exclusion of all other Unit Owners.

Sponsor reserves the right to undertake substantial construction work in vacant Residential Units in the Building, including the installation of new electric wiring, sheetrock, kitchens and baths. Vacant Residential Units, when renovated, will include a stove, refrigerator, microwave and dishwasher. If materially different from the renovations disclosed herein, Sponsor shall amend this Plan to disclose renovations to vacant Residential Units in the Building. A Purchaser may request and Sponsor may agree, in Sponsor's discretion, that a vacant Residential Unit be delivered at Closing in its "as is" condition, as of the date that Purchaser executes the Agreement, subject to ordinary wear and tear.

Sponsor and its designee reserve the right, without prior notice or amendment to this Plan, to use Unsold Residential Units on any floor of the Building as sales and leasing offices and model Residential Units. In the event Sponsor or its designee, thereafter, elects to sell any such Unsold Residential Units,

Sponsor or its designee may require the Purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unsold Residential Unit, such amounts as Sponsor determines.

A Residential Unit Owner may only use such Residential Unit Owner's Residential Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Residential Unit Owner use such Residential Unit Owner's Residential Unit for a use violative of the By-Laws.

Commercial Units

On or about the date of the First Closing, the Commercial Units will be retained by Sponsor. The Commercial Units are comprised of space on the Lobby/Cellar Level (7 stores and 1 garage), the Sub-Cellar Level (2 stores), the structural systems within the Commercial Units, the doors, the windows (including the glass) the entrance(s), all plumbing, gas and heating fixtures, equipment, appliances, heating, ventilating and air conditioning units, heating equipment, sinks, water closets and all other Facilities as may be affixed, attached or appurtenant to the Commercial Units and serving the Commercial Units exclusively. Sponsor shall have the right, without the consent or approval of the Board, the Residential Unit Owners, Commercial Unit Owners or the Mortgage Representatives, if any, to: change the use (including but not limited to residential use) or layout of, or number of spaces or rooms in the Commercial Units; amend the Certificate of Occupancy for the Building as it relates to the Commercial Units; change the size of any Commercial Unit by subdividing the Commercial Unit into 2 or more separate Commercial Units or combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units and if appropriate, reapportion among the Commercial Units affected by such change in size or number their respective Common Interests, subject to the provisions of the Declaration and By-Laws.

Superintendent's Apartment

The Superintendent will continue to occupy an apartment located on the Lobby/Cellar Level (the "Superintendent's Apartment"). The Superintendent's Apartment will be part of the Residential Common Elements and all charges attributable to the Superintendent's Apartment, including the costs of utilities and the costs of repairs, alterations and improvements to the Superintendent's Apartment, shall be borne by all Residential Unit Owners as a Residential Common Expense. A copy of the Certificate of Occupancy for the Building is contained in Part II of this Plan in the Description of Property in Appendix 1. The Certificate of Occupancy provides for 2 apartments on the Lobby/Cellar Level, one of which is used to house the superintendent.

Storage Locker Licenses

There will be 8 Storage Lockers approximately 3' x 5' x 7' high, each of which will be located in the Storage Space at the Lobby/Cellar Level of the Building. The price per Storage Locker License is \$10,000. Sponsor reserves the right to change the size and/or number of Storage Lockers for so long as Sponsor holds Storage Locker Licenses. Additionally, Sponsor reserves the right to add Storage Lockers within the Storage Space and/or the Sub-Cellar level and/or Lobby/Cellar Level and offer additional Storage Locker Licenses for sale prior to the fifth anniversary of the First Closing. The Board shall not charge Sponsor any fees in connection with Sponsor's exercise of its rights to add additional Storage Lockers. Each Storage Locker licensed to a Residential Unit Owner other than the Sponsor shall be used only for the storage of personal effects of the Residential Unit Owner, and in no event shall any food or other perishable

item, or any flammable or explosive item, or any material which will pose a health or safety threat or which will result in the cancellation of insurance on the Building, or the contents thereof, or which would otherwise create a nuisance, be stored therein. Except for Storage Lockers owned by Sponsor, no Storage Locker may be licensed independently of the ownership of a Residential Unit. Sponsor shall have the right to use any unassigned Storage Lockers for any lawful purpose or to change the permitted use of any unassigned Storage Locker, subject however, to the provisions of the By-Laws.

The term of the Storage Locker License will commence no earlier than the date upon which Purchaser closes title to a Residential Unit and no later than the date upon which Purchaser closes on the purchase of the Storage Locker License if not simultaneously with the purchase of a Residential Unit. The license grants a licensee a revocable and exclusive privilege to use and occupy a space without granting the licensee an interest in the property. The term of the Storage Locker License will terminate upon the earlier of (i) the termination of the Storage Locker License by the Board pursuant to the terms of the Storage Locker License or By-Laws; (ii) the date on which the Licensee no longer is a Residential Unit Owner and has not transferred the Storage Locker License to another Residential Unit Owner pursuant to its terms; or (iii) the date on which the Licensee voluntarily terminates the Storage Locker License. The Plan does not provide at this time for any fees associated with the licensing of a Storage Locker other than the Purchase Price of the Storage Locker License. As a Residential Common Element, or, upon being licensed, a Residential Limited Common Element, any special fees arising in connection with the maintenance of the Storage Space or a particular Storage Locker will be imposed in accordance with the By-Laws as it relates to these types of Common Elements.

Facade

The exterior facade of the Building (including, without limitation, the exterior walls, window sills, cornices, parapets, doors and entrance ways and all other components, (excluding the roof) of the exterior surfaces of the Building (the “Facade” or “Facades”), will be a Residential Common Element, including, without limitation, as to costs and expenses of repair, maintenance and replacement and matters of liability.

Common Elements

Generally, the Common Elements include, among other things, the following: (a) all parts of the Building and improvements thereon other than the Units, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements, and include those rooms, areas, corridors, spaces and other parts of the Building and all Facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property, (b) the Land (including the landscaping, sidewalks and walkways thereon or appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto, (c) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, floor slabs and, all interior walls, partitions, floor slabs and ceilings, on, or under the Building, separating a Common Element from a Unit, and that portion of all interior walls, partitions, floors and ceilings separating a Common Element from a Residential Common Element, Residential Limited Common Element or Commercial Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Common Element, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements, (d) boiler room, meter room and their respective shafts and equipment to the extent that the aforesaid service both the Residential Units and the Commercial Units, (e) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service either (i) the Residential Units and the Commercial Units and/or the Commercial Limited Common Elements, or (ii) the Commercial Units and the Residential

Units, Residential Common Elements and/or the Residential Limited Common Elements to the extent that same are not expressly included as a part of the Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements, (f) all other parts of the Property, and all apparatus and installations and facilities now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Property.

Residential Common Elements

The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include: (a) the lobbies, mail rooms, all stairways, passenger elevators (and service, if any) and their respective bulkheads, shafts, pits and equipment rooms, residential hallways, window casements and frames, cellars, storage spaces, roofs, exterior walls and Facades; (b) the service entrances, storage space, laundry room, workshop, porter's room, if any, all of which are located on the Lobby/Cellar Level of the Building and the boiler room, the compactor room located on the Sub-Cellar Level of the Building, (c) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element or a Residential Limited Common Element and that portion of all such masonry wall, partition, floor or ceiling separating a Residential Common Element from a Common Element or a Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element; (d) any and all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only; (e) all interior portions of the Building on floors 1 through 6, on the Lobby/Cellar Level and Sub-Cellar Level to the extent that the same are not expressly included as part of the Common Elements, Residential Limited Common Elements or Units; and (f) the Superintendent's Apartment.

Residential Limited Common Elements

The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of 1 or more specified Residential Units to the exclusion of all other Units, including without limitation Storage Lockers licensed to a Residential Unit Owner.

Commercial Limited Common Elements

The Commercial Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of 1 or more specified Commercial Units to the exclusion of all other Units.

Services and Facilities

The Building will be maintained, operated and staffed in a manner to be determined by the Board. Prospective purchasers are urged to carefully review Schedule B in Part I of this Plan and the Description of Property set forth in Part II of this Plan, for a description of the services presently being provided. Sponsor makes no representation that the aforesaid services will continue to be provided. Notwithstanding the foregoing, however, the Board shall at all times Maintain, operate and staff the Building in compliance with, and subject to, all applicable Laws and any rights of Non-Purchasing Tenants under the GBL. Except as otherwise consented to in writing by Sponsor, the Board shall operate the Property at the same level of

services as those supplied on the date of recording the Declaration in accordance with the Rent Laws, except for those services, if any, that are the obligation of Sponsor to provide under the terms of the Declaration or this Plan. The Board shall not impose any charge or fee against the tenants or occupants of the Residential Units owned by Sponsor or its designee or against Sponsor on account of any services provided to such tenants and occupants unless Sponsor or its designee is permitted by the Rent Laws to impose such charge or fee against such tenants or occupants. Such permitted charge or fee may be increased by the Board, but only to the extent Sponsor or the owner of the Unsold Residential Units would be allowed to charge its tenants such increased charges or fees under the Rent Laws. If, as the result of the aforesaid limitations on the Board, the amount of such charges or fees collected by the Board is insufficient to cover the cost of providing such service(s), then such additional cost will be included in Common Charges and borne by all Residential Unit Owners in proportion to their respective Common Interests.

Except as otherwise noted above, and except as otherwise required under the Rent Laws, all determinations with respect to the continuance of services and facilities for the Building will be made by the Board which, until the expiration of the Sponsor Control Period, will be controlled by Sponsor. See the Section of this Plan entitled "Control by Sponsor."

None of Sponsor, any Selling Agent or the Managing Agent will in any event be liable for the interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, including Building personnel or otherwise, provided that any such act or omission is not caused by the gross negligence of Sponsor, any Selling Agent or the Managing Agent.

Laundry Room

The laundry room in the Lobby/Cellar Level contains 4 card operated Speed Queen Commercial Washers and 3 card operated Speed Queen Commercial Dryers of the Building. On or about the date of the First Closing, the Condominium will enter into a 25 year lease for the laundry room with Sponsor or an affiliate of Sponsor. This may prevent the Condominium from negotiating a concession agreement with another vendor and possibly receiving a higher annual rent. The laundry room will be a Residential Common Element. The initial monthly rent shall be \$3,000.00 which includes all utilities including but not limited to heat, gas, electric, water and sewer. It is anticipated that the expense to the Condominium for the foregoing shall not exceed the rent payable. The annual rent shall increase by \$50 per month on the 5th, 10th, 15th and 20th anniversary of the lease commencement date. Notwithstanding the foregoing, within 90 days of the end of each year, the Condominium shall have the right to furnish Sponsor with a written statement in reasonable detail of the actual utility costs for the usage of the laundry room for the preceding year. If the actual utility costs for the laundry room for such year exceed the aggregate of Sponsor's rent payments for said year, Sponsor shall pay the Condominium any deficiency due within 20 days after receipt of said statement, so that Sponsor's actual payment for such year shall equal 110% of the prior year's actual utility costs for the usage of the laundry room.

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 11.C.0 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by the sponsor or sponsor affiliate within 2 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 under 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 association in a conversion project, or of property serving the condominium unit owners in such 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 the sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3 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 such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, the sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that the sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by the sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by the unit owners to the sponsor or sponsor affiliate.

Known Reports

In accordance with the provisions of 13 NYCRR 23.7(cc) (the “Asbestos Regulations”), a copy of the most recent Asbestos Report, as prepared by Singer Environmental Group, Ltd. for the Property, is set forth in Part II of this Plan. Sponsor requested Singer Environmental Group Ltd. to perform such tests as are necessary to determine whether asbestos containing material (“ACM”) is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM on the Building (the “Asbestos Report”) which indicates that in the office on the Lobby/Cellar Level, there may be ACM in the piping above the drop ceiling, which is enclosed in its current state and poses no health hazard; it is suspected that the hallways on floors 2 through 6 may contain ACM non friable 9”x9” floor tile in good condition.

The condition of a building is classified as Safe, Safe with Repair and Maintenance Items (SWARMP), or Unsafe. A Safe building needs no further action, a building that is Safe With Repair And Maintenance Items (SWARMP) must be repaired in the time frame listed by the Engineer or Architect in the report, and an Unsafe building must provide immediate protection of the public and be repaired within 30 days. A copy of the most recent Façade Inspection Safety Report (“FISP”) for the Property as prepared by A&T Corp. dated August 31, 2011, is set forth in Part II of this Plan (the “FISP Report”). As set forth in the FISP Report, the inspection consisted of a thorough visual examination of all the exterior brick walls using binoculars and a camera to take photos for records and fire escapes were used as a close up inspection platform. The FISP Report found the Building has no deterioration or movement detected. The condition of the exterior walls appears in SAFE condition with only a few exceptions. There are a few minor cracks on the brick facing near windows. The overall condition of the exterior walls is classified as SWARMP. The condition of water tightness of the exterior wall appears in SAFE condition with 1 exception, there is a minor water seal crack on the lintel of the windows. The condition of the exterior appurtenances appear in SAFE condition with only 1 exception, a window AC bracket was not installed properly to provide enough support. Aging and weathering could be the main cause for the SWARMP condition. The FISP Report recommends that for minor cracks on the exterior wall brick facing, seal the existing crack and for the window AC bracket, reinforce the bracket to provide proper support. All observed conditions conform to New York City Code Requirements and Applicable Rules, Regulations and Directives. Sponsor corrected the aforesaid SWARMP conditions which will be noted in the Cycle 8 FISP. The Cycle 8 FISP Report has not yet been filed. After the Cycle 8 FISP Report is filed, a copy of the Report will be included in an amendment to this Plan.

Under the terms of FISP, property owners are obligated to have the Facades of their buildings periodically inspected and perform remedial work as determined by the licensed architect or engineer performing the required inspections. Sponsor makes no representations regarding future expenditures which may be required to comply with FISP or the costs of the inspections for FISP Report. The Condominium will be responsible for obtaining future FISP Reports and complying with the recommendations of the same. FISP Reports must be filed every 5 years by a registered architect or engineer.

LOCATION AND AREA INFORMATION

Location and Services

The Condominium is located at 136-04 Cherry Avenue at the southeast corner of the intersection of Cherry Avenue and Main Street in the Borough of Queens in the City of New York. The Building's main entrance is located on Cherry Avenue. The property is bounded on the north by Cherry Avenue; on the west by Main Street, on the south by one mixed residential and commercial building and a 1 and 2 family building and on the east by Byrd Street. Neither Sponsor nor affiliates of Sponsor own buildings within a 1 block radius of the Building. Neither Sponsor nor Sponsor affiliates, within a 1 block radius of the Building, have any development projects that have been approved by DOB that will have an impact on the Condominium. Any change as to development projects by Sponsor or Sponsor affiliates, within a 1 block radius of the Building, while sales of Residential Units are continuing, will be disclosed in an amendment to this Plan to be submitted to the Department of Law within 30 days after the information becomes known to Sponsor.

Queens is one of the 5 boroughs of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open-space park areas, educational facilities, superb medical centers and a vast array of restaurants.

The Condominium is served by a variety of transportation facilities. Taxi and car service is readily available throughout the city. Municipal bus service for the Condominium area is conveniently available. The nearest entrance to the 7 subway line is located at the intersections of Main Street and Roosevelt Avenue, approximately .5 mile away. Buses Q17, Q20A, Q20B, Q25, Q27, Q34 and Q44SBS stop along Main Street and Kissena Boulevard. Bus Q58 stops along Sanford Avenue, Main Street, 41st Road and College Point Boulevard.

The Condominium is near The Queens Zoo, Flushing Meadows, Queens Botanical Gardens, Citi Field and The New York Hall of Science.

Police, fire, water, sanitation and snow removal are provided by the City of New York. The Property is within the 109th Precinct Police Station located at 37-05 Union Street and NYC Fire Department Engine Company 273/Ladder Company 129 located on 41st Avenue and Union Street. Nearby Hospitals include New York Presbyterian Queens and Flushing Hospital Medical Center.

The City of New York is responsible for the maintenance of the streets adjacent to the Condominium.

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

Zoning and Use

The Property is located in an R6 zoning district with a C2-2 overlay. An R-6 zoning district is a General Residential District. These districts are designed to provide for all types of residential buildings, in order to permit a broad range of housing types, with appropriate standards for each district on density, open space and spacing of buildings. These districts also include community facilities and open uses which serve residents of these districts or are benefitted by a residential environment. A C-2 zone is a local service

district. These districts are designed to provide for a wide range of essential local services not involving local shopping. Since these establishments are less frequently visited by customers, they tend to break the continuity of prime retail frontage and therefore, hamper the development of convenient shopping. The permitted services create relatively few objectionable influences for nearby residential areas.

Neither Sponsor nor its principals own in whole or in part, nor do they have an option or right to acquire, any adjacent areas which are not fully developed. Currently there are no unused floor area development rights of the Property. Notwithstanding the foregoing, Sponsor shall have the right to any unused floor area development rights of the Property as a result of an up zoning or otherwise, including the right to transfer any such retained development rights to adjoining properties. In the event that Sponsor or its principals obtain an option or right to acquire any adjacent areas which are not fully developed, Sponsor will disclose same in an amendment to this Plan. Sponsor shall retain any unused floor area development rights.

SCHEDULE A
PRICES OF UNITS AND RELATED INFORMATION
The Infinity 8 on Cherry Condominium
 Projected Common Charges and Real Estate Taxes
 For First Year of Condominium Operation
 (assuming January 1, 2021 - December 31, 2021)

Unit No	Status (1)	No. of Bedrooms/Baths	Approx. Sq. Ft. (2)	Total Cash Payment to Tenant Purchasers (3)	Total Cash Payment to Non-Tenant Purchasers (3)	% of Common Interest (4)	% of Residential Common Interest (4)	Estimated First Year's Common Charges (5)		Estimated First Year's Real Estate Tax (6)		Estimated First Year's Carrying Charges	
								Annual	Monthly	Annual	Monthly	Annual	Monthly
1A	S	1.0	860	\$579,888	\$680,888	1.2500%	1.2800%	\$7,511.42	\$625.95	\$5,324.80	\$443.73	\$12,836.22	\$1,069.68
1B	S	1.0	935	\$630,000	\$740,888	1.3600%	1.3900%	\$8,156.94	\$679.75	\$5,782.40	\$481.87	\$13,939.34	\$1,161.62
1C	S	1.0	695	\$469,888	\$551,888	1.0100%	1.0300%	\$6,044.35	\$503.70	\$4,284.80	\$357.07	\$10,329.15	\$860.77
1D	S	1.0	660	\$444,888	\$522,888	0.9600%	0.9800%	\$5,750.93	\$479.24	\$4,076.80	\$339.73	\$9,827.73	\$818.97
1E	S	2.0	1,080	\$727,888	\$854,888	1.5700%	1.6000%	\$9,389.28	\$782.44	\$6,656.00	\$554.67	\$16,045.28	\$1,337.11
1F	S	2.0	990	\$666,888	\$783,888	1.4400%	1.4700%	\$8,626.40	\$718.87	\$6,115.20	\$509.60	\$14,741.60	\$1,228.47
1G	S	2.0	960	\$647,888	\$760,888	1.3900%	1.4200%	\$8,332.99	\$694.42	\$5,907.20	\$492.27	\$14,240.19	\$1,186.69
1H	S	2.0	1,115	\$750,888	\$882,888	1.6200%	1.6500%	\$9,682.70	\$806.89	\$6,864.00	\$572.00	\$16,546.70	\$1,378.89
1I	S	1.0	685	\$461,888	\$542,888	1.0000%	1.0200%	\$5,985.67	\$498.81	\$4,243.20	\$353.60	\$10,228.87	\$852.41
1J	S	-	525	\$354,888	\$416,888	0.7600%	0.7800%	\$4,577.27	\$381.44	\$3,244.80	\$270.40	\$7,822.07	\$651.84
1K	V	3.0	1,240	\$835,888	\$981,888	1.8000%	1.8400%	\$10,797.67	\$899.81	\$7,654.40	\$637.87	\$18,452.07	\$1,537.68
1L	S	1.0	835	\$563,888	\$661,888	1.2200%	1.2400%	\$7,276.69	\$606.39	\$5,158.40	\$429.87	\$12,435.09	\$1,036.26
2A	S	1.0	860	\$579,888	\$680,888	1.2500%	1.2800%	\$7,511.42	\$625.95	\$5,324.80	\$443.73	\$12,836.22	\$1,069.68
2B	S	1.0	935	\$630,888	\$740,888	1.3600%	1.3900%	\$8,156.94	\$679.75	\$5,782.40	\$481.87	\$13,939.34	\$1,161.62
2C	S	1.0	695	\$469,888	\$551,888	1.0100%	1.0300%	\$6,044.35	\$503.70	\$4,284.80	\$357.07	\$10,329.15	\$860.77
2D	S	1.0	660	\$444,888	\$522,888	0.9600%	0.9800%	\$5,750.93	\$479.24	\$4,076.80	\$339.73	\$9,827.73	\$818.97
2E	S	2.0	1,080	\$745,888	\$876,888	1.5900%	1.6200%	\$9,506.65	\$792.22	\$6,739.20	\$561.60	\$16,245.85	\$1,353.82
2F	V	2.0	990	\$683,888	\$803,888	1.4500%	1.4800%	\$8,685.08	\$723.76	\$6,156.80	\$513.07	\$14,841.88	\$1,236.83
2G	S	2.0	960	\$663,888	\$779,888	1.4100%	1.4400%	\$8,450.35	\$704.20	\$5,990.40	\$499.20	\$14,440.75	\$1,203.40
2H	S	2.0	1,115	\$770,888	\$905,888	1.6400%	1.6700%	\$9,800.06	\$816.67	\$6,947.20	\$578.93	\$16,747.26	\$1,395.60
2I	S	1.0	685	\$473,888	\$555,888	1.0100%	1.0300%	\$6,044.35	\$503.70	\$4,284.80	\$357.07	\$10,329.15	\$860.77
2J	V	1.0	725	\$501,888	\$588,888	1.0700%	1.0900%	\$6,396.45	\$533.04	\$4,534.40	\$377.87	\$10,930.85	\$910.91
2K	S	2.0	1,045	\$721,888	\$847,888	1.5400%	1.5700%	\$9,213.23	\$767.77	\$6,531.20	\$544.27	\$15,744.43	\$1,312.04
2L	S	1.0	835	\$577,888	\$678,888	1.2300%	1.2500%	\$7,335.38	\$611.28	\$5,200.00	\$433.33	\$12,535.38	\$1,044.61
3A	S	1.0	860	\$609,888	\$715,888	1.2700%	1.3000%	\$7,628.79	\$635.73	\$5,408.00	\$450.67	\$13,036.79	\$1,086.40
3B	S	1.0	935	\$662,888	\$778,888	1.3900%	1.4200%	\$8,332.99	\$694.42	\$5,907.20	\$492.27	\$14,240.19	\$1,186.69
3C	S	1.0	695	\$492,888	\$578,888	1.0300%	1.0500%	\$6,161.72	\$513.48	\$4,368.00	\$364.00	\$10,529.72	\$877.48
3D	V	1.0	660	\$467,888	\$548,888	0.9800%	1.0000%	\$5,868.30	\$489.03	\$4,160.00	\$346.67	\$10,028.30	\$835.70
3E	S	2.0	1,080	\$763,888	\$897,888	1.6000%	1.6300%	\$9,565.33	\$797.11	\$6,780.80	\$565.07	\$16,346.13	\$1,362.18
3F	S	2.0	990	\$700,888	\$823,888	1.4700%	1.5000%	\$8,802.45	\$733.54	\$6,240.00	\$520.00	\$15,042.45	\$1,253.54
3G	S	2.0	960	\$679,888	\$798,888	1.4200%	1.4500%	\$8,509.04	\$709.09	\$6,032.00	\$502.67	\$14,541.04	\$1,211.76
3H	S	2.0	1,115	\$789,888	\$927,888	1.6600%	1.6900%	\$9,917.43	\$826.45	\$7,030.40	\$585.87	\$16,947.83	\$1,412.32
3I	S	1.0	685	\$484,888	\$569,888	1.0200%	1.0400%	\$6,103.03	\$508.59	\$4,326.40	\$360.53	\$10,429.43	\$869.12
3J	S	1.0	725	\$513,888	\$603,888	1.0800%	1.1000%	\$6,455.13	\$537.93	\$4,576.00	\$381.33	\$11,031.13	\$919.26
3K	S	2.0	1,045	\$739,888	\$868,888	1.5500%	1.5800%	\$9,271.91	\$772.66	\$6,572.80	\$547.73	\$15,844.71	\$1,320.39
3L	S	1.0	835	\$592,888	\$695,888	1.2300%	1.2600%	\$7,394.06	\$616.17	\$5,241.60	\$436.80	\$12,635.66	\$1,052.97
4A	S	1.0	860	\$623,888	\$732,888	1.2800%	1.3100%	\$7,687.47	\$640.62	\$5,449.60	\$454.13	\$13,137.07	\$1,094.75
4B	V	1.0	935	\$677,888	\$796,888	1.4000%	1.4300%	\$8,391.67	\$699.31	\$5,948.80	\$495.73	\$14,340.47	\$1,195.04
4C	S	1.0	695	\$504,888	\$592,888	1.0400%	1.0600%	\$6,220.40	\$518.37	\$4,409.60	\$367.47	\$10,630.00	\$885.84
4D	S	1.0	660	\$478,888	\$562,888	0.9900%	1.0100%	\$5,926.98	\$493.92	\$4,201.60	\$350.13	\$10,128.58	\$844.05

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Unit No	Status (1)	No. of		Approx. Sq. Ft. (2)	Total Cash Payment to Tenant Purchasers (3)	Total Cash Payment to Non- Tenant Purchasers (3)	% of Common Interest (4)	% of Residential Common Interest (4)	Estimated First Year's Common Charges (5)		Estimated First Year's Real Estate Tax (6)		Estimated First Year's Carrying Charges		
		Bedrooms	Baths						Annual	Monthly	Annual	Monthly	Annual	Monthly	
4E	S	2.0	1.0	1,080	\$782,888	\$919,888	1.6200%	1.6500%	\$9,682.70	\$806.89	\$6,864.00	\$572.00	\$16,546.70	\$1,378.89	
4F	S	2.0	1.0	990	\$717,888	\$843,888	1.4800%	1.5100%	\$8,861.13	\$738.43	\$6,281.60	\$523.47	\$15,142.73	\$1,261.90	
4G	S	2.0	1.0	960	\$695,888	\$817,888	1.4400%	1.4700%	\$8,626.40	\$718.87	\$6,115.20	\$509.60	\$14,741.60	\$1,228.47	
4H	S	2.0	1.0	1,115	\$807,888	\$949,888	1.6700%	1.7000%	\$9,976.11	\$831.34	\$7,072.00	\$589.33	\$17,048.11	\$1,420.67	
4I	S	1.0	1.0	685	\$496,888	\$583,888	1.0300%	1.0500%	\$6,161.72	\$513.48	\$4,368.00	\$364.00	\$10,529.72	\$877.48	
4J	S	1.0	1.0	725	\$525,888	\$617,888	1.0900%	1.1100%	\$6,513.81	\$542.82	\$4,617.60	\$384.80	\$11,131.41	\$927.62	
4K	S	2.0	1.0	1,045	\$756,888	\$889,888	1.5700%	1.6000%	\$9,389.28	\$782.44	\$6,656.00	\$554.67	\$16,045.28	\$1,337.11	
4L	S	1.0	1.0	835	\$605,888	\$711,888	1.2500%	1.2800%	\$7,511.42	\$625.95	\$5,324.80	\$443.73	\$12,836.22	\$1,069.68	
5A	S	1.0	1.0	860	\$637,888	\$749,888	1.3000%	1.3300%	\$7,804.84	\$650.40	\$5,532.80	\$461.07	\$13,337.64	\$1,111.47	
5B	S	1.0	1.0	935	\$694,888	\$815,888	1.4100%	1.4400%	\$8,450.35	\$704.20	\$5,990.40	\$499.20	\$14,440.75	\$1,203.40	
5C	S	1.0	1.0	695	\$516,888	\$606,888	1.0500%	1.0700%	\$6,279.08	\$523.26	\$4,451.20	\$370.93	\$10,730.28	\$894.19	
5D	V	1.0	1.0	660	\$490,888	\$575,888	1.0000%	1.0200%	\$5,985.67	\$498.81	\$4,243.20	\$353.60	\$10,228.87	\$852.41	
5E	S	2.0	1.0	1,080	\$801,888	\$941,888	1.6400%	1.6700%	\$9,800.06	\$816.67	\$6,947.20	\$578.93	\$16,747.26	\$1,395.60	
5F	S	2.0	1.0	990	\$734,888	\$863,888	1.5000%	1.5300%	\$8,978.50	\$748.21	\$6,364.80	\$530.40	\$15,343.30	\$1,278.61	
5G	S	2.0	1.0	960	\$712,888	\$837,888	1.4500%	1.4800%	\$8,685.08	\$723.76	\$6,156.80	\$513.07	\$14,841.88	\$1,236.83	
5H	S	2.0	1.0	1,115	\$826,888	\$971,888	1.6900%	1.7200%	\$10,093.48	\$841.12	\$7,155.20	\$596.27	\$17,248.68	\$1,437.39	
5I	S	1.0	1.0	685	\$508,888	\$597,888	1.0400%	1.0600%	\$6,220.40	\$518.37	\$4,409.60	\$367.47	\$10,630.00	\$885.84	
5J	S	1.0	1.0	725	\$538,888	\$632,888	1.1000%	1.1200%	\$6,572.50	\$547.71	\$4,659.20	\$388.27	\$11,231.70	\$935.98	
5K	S	2.0	1.0	1,045	\$774,888	\$910,888	1.5800%	1.6100%	\$9,447.96	\$787.33	\$6,697.60	\$558.13	\$16,145.56	\$1,345.46	
5L	S	1.0	1.0	835	\$620,888	\$728,888	1.2600%	1.2900%	\$7,570.11	\$630.84	\$5,366.40	\$447.20	\$12,936.51	\$1,078.04	
6A	S	1.0	1.0	860	\$652,888	\$766,888	1.3100%	1.3400%	\$7,863.52	\$655.29	\$5,574.40	\$464.53	\$13,437.92	\$1,119.82	
6B	S	1.0	1.0	935	\$710,888	\$834,888	1.4300%	1.4600%	\$8,567.72	\$713.98	\$6,073.60	\$506.13	\$14,641.32	\$1,220.11	
6C	S	1.0	1.0	695	\$528,888	\$620,888	1.0600%	1.0800%	\$6,337.76	\$528.15	\$4,492.80	\$374.40	\$10,830.56	\$902.55	
6D	V	1.0	1.0	660	\$501,888	\$588,888	1.0100%	1.0300%	\$6,044.35	\$503.70	\$4,284.80	\$357.07	\$10,329.15	\$860.77	
6E	S	2.0	1.0	1,080	\$818,888	\$962,888	1.6500%	1.6800%	\$9,858.74	\$821.56	\$6,988.80	\$582.40	\$16,847.54	\$1,403.96	
6F	V	2.0	1.0	990	\$750,888	\$882,888	1.5100%	1.5400%	\$9,037.18	\$753.10	\$6,406.40	\$533.87	\$15,443.58	\$1,286.97	
6G	S	2.0	1.0	960	\$728,888	\$856,888	1.4700%	1.5000%	\$8,802.45	\$733.54	\$6,240.00	\$520.00	\$15,042.45	\$1,253.54	
6H	S	2.0	1.0	1,115	\$846,888	\$994,888	1.7100%	1.7400%	\$10,210.84	\$850.90	\$7,238.40	\$603.20	\$17,449.24	\$1,454.10	
6I	V	1.0	1.0	685	\$519,888	\$610,888	1.0500%	1.0700%	\$6,279.08	\$523.26	\$4,451.20	\$370.93	\$10,730.28	\$894.19	
6J	S	1.0	1.0	725	\$550,888	\$646,888	1.1100%	1.1300%	\$6,631.18	\$552.60	\$4,700.80	\$391.73	\$11,331.98	\$944.33	
6K	S	2.0	1.0	1,045	\$792,888	\$931,888	1.6000%	1.6300%	\$9,565.32	\$797.11	\$6,780.80	\$565.07	\$16,346.12	\$1,362.18	
6L	V	1.0	1.0	835	\$634,888	\$745,888	1.2700%	1.3000%	\$7,628.79	\$635.73	\$5,408.00	\$450.67	\$13,036.79	\$1,086.40	
LA	S	2.0	1.0	685	\$450,888	\$529,888	0.9900%	1.0100%	\$5,926.98	\$493.92	\$4,201.60	\$350.13	\$10,128.58	\$844.05	
LB	Employee	-	-	-	\$0	\$0	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
SA	S	1.0	1.0	655	\$430,888	\$505,888	0.9400%	0.9600%	\$5,633.56	\$469.46	\$3,993.60	\$332.80	\$9,627.16	\$802.26	
SB	S	2.0	1.0	1,010	\$663,888	\$779,888	1.4100%	1.4600%	\$8,567.73	\$713.98	\$6,073.60	\$506.13	\$14,641.33	\$1,220.11	
Residential Units less Super Apartment				75	107	75.5	65,855	\$47,020,712	\$55,242,600	\$586,830.00	\$48,902.59	\$416,000.00	\$34,666.69	\$1,002,830.00	\$83,569.28

SCHEDULE A
PRICES OF UNITS AND RELATED INFORMATION
The Infinity 8 on Cherry Condominium
 Projected Common Charges and Real Estate Taxes
 For First Year of Condominium Operation
 (assuming January 1, 2021 - December 31, 2021)

Unit No	Status (1)	No. of Bedrooms/Baths	Approx. Sq. Ft. (2)	Total Cash Payment to Tenant Purchasers (3)	Total Cash Payment to Non- Tenant Purchasers (3)	% of Common Interest (4)	% of Residential Common Interest (4)	Estimated First Year's		Estimated First Year's Real		Estimated First Year's	
								Common Charges		Estate Tax	(6)	Carrying Charges	
								Annual	Monthly			Annual	Monthly
43-01			755			0.1720%	11.4700%	\$430.10	\$35.84	\$734.08	\$61.17	\$1,164.18	\$97.01
43-03			580			0.1320%	8.8100%	\$330.38	\$27.53	\$563.84	\$46.99	\$894.22	\$74.52
43-05			540			0.1230%	8.2100%	\$307.88	\$25.66	\$525.44	\$43.79	\$833.32	\$69.45
43-07			530			0.1210%	8.0500%	\$301.88	\$25.16	\$515.20	\$42.93	\$817.08	\$68.09
43-09			535			0.1220%	8.1300%	\$304.88	\$25.41	\$520.32	\$43.36	\$825.20	\$68.77
43-11			565			0.1290%	8.5900%	\$322.13	\$26.84	\$549.76	\$45.81	\$871.89	\$72.65
43-13			525			0.1200%	7.9800%	\$299.25	\$24.94	\$510.72	\$42.56	\$809.97	\$67.50
43-15			850			0.1940%	12.9200%	\$484.50	\$40.38	\$826.88	\$68.91	\$1,311.38	\$109.29
43-17			1,700			0.3870%	25.8400%	\$969.00	\$80.75	\$1,653.76	\$137.81	\$2,622.75	\$218.56
Commercial Units	9		6,580			1.5000%	100.0000%	\$3,750.00	\$312.51	\$6,400.00	\$533.33	\$10,149.99	\$845.84
Garage Unit			4,745			0.5000%		\$420.00	\$35.00	\$2,100.00	\$175.00	\$2,520.00	\$210.00
Storage Locker 1			15	\$10,000	\$10,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Locker 2			15	\$10,000	\$10,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Locker 3			15	\$10,000	\$10,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Locker 4			15	\$10,000	\$10,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Locker 5			15	\$10,000	\$10,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Locker 6			15	\$10,000	\$10,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Locker 7			15	\$10,000	\$10,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Locker 8			15	\$10,000	\$10,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Lockers	8		120	\$80,000	\$80,000	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total			77,300	\$47,100,712	\$55,322,600	100.0000%	100.0000%	\$591,000.00	\$48,937.59	\$424,500.00	\$35,375.02	\$1,015,499.99	\$84,625.12

Currently, no Residential Unit has Residential Limited Common Elements; however, at such time as any Residential Unit Owner purchases a Storage Locker License, such Storage Locker will be deemed to be, and treated as, for all intents and purposes, a Residential Limited Common Element as it will upon the purchase of such Storage Locker License, exist for the use and enjoyment of the purchasing Residential Unit Owner to the exclusion of all other Unit Owners.

NOTES TO SCHEDULE A

1. s = rent stabilized; v = vacant.
2. Any floor plan or sketch shown to a Prospective Purchaser including those set forth in this Plan, is only an approximation within reasonable tolerances of the dimensions and layout of each Residential Unit. The actual layout of a Residential Unit may have been altered by the tenants thereof or by others without Sponsor's consent or knowledge. The actual dimensions and configuration of a Residential Unit may also immaterially vary from its Floor Plan due to, for example: (a) changes required by the Building Department or other government authorities having jurisdiction; (b) normal construction allowances and variances; and (c) varied masonry bearing wall thicknesses. Purchasers will not be excused from their obligations under the Agreement in the event of non-material inaccuracies in a Residential Unit's size. If any vacant Residential Units have material variations from the floor plans included in Part II of this Plan, Sponsor will either amend this Plan to disclose such material variations from the floor plans or Sponsor shall attach revised floor plans of such Residential Units, as such Residential Units will be delivered at Closing to Non-Tenant Purchasers, to any Agreements relating to such Residential Units. No immaterial variation will affect a Purchaser's obligations under the Agreement or this Plan unless the square footage area of the Residential Unit is materially diminished. A decrease in a Residential Unit's square foot area of 5% or less will not affect a Purchaser's obligation unless such decrease is determined to be a material change. There is a rebuttable presumption that floor area that is diminished by 5% or less is not material.

Tenant Purchasers occupy their Residential Units and therefore are fully familiar with the approximate dimensions and layout of their Residential Unit. If the Residential Unit is available for inspection by a Non-Tenant Purchaser before the Agreement is executed, the Residential Unit layout as actually exists shall supersede and govern any variation, substantial or otherwise, from any and all plans, drawings and diagrams. Notwithstanding the foregoing, in the event that a Non-Tenant Purchaser and Sponsor agree that revisions shall be made to the layout of a Residential Unit, Sponsor shall attach to the Agreement a revised Floor Plan of such Residential Unit, as it will be delivered at Closing to such Non-Tenant Purchaser. Sponsor has reserved the right to negotiate with individual Purchasers, other than Tenant Purchasers for whom such negotiation would constitute a discriminatory inducement, to perform special work in a Residential Unit which may require a modification in floor plans for certain Units. Any such modification requiring a material change in the Common Elements will only be made by a duly filed amendment.

Each Residential Unit should be inspected prior to execution of the Agreement to determine its actual dimensions, layout and physical condition. Sponsor's sole obligation if the net square foot area of a Residential Unit is materially diminished shall be to refund to Purchaser the Deposit made under the Agreement and any interest earned thereon. The square foot area and dimensions of the Residential Units listed in Schedule A and/or in the Declaration are approximate (within reasonable tolerances) and may change upon re-measurement or due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York State to measure condominium apartments. Each Residential Unit was measured on 1 or more floors from the midpoint of the exterior walls, at the Building line and/or Property line, to the midpoint of the interior walls and partitions separating a Residential Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Unit. Since measurements of Residential Units are not from interior surfaces of interior walls, the actual useable floor area of each Residential Unit is significantly

less than the square foot area listed in Schedule A. Columns and mechanical pipes (whether along the perimeter or within the Residential Unit) are not deducted from the square foot area of the Residential Units. Measured vertically, each Residential Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the slab above. However, any Common Elements or Residential Common Elements or Residential Limited Common Elements located within a Residential Unit (including any structural slabs separating floors of a Residential Unit located on more than one floor) shall not be considered a part of such Residential Unit. As is customary in New York, these square foot areas will exceed the usable floor area of each Residential Unit.

Each Prospective Purchaser should carefully inspect the Residential Unit prior to entering into the Agreement therefor to determine its actual dimensions, layout, ceiling heights and physical condition. Certain Residential Units may have less clearance and certain rooms within other Residential Units may have a lesser clearance as a result of the presence of beams and/or other mechanical spaces in such Residential Units. The number of rooms has been calculated according to a standard count used for this Building which may differ from the method used by the Division of Housing and Community Renewal. Rooms include bedrooms, kitchens and living rooms. Notwithstanding the foregoing, in the event that a Non-Tenant Purchaser and Sponsor agree that revisions shall be made to the layout of a Residential Unit, Sponsor shall attach to the Agreement a revised Floor Plan of such Residential Unit, as it will be delivered at Closing to such Non-Tenant Purchaser.

Sponsor has reserved the right to negotiate with individual Purchasers, other than Tenant Purchasers for whom such negotiation would constitute a discriminatory inducement, to perform special work in a Residential Unit which may require a modification in floor plans for certain Residential Units and accordingly, the layout of the Residential Units and Residential Common Elements and Common Elements may vary. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of Prospective Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice to, and without the consent of the Board, any Residential Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing 1 or more such Residential Units into 2 or more separate Unsold Residential Units, (c) combine separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into 1 or more Residential Units, altering any boundary walls between 1 or more Residential Units, or otherwise, including incorporating Common Elements or Residential Common Elements (such as a portion of a hallway) which exclusively benefit a Residential Unit and/or Residential Limited Common Elements into such Residential Unit, (d) designate all or a part of a Residential Unit, a Residential Common Element or Common Element and/or Residential Limited Common Element as part of a newly created Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to any of (b), (c) or (d) above, such change shall be disclosed in a duly filed amendment to this Plan. No such change, including any change in the Residential Common Interest or Common Interest or in the amount or quality of Residential Common Elements or Common Elements directly affecting or servicing a Residential Unit, will be made with respect to any Unsold Residential Unit for which an Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, Residential Common Interest, Common Interest, dimension, floor space or layout of such Unsold Residential Unit. The Residential Common Interest or Common Interest of a Residential Unit may change if there is a change in the floor space or the additional factors of relative value to other space in the

Condominium, the uniqueness of the Residential Unit, the availability of Residential Common Elements or Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. No material change will be made in the size or number of Residential Units or in the size or quality of the Residential Common Elements or Common Elements except by amendment to this Plan and, when applicable, by amendment to the Declaration. Unless a Purchaser consents, no material adverse change will be made in the relevant Residential Unit's layout or percentage of Residential Common Interest or Common Interest if an Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default. No material adverse change will be made in the size or quality of the Common Elements unless Purchasers not in default receive a right to rescind their respective Agreements within a reasonable period of time that is not less than 15 days after the date of presentation of an amendment setting forth the right to rescind. Sponsor will return any Deposit promptly to Purchasers who timely rescind.

Reference should be made to the Sections of this Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants." Certain of the Residential Units are subject to the Rent Laws as noted in Schedule A.

3. Each Tenant Purchaser has the exclusive right to purchase such Tenant Purchaser's Residential Unit for a period of 90 days from the Presentation Date of this Plan at the prices set forth on Schedule A for Tenant Purchasers. These purchase prices are approximately 15% less than the prices currently offered to Non-Tenant Purchasers. See the Section entitled "Changes in Prices and Residential Units" for details concerning price changes. In addition to the purchase price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of this Plan including, without limitation, the obligation to contribute 2 months' common charges to the working capital fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Residential Units.

THESE PRICES HAVE BEEN SET BY SPONSOR WITHOUT ARM'S LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. No change will be made in the purchase prices other than pursuant to a duly filed amendment to this Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to this Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale is not a general offering or an advertised price but is rather the result of an individually negotiated transaction and provided further that no individually negotiated transactions shall occur with Tenant Purchasers if same would constitute a discriminatory inducement.

4. The respective Common Interest of each Residential Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the Condominium Act, is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. In the event that, prior to the First Closing, Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Residential Units and such changes involves the inclusion, in the Residential Unit, of areas formerly designated as Common Elements, Residential Common Elements or Residential Limited Common Elements or involves adding to the Common Elements, Residential Common Elements or Residential Limited Common Elements space that was previously incorporated in the Residential Units, the Common Interest of all of the Residential

Units may change slightly. Any such change in the Common Interest allocated to a Residential Unit prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any Purchaser.

The allocation of percentages to the Commercial Units in this column reflects their respective Commercial Common Interest.

5. The estimates contained in this Schedule A were computed on the assumption that the first year of Condominium operation will be the year from January 1, 2021 through December 31, 2021 and are based upon an estimate of the receipts and expenses of the Condominium for the projected year. Sponsor makes no representation regarding the commencement date or the estimated receipts and expenses for the first year of Condominium operation which may be greater than or less than the estimated figures set forth in the proposed budget. The actual first year of Condominium operation may be earlier or later than such year. If the actual or anticipated date of commencement of condominium operation is delayed by more than 6 months from the commencement of the projected first year of Condominium operation, Sponsor will amend this Plan to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25% or more, Sponsor will offer all Purchasers the right to rescind if they notify Sponsor in writing within 15 days after the presentation of the amendment disclosing the revised Projected Budget and be refunded the full Deposit (with interest earned thereon, if any) within 30 days after notification to Sponsor. Sponsor may not declare this Plan effective where there are material changes to the Projected Budget for the projected first year of operation if the changes have not been disclosed in a duly filed amendment to this Plan.

The estimated monthly Common Charges for each Residential Unit are based on "Schedule B – Projected Budget for First Year of Condominium Operation." In addition to these estimated payments, each Residential Unit Owner will be responsible for real estate taxes for such Residential Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Residential Unit, the cost of electricity supplied to the Residential Unit which will be separately metered and payable directly to the utility company, the insurance which must be carried by each Residential Unit Owner with respect to liability and casualty to the contents of the Residential Unit and the cost of interior repairs and decorations to the Residential Unit. Until the Residential Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the By-Laws.

6. The New York City real estate taxes for the Units for the first year of Condominium operation following the First Closing, which have been estimated by Sponsor to be approximately \$424,500 (Residential Units, Garage Unit and Commercial Units) are based upon (i) an estimated transitional assessed valuation of the Property (inclusive of the Garage and Commercial Units) of \$3,368,250 for the first year of Condominium operation, commencing January 1, 2021 (assuming a transitional assessed valuation of the Property (inclusive of the Garage and Commercial Units) of \$3,342,780 for the 2020/2021 tax year and a transitional assessment of \$3,393,720 for the 2021 /2022 tax year, with any increases in the Property's assessed valuation from prior years phased in over 5 years in equal annual increments of 20% and (ii) a tax rate of \$12.6120 per \$100 of assessed valuation for the Units. The estimated tax rate for the first year of operation assuming commencement on or about January 1, 2021 does not assume any increase in the current tax rate.

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Department of the City of New York. Under current Law, increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase or decrease in the assessed value during

such 5 year period resulting from a still higher or lower market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of 5 years is called the “actual assessed valuation.” The amount of assessed value reflecting the phased-in increases or decreases is called the “transitional assessed valuation.” Taxes are paid on the lower of the Transitional Assessed Valuation or the Actual Assessed Valuation. The assessed valuations and tax rates for the 2017/18, 2018/19 and 2019/20 tax years and the estimated valuations and tax rates for the 2020/21 and 2021/22 are as follows:

	Actual	Actual	Actual	Estimate	Estimate
Tax Year	2017/18	2018/19	2019/20	2020/21	2021/22
Transitional Assessment	\$2,970,810	\$3,146,040	\$3,292,920	\$3,342,780	\$3,393,720
Actual Assessment	3,352,500	3,388,500	3,409,200	3,409,200	3,409,200
Taxes Based On	2,970,810	3,146,040	3,292,920	3,342,780	3,393,720
Tax Rate Per \$100	12.7190	12.6120	12.6120	12.6120	12.6120
Taxes Payable	377,857	396,779	415,303	421,591	428,016

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the 5 year phase-in period, (ii) an increase in the tax rate, or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership, (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property. A Purchaser purchasing a Residential Unit after the projected first year of Condominium operation should check the public tax records to confirm the then current taxes for the Property.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interests exceed the total valuation of the Property were the Property assessed as 1 parcel.

The New York City tax assessor may allocate taxes between the Residential Units in proportion to each Unit’s purchase price or imputed market value rather than its percentage interest in the Common Elements and, if so, Residential Units having the same or similar percentage interest which are determined to have a higher purchase price or market value will pay higher real estate taxes than are reflected on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Residential Units. Until the Residential Units are separately assessed, the Board will pay all real estate taxes with respect to the Property and will

allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of this Plan entitled "Real Estate Taxes" for further discussion.

The Property is not subject to J-51 benefits.

Please refer to the Section of this Plan entitled "Real Estate Taxes" in Part I of this Plan for further details.

The aggregate monthly rents payable from residential tenants of all occupied Residential Units as of November 4, 2019 was approximately \$79,796.00.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method to be employed by the New York City tax assessor in allocating individual Unit assessments, (ii) of the assessed values of the Condominium during the first year of Condominium operation, or (iii) of the tax rates for the first year of Condominium operation. Purchasers should note that given the current fiscal situation in the City of New York, real estate taxes may have to increase significantly. Sponsor makes no representations regarding levels of assessment or taxation in future years.

See Attorney's Income Tax Opinion prepared by Pryor Cashman LLP, set forth in Part I of this Plan, regarding the deductibility of real estate taxes paid or accrued with respect to a Residential Unit.

Purchasers may be able to deduct for income tax purposes a portion of real estate taxes as well as interest on their mortgage. Tax deductions may vary in future years due to changes in the interest rate on a Residential Unit Owner's mortgage (if any), or due to changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

Currently, no Residential Unit has Residential Limited Common Elements; however, at such time as any Residential Unit Owner purchases a Storage Locker License, such Storage Locker will be deemed to be, and treated as, for all intents and purposes, a Residential Limited Common Element as it will upon the purchase of such Storage Locker License, exist for the use and enjoyment of the purchasing Residential Unit Owner to the exclusion of all other Unit Owners. Sponsor is offering 8 Storage Lockers for sale. The Storage Lockers are located in the storage room in the Lobby/Cellar Level of the Building. See Appendix 11 of Description of Property in Part II of this Plan for the location of the Storage Lockers.

SCHEDULE B**PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION**

The Infinity 8 on Cherry Condominium
(Assuming January 1, 2021 – December 31, 2021)

	Residential Unit	Commercial Units	Garage Unit	Total
PROJECTED INCOME:				
Common Charges (Note 1)	\$586,830	\$3,750	\$420	\$591,000
Laundry Income (Note 2)	3,000			3,000
TOTAL PROJECTED INCOME (Note 3)	\$589,830	\$3,750	\$420	\$594,000
PROJECTED EXPENSES:				
Labor (Note 4)	\$120,000			\$120,000
Heating (Note 5)	81,755	1,245		83,000
Utilities (Electricity) (Note 6)	25,000			25,000
Water Charges and Sewer Rents (Note 7)	81,755	1,245		83,000
Repairs, Maintenance and Supplies (Note 8)	59,000			59,000
Service Contracts (Note 9)	40,000			40,000
Insurance (Note 10)	43,120	660	220	44,000
Management Fees (Note 11)	29,400	450	150	30,000
Legal Fees (Note 12)	10,000			10,000
Auditing Fees (Note 13)	9,800	150	50	10,000
Contingency Fund (Note 14)	80,000			80,000
Other Expenses (Note 15)	10,000			10,000
TOTAL PROJECTED OPERATING EXPENSES (Note 16)	\$589,830	\$3,750	\$420	\$594,000

If the actual or anticipated date of commencement of condominium operation is delayed by more than 6 months from the commencement of the projected first year of Condominium operation, this Plan will be amended to include a revised budget disclosing the then current projections. If such amended projections exceed the original projections by 25% or more, Sponsor will offer all Purchasers the right to rescind if they notify Sponsor in writing within 15 days after the presentation of the amendment disclosing the revised budget and be refunded the full Deposit (with interest earned thereon, if any) within 30 days after notification to Sponsor. Sponsor may not declare this Plan effective where there are any material changes to the Projected Budget for the first year of operation, if the material changes have not been disclosed in a duly filed amendment to this Plan. See "Procedure to Purchase."

The Condominium will be composed of 75 Residential Units and 10 Commercial Units, including a Garage Unit. The respective Common Interest percentages allocated to each are as follows: Residential Units 98.0000%, Commercial Units (non-Garage Unit) 1.5000% and Garage Unit 0.5000%. Pursuant to NYS Real Property Law 339-M and Article 6 of the By-Laws of the Condominium, the Garage Unit and the Commercial Units do not benefit from all services and therefore do not participate in all expenses. If the Garage Unit and Commercial Units are not contributing to a specific expense, the Residential Unit Owners will pay for 100% of such expense.

FOOTNOTES TO SCHEDULE B

1. *Common Charges (Budget - \$591,000)*

Annual Common Charges are projected on the assumption that the first year of Condominium operation will begin on or about January 1, 2021. The actual first year of operation may be earlier or later than that date.

2. *Laundry Income (Budget - \$3,000)*

The laundry room is located on the Lobby/Cellar Level of the Building. The laundry facility is comprised of 4 card-operated washers and 3 card-operated commercial dryers.

Laundry income is predicated on a concession agreement with Sponsor or an affiliate of Sponsor (the “Concessionaire”), pursuant to which the Concessionaire pays \$250 per month to the Condominium. The concession agreement is for a term of 25 years, and provides for a \$50 per month increase in payment every 5 years. This may prevent the Condominium from negotiating a concession agreement with another vendor and possibly receiving a higher annual rent. The Concessionaire maintains the laundry equipment. The Condominium is required to provide the Concessionaire with gas, electricity and hot and cold water at no cost. It is possible that the rent payable under the concession agreement will be less than the expenses attributable to the leased space. If the actual utility costs for the laundry room for such year exceed the aggregate of Sponsor’s rent payments for said year, Sponsor shall pay the Condominium any deficiency due within 20 days after receipt of said statement, so that Sponsor’s actual payment for such year shall equal 110% of the prior year’s actual utility costs for the usage of the laundry room.

Since the cost for providing utilities and water to the laundry room is not separately metered or measured, no assurance is given that the rental income received by the Condominium will be adequate during the entire term of the agreement to cover the expenses incurred by the Condominium in connection with the laundry concession, however, it is anticipated that the expenses to the Condominium for the foregoing shall not exceed the rent payable. Additionally, since the rental is a fixed amount and the cost of these utilities will likely increase due to inflation and higher energy costs, potential purchasers are advised that the ratio of income generated by the laundry concession to the expenses incurred in connection with the concession may decline in the future.

Reference should be made to the agreement with the Concessionaire for further details. A copy of the agreement is available for inspection during normal business hours at the office of the Selling Agent, Keller Williams NYC, 575 Fifth Avenue, 14th Floor, New York, NY 10017.

3. *Total Projected Income (Budget - \$594,000)*

This budget item does not include any interest income that may be received by the Condominium from investment of the Working Capital Fund to be retained at title closing or the Condominium’s Reserve Fund. It is expected that all or part of the Working Capital Fund and Reserve Fund will be expended during the first or subsequent years of operation. Accordingly, interest income cannot be determined with exactitude, may be inconsequential and has not been included in the projected receipts for the first year of condominium operation.

4. *Labor (Budget - \$120,000)*

The Superintendent will continue to reside in Apartment LB.

Presently, the building staff consists of 1 Superintendent and 1 Porter. After the First Closing, the building staff will continue to consist of 1 Superintendent and 1 Porter. The responsibilities of the Superintendent and Porter will include, but are not limited to, keeping the public areas (such as the hallways) clean and removal of garbage from the Property.

The Building's staff are non-union employees and the wages meet New York State minimum wages required by law. The annual wage rates projected to be in effect as of January 1, 2021 for the Superintendent and Porter are \$46,000 and \$35,000 respectfully.

The projected wages, benefits and payroll related expenses for the building staff are as follows:

Wages	\$81,000
Benefits (vacation, sick pay and holiday pay)	7,800
F.I.C.A.	6,800
Federal and State Unemployment	880
Disability	720
Workers' Compensation.....	4,900
Miscellaneous Employee Funds.....	10,600
Employee's Utilities (electric and cooking gas)	4,000
Other (including telephone)	<u>2,500</u>
	\$119,200

5. *Heating (Gas) (Budget - \$83,000)*

The budgeted item for heating gas of \$83,000 is based upon 60,572 therms (the average consumption of gas for 2018/2019) at \$1.3765 per therm including sales tax, which is based upon the average of the rates applied in the utility bills in 2018/2019 (\$1.1891), plus annual rate increases of 5% for 2019, 2020 and 2021.

Heating of the Building (*i.e.*, heat and domestic hot water) was converted from #2 fuel oil to heating gas in July 2018.

The cost and consumption of gas (in therms) for the past fiscal year was as follows:

Fiscal Year	Therms Used	Price Per Therm	Cost of Heating Gas (Including Sales Tax)
2018/2019	60,572	\$1.1891	\$72,026

The Commercial Unit Owners will pay 1.5000% of the budgeted cost of Heating and the Residential Unit Owners will pay 98.5000% of the budgeted cost of Heating.

In view of the current energy situation, it is not possible to predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of Condominium operation, which will vary with the level of consumption and the gas rate. Consumption will be affected by the severity of the weather and

conservation measures (such as staggering hours of heating, lowering the temperature of the hot water, etc.) if any, adopted by the Board. The cost of gas in recent years has been highly volatile and unpredictable and may increase in the near future.

It is believed that the budgeted figure should be sufficient to cover any reasonable increases in the cost of heating for the first year of Condominium operation. However, no budgeted item is warranted.

6. *Utilities (Electricity & Gas) (Budget - \$25,000)*

The budgeted item includes the cost of electricity for outdoor lighting and the public areas of the Building (\$16,000). The budget item also includes the cost of cooking gas (\$9,000).

The budgeted item for electricity is based on 74,724 KWH (in 100 cubic feet), the average consumption of electricity for the years 2016, 2017 and 2018, billed at \$0.21377 per KWH, the average of the rates (including sales tax) applied in the 2016, 2017 and 2018 utility bills (\$0.18467), plus an annual rate increase of 5% for the years 2019, 2020 and 2021.

The cost and consumption of electricity for the past 3 years were as follows:

Calendar Year	Consumption of Electricity (in KWH)	Cost Per KWH (Including Sales Tax)	Total Cost (Including Sales Tax)
2016	80,064	\$ 0.18453	\$ 14,744
2017	67,914	\$ 0.19464	\$ 13,218
2018	76,194	\$ 0.17483	\$ 13,321

The budgeted item for cooking gas is based on 7,295 therms (determined by the average annual consumption during the years 2016, 2017 and 2018) billed at \$1.23593 per therm (including sales tax), which is based on the average of the rates applied in the 2016, 2017 and 2018 utility bills (\$1.06764), plus an annual rate increase of 5% for the years 2019, 2020 and 2021.

The cost and consumption of cooking gas for the past 3 years were as follows:

Calendar Year	Consumption of Gas in therms	Average Rate (in therms)	Total Cost (Including Sales Tax)
2016	8,216	\$0.93936	\$7,718
2017	6,678	\$1.07632	\$7,188
2018	6,991	\$1.18724	\$8,300

It is difficult to ascertain whether the budgeted figure will reflect the actual cost to be incurred during the first year of Condominium operation which will vary with the level of consumption and the cost of electricity and cooking gas.

It is believed that the budgeted figure should be sufficient to cover any reasonable increases in the cost of electricity and cooking gas resulting from the foregoing during the first year of Condominium operation. However, no budgeted item is warranted.

7. *Water Charges and Sewer Rents (Budget - \$83,000)*

The Building is currently billed for water and sewer based on metered usage as measured by the water meter. The budgeted amount of \$83,000 is based on an annual usage of 746,000 cubic feet (the average usage over the past 3 years) billed at the most recent rate of \$3.99 and \$6.34 per Hundred Cubic Feet (HCF) for water and sewer respectively, plus annual increases of 2.5%.

The water charges and sewer rents for the 3 prior fiscal years were as follows:

<u>Year</u>	<u>Usage (in cubic ft)</u>	<u>Water Rate (per HCF)</u>	<u>Water Bill</u>	<u>Sewer Rate (per HCF)</u>	<u>Sewer Bill</u>	<u>Total Bill</u>
2016/17	804,900	\$3.81	\$ 30,666.69	\$6.06	\$48,776.94	\$79,443.63
2017/18	730,600	\$3.81	\$ 27,835.86	\$6.06	\$44,274.36	\$72,110.22
2018/19	701,300	\$3.90	\$ 27,350.70	\$6.20	\$43,480.60	\$70,831.30

* HCF= Hundred Cubic Feet

The Commercial Unit Owners will pay 1.5000% of the budgeted cost of Water & Sewer Rents and the Residential Unit Owners will pay 98.5000% of the budgeted cost of Water & Sewer Rents.

8. *Repairs, Maintenance and Supplies (Budget - \$59,000)*

The budgeted figure for these items is based on normal maintenance and repairs of, for example, the roof, exterior walls, foundations, heating system, plumbing and electrical systems and other common areas for which the Condominium is responsible. The budgeted item includes various supplies (such as cleaning supplies and materials, lubricants, bulbs, public area fixtures, general and hardware supplies) and periodic painting of public halls and common areas on a rotating basis, but excludes the building services described below in footnote 9 of Schedule B entitled "Service Contracts." Unit Owners, however, will be responsible for the cost of interior repairs in, and decoration and painting of, their respective Units, including appliances.

The budgeted figure assumes the following:

<u>Category</u>	<u>Budgeted Amount</u>
Janitor Supplies	\$ 18,000
Elevator Inspection	4,000
Plumbing	13,000
Electrical	13,000
Other	11,000

9. *Service Contracts (Budget - \$40,000)*

The budgeted figure allows for the following service and maintenance contracts (inclusive of sales tax):

<u>Contractor</u>	<u>Nature of Service</u>	<u>Monthly Payment</u>	<u>Expiration Date</u>
Sentry Elevator Corp.	Elevator Maintenance	\$327	Month-to-Month
JB Pest Control, LLC.	Exterminating	\$120	Month-to-Month
Secure Watch 24	Security	\$137	Month-to-Month
Secure Watch 24	Security- Services	\$2,515	Month-to-Month

Secure Watch 24 currently provides the Building with video surveillance services and remote monitoring alert services. Sponsor currently controls access to the Building, including but not limited to through distribution of FOBs. Secure Watch 24 provides credential management services on behalf of Sponsor, adding and deleting FOB users via computer hardware, software and distributing FOBs. Joel Wiener, an investor in Secure Watch 24, is also a Principal of Sponsor.

10. Insurance (Budget - \$44,000)

The following insurance is recommended for the Property for the first year of Condominium operation in a letter dated October 31, 2019 from I. Dachs & Sons, Inc., 1245 West Broadway, PO Box 338, Hewlett, NY 11557:

Commercial Property Coverage

Perils Insured:	Special Form
Valuation:	Replacement Cost
Co-Insurance:	Agreed Amount
AOP Deductible:	\$10,000

Coverages:

Building:	\$17,000,000
Business Income:	\$1,500,000

The proposed coverages include Replacement Cost Valuation on the Building, as well as the Agreed Amount provision which eliminates co-insurance.

Additional Coverages:

BI – Rents/Common Charges:	Extend Period of Indemnity – 365 days
Boiler & Machinery:	Included
Flood/Water Backup:	Included
Ordinance or Law:	
Coverage A:	Included
ICC & Demolition:	\$2,000,000 Each

Total Policy Premium:	\$22,200
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Commercial General Liability (Occurrence Form):

\$2,000,000	General Aggregate
\$1,000,000	Each Occurrence
\$1,000,000	Personal & Advertising Injury
\$1,000,000	Fire Damage Legal Liability

\$ 5,000	Medical Payments
\$1,000,000	Employee Benefits Liability
\$1,000,000	Non-owned & Hired Auto Liability

Includes Elevator Liability/Collision Coverage

Deductible: None **Total Policy Premium: \$12,475**

Commercial Umbrella Policy:

Limit: \$100,000,000 **Total Policy Premium: \$4,700**

Directors & Officers Liability Policy:

Limit: \$1,000,000 **Total Policy Premium: \$2,200**

Crime Insurance Policy:

Limit: \$1,000,000 **Total Policy Premium: \$2,500**

In recent years, premiums for insurance (especially fire and 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 Closing, Sponsor will deliver (at the Condominium's expense) a fire and liability binder or policy providing insurance coverage in amounts no less than shown on the foregoing schedule.

The Commercial Unit Owners will pay 1.5000% of the budgeted cost of the insurance premium while the Garage Unit Owner will pay 0.5000% of the budgeted cost of the insurance premium.

The fire, casualty and general liability insurance policy will be on terms that provide: (1) that each Unit Owner is an additional insured party; (2) that there will be no cancellation without notice to the Board; (3) a waiver of subrogation; (4) a waiver of any defense based on co-insurance; (5) a waiver of invalidity because of the acts of the insured and Unit Owners; and (6) a waiver of pro rata reduction if Unit Owners obtain additional coverage.

The above listed insurance coverage meets the requirements of Sponsor's Fee Mortgagee.

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 must obtain additional insurance, at his or her own cost, covering among other items (i) fire or casualty losses to the contents of his or her Unit and any replacements, additions, upgraded fixtures and improvements therein, (ii) personal property, and (iii) liability for personal injury as a result of occurrences in the individual Unit.

11. Management Fees (Budget - \$30,000)

At the First Closing, the Condominium will enter into a Management Agreement with Pinnacle Managing Co., LLC (the "Managing Agent"), One Penn Plaza, Suite 4000, New York, New York 10119 at an annual fee of \$30,000. The management fee is comparable to the prevailing rates charged by other management services firms in New York City providing similar services in comparable buildings. In the event a new managing agent is substituted for the Managing Agent, the annual fee will be an amount as mutually agreed upon between the Board and the new managing agent. The Management Agreement will be for an initial term of 3 years and be automatically renewed from year to year thereafter unless terminated

by either party upon 90 days' written notice prior to the expiration of the term, as the same may have been renewed. The Managing Agent shall be entitled to receive fees from Unit Owners (other than Sponsor and/or holders of Unsold Units) who sell or lease their Units. Joel Wiener, a principal in the Managing Agent, is also a principal of Sponsor.

The Managing Agent shall work in the best interest of the Condominium and the Unit Owners.

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 11.C.0 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by the sponsor or sponsor affiliate within 2 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 under 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 association in a conversion project, or of property serving the condominium unit owners in such 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 the sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3 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 such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, the sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that the sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by the sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by the unit owners to the sponsor or sponsor affiliate.

The Commercial Unit Owners will pay 1.5000% of the budgeted cost of the management fee and the Garage Unit Owner will pay 0.5000% of the budgeted cost of the management fee.

Reference should be made to the section of this Plan entitled "Management Agreement" for details of these and other important features of the Management Agreement.

12. *Legal Fees (Budget - \$10,000)*

The budgeted item will be used for miscellaneous (but not major) legal services, in the event the Board decides to engage an attorney. The attorney or law firm for the Board has not yet been determined. The Board will determine the attorney or law firm to represent the Condominium in the future.

13. *Auditing Fees (Budget - \$10,000)*

The budgeted item will be used for auditing fees in connection with the preparation of the Condominium's first year's audited financial statements and its Federal, State and City income tax returns, based on a fee of approximately \$10,000, provided by DDK & Company LLP, CPA.

The Commercial Unit Owners will pay 1.5000% of the budgeted cost of the auditing fee and the Garage Unit Owner will pay 0.5000% of the budgeted cost of the auditing fee.

14. *Contingency Fund (Budget - \$80,000)*

This item is to provide a fund for possible expenses not included in the budget (including but not limited to interest on any serial notes given by the Condominium to Sponsor for payment of closing adjustments, described in the section of this Plan entitled “Working Capital Fund”) or possible increases in 1 or more items of operating expense above the amounts projected, or reserve contributions for potential capital replacements or other items. The budget may be modified from time to time prior to commencement of, or during, Condominium operation to add new items of expense or increase or decrease of 1 or more items of operating expense or reserves. The funds for such modifications may be provided by decreasing the Contingency Fund or by decreasing 1 or more items of expense, or both.

15. *Other Expenses (Budget – \$10,000)*

This item is to provide a fund for expenses such as employer association dues (if applicable), building telephone, stationary, postage, license and registration fees, municipal permits and miscellaneous expenses not provided for in other budget lines, as well as \$1,000 for franchise and corporation taxes.

16. *Total Projected Expenses (Budget - \$594,000)*

The projections set forth in this budget assume that the first year of Condominium operation will begin on or about January 1, 2021.

NOTE: At the closing, Sponsor and the Condominium will adjust items of income and expense as of midnight of the day preceding the closing. Assuming the net closing adjustments are in favor of Sponsor, same shall be paid in 12 equal, consecutive monthly installments, commencing on the first day of the 2nd calendar month subsequent to the closing, pursuant to negotiable, serial notes bearing interest at the rate of 1% over Citibank, N.A.’s “base rate” in effect on the First Closing Date. In such case, although such notes are not directly included in this budget, payment of the notes represents, in effect, payment of certain expenses reflected in this budget that have been prepaid by Sponsor.

In the opinion of the budget expert, Nu-Place Realty, the projected receipts are adequate to meet the projected expenses for the Condominium’s First Year of Operation, assuming such first year to be the year commencing January 1, 2021. The foregoing schedule, however, is not intended and should not be taken as a guarantee or warranty by anyone that the annual receipts (including common charges) or expenses for the first or any subsequent year of operation of the Building by the Condominium will be as set forth in said schedule, and it is likely that the actual receipts and expenses will vary from the amounts shown in the schedule. However, in the event the projected annual common charges increase by more than 25% prior to the Closing Date, Sponsor agrees to offer all purchasers the right to rescind their Agreements if they notify Sponsor (in writing, within 15 days after the presentation of the amendment to this plan disclosing the revised budget) and to be refunded the full deposit within 30 days after notification to Sponsor. See the section of this plan entitled “Procedure to Purchase.”

Sponsor has reserved the right prior to the first closing date to modify, renew and replace existing service, maintenance, employment, concessionaire and other agreements and insurance policies, and to enter into new agreements and policies, that will be binding on the Condominium on the first closing date. However, Sponsor may not enter into any service, maintenance, employment, concessionaire or other agreements after this plan is presented that will materially increase the projected common charges for the First Year of Condominium Operation or which would be binding on the Condominium for more than 2 years, unless such agreement contains a provision permitting the Condominium to cancel the agreement from and after the second anniversary of the First Closing upon giving not less than 90 days’ prior written notice. All new or modified agreements will be disclosed in an amendment to this Plan.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i



August 22, 2018

Cherry Associates LLC
One Penn Plaza, Suite 4000
New York, NY 10119

Re: The Infinity 8 on Cherry Condominium
136-04 Cherry Avenue
Flushing, New York 11355 (the “Condominium”)

Ladies/Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Residential Units at the Condominium as required by NYCRR Section 23.3(aa)(5). Except where otherwise indicated, the terms used in this opinion shall have the same meaning as set forth in the Offering Plan (“**Plan**”) for the Condominium.

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Keller William NYC (“**KW**”), as set forth in its letter dated August 13, 2018 (the “**Letter**”) contained in the Plan, as required by NYCRR Section 23.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of KW.

KW states in its Letter that in its opinion, Common Interests were allocated pursuant to the method set forth in Real Property Law (“**RPL**”) Section 339-i (1)(iv), *i.e.*, based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, including the uniqueness of the Residential Unit and the overall dimensions of the particular Residential Unit. The Commercial Units are located on the Lobby/Cellar Level or Sub-Cellar Level and lack the benefit of most of the Common Elements of the Condominium.

We have not reviewed or verified any calculations of floor space and do not express any opinion as to the relative value of a Residential Unit to other Residential Units, the uniqueness of a Residential Unit, the overall dimensions of a particular Residential Unit or the accuracy of the Letter. We have assumed, without independent verification or inquiry by us, that the reporting by KW is accurate and that KW is an experienced real estate broker. We express no opinion and make no judgment as to the accuracy of the aforesaid reporting or otherwise or the experience level or qualifications of KW.



Based upon the factual determinations made by KW in the Letter, but subject to the aforesaid limitations, we are of the opinion that the Common Interests and Residential Common Interests were allocated pursuant to the method set forth in RPL Section 339-i (1)(iv), i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, including the uniqueness of the Residential Unit and the overall dimensions of the particular Residential Unit, and that the Commercial Units are located on the Lobby/Cellar Level or Sub-Cellar Level and lack the benefit of most of the Common Elements of the Condominium.

This opinion is confined to the matters addressed herein with respect to RPL Section 339-i and shall not be construed as an opinion on other aspects of the Plan, including, but not limited to, valid creation of a condominium, which is to be determined by a title insurer. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will the Sponsor, Pryor Cashman LLP, the Selling Agent, the Managing Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law. We assume no obligation to update or supplement this opinion or to notify you as to any changes in rules of law or any changes in facts or circumstances that may hereafter come to our attention pertaining to the subject matter hereof, although we have advised you that you are obligated to cause a revised opinion letter to be rendered and published in an amendment to the Plan under such circumstances.

This letter is furnished to you solely for your benefit and the purchasers under the Plan. This letter may not be relied on by any other person (including, but not limited to, subsequent owners of the Residential Units).

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

Very truly yours,

PRYOR CASHMAN LLP

A handwritten signature in cursive script that reads "Pryor Cashman LLP".



August 13, 2018

Cherry Associates LLC
One Penn Plaza, Suite 4000
New York, NY 10119

Re: The Infinity 8 on Cherry Condominium
136-04 Cherry Avenue
Flushing, New York 11355 ("Property")

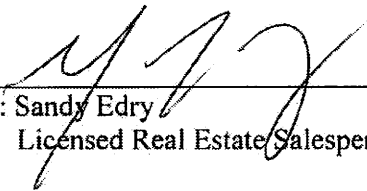
Ladies and Gentlemen:

Keller Williams NYC ("KWNYC") is a real estate brokerage firm licensed in the state of New York. KWNYC has been in business for more than 6 years specializing in the sale and leasing of the New York City residential market. KWNYC has been retained as selling agent, leasing agent and/or consultant for more than 30 condominium, cooperative offerings and mixed use buildings.

We have reviewed the allocation of percentages of common interest contained in Schedule A of the Offering Plan for the captioned premises (the "Plan"). The Sponsor of the Plan has informed us that such allocation was made, pursuant to Section 339 – i(I)(iv) of the Real Property Law of the State of New York, based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, including the uniqueness of the unit and the overall dimensions of the particular unit. The Commercial Units lack the benefit of most of the Common Elements of the Condominium. In our opinion, based on the criteria set forth above, the allocation of percentages of common interest appearing in Schedule A is reasonable.

KWNYC has been retained by Sponsor to serve as Selling Agent under the Plan.

Very truly yours,
KELLER WILLIAMS NYC

By: 
Name: Sandy Edry
Title: Licensed Real Estate Salesperson

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212.211.3700

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10th Floor
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SPONSOR EASEMENT

Sponsor shall have, and the Units, Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements shall be subject to, an easement to use the Units, Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements of the Building for any lawful purposes including, but not limited to, the purposes of (a) installing, utilizing, operating and Maintaining satellite dishes and other communication equipment on the roof and Facade of the Building and elsewhere on the Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements and the conduit and other Facilities relating thereto and (b) maintaining any encroachment on any Unit, or any Common Elements, Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Element or elsewhere on the Property resulting from the installation, operation and Maintenance thereof; provided that access to any Unit, Common Element, Residential Common Element, Residential Limited Common Element or Commercial Limited Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units for their permitted purposes. Sponsor shall pay the costs to repair the damage to the Units, Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements for damages which are directly caused by Sponsor's installation of any communication equipment on the roof and Facade of the Building and elsewhere on the Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements. The aforementioned easements may be used by Sponsor, its assignee or licensee for its own account or the account of any designee, tenant, licensee or assignee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its designee, tenant, assignee or licensee for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof, the Facade or any other portion of the Common Elements, Residential Common Elements, Residential Limited Common Elements or Commercial Limited Common Elements by Sponsor, its designee, tenant, assignee or licensee shall be the exclusive property of Sponsor, its designee, tenant, assignee or licensee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto.

COMMERCIAL UNITS

The Commercial Units will be retained by Sponsor and are not offered under this Plan. The Commercial Units are comprised of space on the Lobby/Cellar Level (7 stores and 1 Garage Unit with off-street parking), the Sub-Cellar Level (2 stores), the structural systems within the Commercial Units, the doors, the windows (including the glass), the entrance(s), all plumbing, gas and heating fixtures, equipment, appliances, heating, ventilating and air conditioning units, heating equipment, sinks, water closets and all other facilities as may be affixed, attached or appurtenant to the Commercial Units and serving the Commercial Units exclusively. Sponsor may rent any off-street parking spaces to non-residents of the Building for periods of not less than 1 week and not more than 1 month. Sponsor shall endeavor to make off-street parking spaces, which are rented to non-residents, available to residents of the Building within 30 days after a resident makes a written request to Sponsor to rent a parking space at the monthly market rate. The stores are currently used as follows: 43-01- Vacant; 43-03 - Oldtown Asia Market; 43-05 - Innovative Appliance Inc.; 43-07 - Shou Shi Fang Inc. (Chinese Restaurant); 43-09 - So Shou Beauty Inc.; 43-11 - Sky View Cleaners; 43-13 - Sky View Cleaners; 43-15 -Vacant; 43-17 - Ta Tung NY Inc. (Wholesale Restaurant Supplies). Sponsor makes no representation that the current store tenants will continue occupancy. The Commercial Units may be used for any legal purpose.

Sponsor shall have the right, without the consent or approval of the Board, the Residential Unit Owners or the Mortgage Representatives, if any, to: change the use (including but not limited to residential use) or layout of, or number of spaces or rooms, in the Commercial Units; amend the Certificate of Occupancy for the Building as it relates to the Commercial Units; change the size of any Commercial Unit by subdividing the Commercial Unit into 2 or more separate Commercial Units or combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units and if appropriate, reapportion among the Commercial Units affected by such change in size or number their respective Common Interests, subject to the provisions of the Declaration and By-Laws.

Sponsor believes that the Common Charges payable by the Commercial Unit Owners are sufficient to cover the expenses fairly attributable to the Commercial Units. The allocation of percentages of common interest contained in Schedule A for the Commercial Units, including the Garage Unit, is based upon floor space, use of the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, including the uniqueness of the Unit and the overall dimensions of the particular Unit. The Commercial Units, including the Garage Unit, are accessible through dedicated entrances, lacking the benefit of most of the Common Elements.

The Commercial Unit Owners will not pay any portion of the Common Expenses of the Condominium (during any year of operation) other than a portion of certain items expressly set forth on Schedule B – Projected Budget for the First Year of Condominium Operation in Part I of this Plan, specifically, a portion of the insurance, management fees and auditing fees pursuant to NYS Real Property Law 339-m and Article 6 of the By-Laws of the Condominium. The Commercial Unit Owners will be responsible for the upkeep of the Commercial Units and utilities (electric only) servicing the Commercial Units, which are or will be separately metered to or measured for the Commercial Units.

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws or the Declaration shall be effective in any way (a) without the prior written consent of Sponsor or its designee or the owner of an Unsold Commercial Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws and/or the Declaration modifying the permitted uses of their particular Unsold Commercial Unit(s) or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of the particular Unsold Commercial Unit(s), or otherwise adversely affecting Sponsor or its designee or the owner of the particular Commercial Units or (b) without the prior written

consent of the holder of any present or future mortgage, pledge or other lien or security interest covering the Commercial Units with respect to any amendment, modification, addition or deletion of or to the By-Laws and/or the Declaration modifying the permitted uses of such Commercial Units or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Commercial Units.

Except to the extent prohibited by Law, Sponsor shall have the right, without the consent or approval of the Board, the Residential Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions, improvements or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Units; (b) change the use or layout of, or number of spaces or rooms in the Commercial Units; (c) amend the Certificate of Occupancy for the Building as it relates to the Commercial Units; (d) change the size of any Commercial Unit by (w) subdividing the Commercial Unit into 2 or more separate Commercial Units, (x) combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units, (y) altering the boundary walls of 2 or more separate Commercial Units resulting from such subdivision or combination, or (z) otherwise; and (e) if appropriate, reapportion among the Commercial Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests; provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon the Commercial Unit (each of the foregoing or any combination thereof shall hereinafter be referred to as “Commercial Unit Owner Change”), when making a Commercial Unit Owner Change, a Commercial Unit Owner shall: (a) not make any physical modification to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto; (b) comply with Law; (c) agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom; and (d) such alteration, addition, improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

CHANGES IN PRICES AND RESIDENTIAL UNITS

Unless it would constitute a discriminatory inducement, Sponsor reserves the right at any time and from time to time before and after the recording of the Declaration, without the consent or approval of the Selling Agent, the Managing Agent, the Board, any Residential Unit Owner or any mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Residential Unit, except that no such change with respect to any Residential Unit for which an 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. If any price change is made, a Purchaser of a Residential Unit affected thereby may pay more or less than other Purchasers under this Plan for similar Residential Units, but this will not affect any prior or subsequent sale of Residential Units not the subject of such change. However, such price change shall not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of, such Residential Units. Sponsor has agreed that it will neither increase prices to be paid by Tenant Purchasers nor accept Agreements from Non-Tenant Purchasers for occupied Residential Units, during any applicable Exclusive Purchase Period. The Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to this Plan when the change in Purchase Price is an across-the-board increase or decrease affecting 1 or more lines of Residential Units or is a price increase for an individual Purchaser. Unless it would constitute a prohibited discriminatory inducement, Sponsor may enter into a negotiated Agreement with an individual Purchaser to sell one or more Residential Units at prices lower than those set forth in Schedule A without filing an amendment to this Plan. The offering price to be paid by Tenant Purchasers will not increase during any applicable Exclusive Purchase Period.

Unless it constitutes a discriminatory inducement, Sponsor reserves the right to negotiate with each Purchaser the terms and conditions of the Agreement, including, but not limited to, terms and conditions pertaining to: purchase price; the amount of the Deposit; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Agreement; the availability of interim use and occupancy agreements and the amount of interim rent; and the application of rent towards the Purchase Price. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission under his or her Agreement.

In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice to, and without the consent of the Board, any Residential Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing 1 or more such Residential Units into 2 or more separate Unsold Residential Units, (c) combine separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into 1 or more Residential Units, altering any boundary walls between 1 or more Residential Units, or otherwise, including incorporating Common Elements and/or Residential Common Elements (such as a portion of a hallway) which exclusively benefit a Residential Unit and/or Residential Limited Common Elements into such Residential Unit, (d) designate all or a part of a Residential Unit, a Common Element and/or Residential Common Elements and/or Residential Limited Common Element as part of a newly created Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests and Residential Common Interests. In the event of any change pursuant to either (b), (c) or (d) above, such change shall be disclosed in a duly filed amendment to this Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements or Residential Common Elements directly

affecting or servicing a Residential Unit, will be made with respect to any Unsold Residential Unit for which an Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, Common Interest, dimension, floor space or layout of such Unsold Residential Unit. The Common Interest of a Residential Unit may change if there is a change in the floor space or the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. No material change will be made in the size or number of Residential Units or in the size or quality of the Common Elements and/or Residential Common Elements except by amendment to this Plan and, when applicable, by amendment to the Declaration. Unless a Purchaser consents, no material adverse change will be made in the relevant Residential Unit's layout or percentage of Common Interest (or Residential Common Interest) if an Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default. No material adverse change will be made in the size or quality of the Common Elements and/or Residential Common Elements unless Purchasers not in default receive a right to rescind their respective Agreements within a reasonable period of time that is not less than 15 days after the date of presentation of an amendment setting forth the right to rescind. If Purchasers timely notify Sponsor in writing of their exercising the right to rescind, Sponsor will refund the full Deposit (with interest earned thereon, if any) within 30 days after receipt of notification.

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

It should be noted that as long as the layout and dimensions of a Residential Unit conform to the Floor Plans, a Purchaser will not be excused from purchasing the Residential Unit and will not have any claim against Sponsor as a result of any immaterial change or discrepancy.

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ACCOUNTANT'S CERTIFIED STATEMENT OF OPERATIONS

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CHERRY ASSOCIATES LLC
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018
AND THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017

CHERRY ASSOCIATES LLC
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018
AND THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017

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A Member Firm of KSI International

INDEPENDENT AUDITORS' REPORT

The Members of
 Cherry Associates LLC

We have audited the accompanying statements of operations applicable to the property located at 136-04 Cherry Avenue, Flushing, New York for the year ended December 31, 2018 and for the period January 24, 2017 (date of inception) through December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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A Member Firm of K.S. International

INDEPENDENT AUDITORS' REPORT *(Continued)*

Opinion

In our opinion, the statements of operations referred to above presents fairly, in all material respects, the results of operations of the property located at 136-04 Cherry Avenue, Flushing, New York for the year ended December 31, 2018 and for the period January 24, 2017 (date of inception) through December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 1 to the financial statements, pursuant to the New York City Code Rules and Regulations, operating costs do not include a provision for depreciation, amortization, debt service interest, mortgage costs, adjustment in value of assets, or other items not applicable to the operation of the building as a condominium.

We understand that a copy of this report is intended to be incorporated into an offering plan for the above premises, and we hereby consent to such incorporation.

DDK & Company LLP

New York, New York
 March 12, 2019

PROPERTY LOCATED AT
136-04 CHERRY AVENUE
FLUSHING, NEW YORK
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018
AND THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017

	2018	01/24/2017 through 12/31/2017
Rental income	<u>\$ 1,443,349</u>	<u>\$ 1,453,012</u>
Total income	<u>1,443,349</u>	<u>1,453,012</u>
Operating costs		
Labor	100,125	84,232
Heating	89,243	86,937
Utilities	20,012	15,790
Water and sewer	72,630	68,414
Repairs, maintenance, and supplies	47,070	35,845
Service contracts	67,560	5,874
Insurance	32,876	26,563
Management fees	57,734	58,121
Professional fees	22,831	74,290
Other expenses	9,550	8,451
Real estate taxes	<u>386,431</u>	<u>347,114</u>
Total operating costs	<u>906,062</u>	<u>811,631</u>
Excess of income over operating costs	<u><u>\$ 537,287</u></u>	<u><u>\$ 641,381</u></u>

The accompanying notes are an integral part of these financial statements.

**CHERRY ASSOCIATES LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
AND THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cherry Associates LLC (the "Company") is a limited liability company formed in July 2016. The Company owns and operates a residential building located at 136-04 Cherry Avenue, Flushing, New York totaling 75 apartment units, 7 commercial units, and 1 resident manager apartment. The Company acquired the residential building on January 24, 2017.

Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the New York City Code Rules and Regulations ("Regulations"). The Regulations describe conditions and procedures unique to the industry and illustrate the form and content of the financial statements. The Regulations require that operating costs do not include a provision for depreciation, amortization, debt service interest, mortgage costs, adjustment in value of assets, or other items not applicable to the operation of the building as a condominium (allocated building management payroll).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Base rental revenues from rental properties are recognized as earned. Rental income may also include payments received in connection with lease termination agreements.

When determining the collectability of its accounts receivable related to base rents, expense reimbursements, and other revenues, the Company takes several factors into consideration including the overall composition of the accounts receivable, historical bad debt levels, tenants' credit worthiness, the current economic trends and its day-to-day knowledge of specific tenants. In addition, tenants in bankruptcy and collection suits are written off based upon court judgments and historical trends; whereas, the recovery of bad debts, if any, is recognized when received. Bad debt expense is included in rental income on the statements of operations.

**CHERRY ASSOCIATES LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
AND THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income Taxes

The Company is a limited liability company that has elected to be treated as a partnership for income tax purposes. No provision or liability for federal, state, or local income taxes is reflected in the financial statements because the income and losses of the Company flow through to the members.

The Company has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If the Company was to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal, state and local authorities may examine the Company's tax returns for three years from the date of filing.

2017 Revision

To present consistent with the 2018 Statement of Operations, the 2017 Statement of Operations was revised to exclude allocated building management payroll of \$18,673.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through March 12, 2019, the date the financial statements were available to be issued.

NOTE 2 - RELATED PARTY TRANSACTIONS

Management services were provided under an annual contract to the Company by a related party - Pinnacle Managing Co., LLC. Management fee expense for the year ended December 31, 2018 and the period January 24, 2017 (date of inception) through December 31, 2017 totaled \$57,734 and \$58,121, respectively.

Security services were provided to the Company by an entity whose member is also a member of the Company. The security services and other related expenses incurred to this party for the year ended December 31, 2018 and the period January 24, 2017 (date of inception) through December 31, 2017 totaled \$78,997 and \$946, respectively.

CHERRY ASSOCIATES LLC
FINANCIAL STATEMENT AND
INDEPENDENT AUDITORS' REPORT
FOR THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017

CHERRY ASSOCIATES LLC
FINANCIAL STATEMENT AND
INDEPENDENT AUDITORS' REPORT
FOR THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017

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A Member Firm of KSI International

INDEPENDENT AUDITORS' REPORT

The Members of
 Cherry Associates LLC

We have audited the accompanying statement of operations applicable to the property located at 136-04 Cherry Avenue, Flushing, New York for the period January 24, 2017 (date of inception) through December 31, 2017.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**DDK &
COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT *(Continued)*

Opinion

In our opinion, the statement of operations referred to above presents fairly, in all material respects, the results of operations of the property located at 136-04 Cherry Avenue, Flushing, New York for the period January 24, 2017 (date of inception) through December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in Note 1 to the financial statement, pursuant to the New York City Code Rules and Regulations, operating costs do not include a provision for depreciation and amortization, debt service interest, mortgage costs, or adjustment in value of assets.

We understand that a copy of this report is intended to be incorporated into an offering plan for the above premises, and we hereby consent to such incorporation.

DDK & Company LLP

New York, New York
March 20, 2018

**PROPERTY LOCATED AT
136-04 CHERRY AVENUE
FLUSHING, NEW YORK
STATEMENT OF OPERATIONS
For the Period January 24, 2017 (Date of Inception)
Through December 31,2017**

	<u>2017</u>
Rental income	<u>\$ 1,453,012</u>
Total income	<u>1,453,012</u>
Operating costs	
Labor	102,905
Heating	86,937
Utilities	15,790
Water and sewer	68,414
Repairs, maintenance, and supplies	35,845
Service contracts	5,874
Insurance	26,563
Management fees	58,121
Professional fees	74,290
Other expenses	8,451
Real estate tax	<u>347,114</u>
Total operating costs	<u>830,304</u>
Excess of income over operating costs	<u><u>\$ 622,708</u></u>

**CHERRY ASSOCIATES LLC.
NOTES TO FINANCIAL STATEMENT
FOR THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Cherry Associates LLC. (the "Company"), is a limited liability company formed in July 2016. The Company is located at 136-04 Cherry Avenue, Flushing, New York. The Company owns and operates a residential building totaling 75 apartment units, 7 commercial units, and 1 resident manager apartment. The Company acquired the residential building on January 24, 2017.

Basis of Accounting

The Company's financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America and the New York City Code Rules and Regulations ("Regulations"). The Regulations describe conditions and procedures unique to the industry and illustrate the form and content of the financial statement. The Regulations require that operating costs do not include a provision for depreciation and amortization, debt service interest, mortgage costs, or adjustment in value of assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Base rental revenues from rental properties are recognized as earned. Rental income may also include payments received in connection with lease termination agreements.

When determining the collectability of its accounts receivable related to base rents, expense reimbursements, and other revenues, the Company takes several factors into consideration including the overall composition of the accounts receivable, historical bad debt levels, tenants' credit worthiness, the current economic trends and its day-to-day knowledge of specific tenants. In addition, tenants in bankruptcy and collection suits are written off based upon court judgments and historical trends; whereas, the recovery of bad debts, if any, is recognized when received. Bad debt expense is included in rental income on the statement of operations.

**CHERRY ASSOCIATES LLC.
NOTES TO FINANCIAL STATEMENT
FOR THE PERIOD JANUARY 24, 2017 (DATE OF INCEPTION)
THROUGH DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income Taxes

The Company is a limited liability company that has elected to be treated as a partnership for income tax purposes. No provision or liability for federal, state, or local income taxes is reflected in the financial statement because the income and losses of the Company flow through to the members.

The Company has concluded that there are no uncertain tax positions that would require recognition in the financial statement. If the Company was to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal, state and local authorities may examine the Company's tax returns for three years from the date of filing.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through March 20, 2018 the date the financial statement was available to be issued.

NOTE 2 - RELATED PARTY TRANSACTIONS

Management services were provided to the Company by a related party - Pinnacle Managing Co., LLC. Management fee expense for the period ended December 31, 2017 was \$58,121.

Security services totaling \$946 were provided to the Company by an entity whose member is also a member of the Company, for the period ended December 31, 2017.

RIGHTS OF EXISTING TENANTS

Tenant Purchasers shall have the exclusive right to purchase their respective Residential Units during the 90 day period following the Presentation Date of this Plan (the “Exclusive Purchase Period”) at the Purchase Price set forth in Schedule A, during which time the Tenant Purchaser’s Residential Unit shall not be shown or sold to a third party unless the Tenant Purchaser has, in writing, waived his or her right to purchase. In order to exercise this exclusive right to purchase, the Tenant Purchaser must deliver 5 copies of a signed Agreement and the required Deposit to Sponsor or any Selling Agent designated by Sponsor during the Exclusive Purchase Period. Sponsor has agreed that during the Exclusive Purchase Period, the Purchase Prices to be paid by Tenant Purchasers will not be increased. Except during an Exclusive Purchase Period, Tenant Purchasers have no greater rights to purchase a Residential Unit than Non-Tenant Purchasers. For further detail see the Section of this Plan entitled “Procedure to Purchase”.

The term “Tenant Purchaser” shall include: (a) a bona fide residential tenant in occupancy on the Filing Date; (b) a bona fide residential tenant with the right to renew a lease on the Filing Date; (c) a bona fide residential tenant who has the right to continued occupancy on the Filing Date; (d) a bona fide residential tenant of record with an unexpired lease on the Filing Date even though the residential tenant has sublet the Residential Unit or the Residential Unit is not the residential tenant’s primary residence; and (e) a bona fide sublessee in occupancy on the Filing Date, if such sublessee sublets from a non-bona fide residential tenant, or has obtained written permission to purchase the Residential Unit from the bona fide residential tenant of record.

The term “Tenant Purchaser” shall not include the estate or legal representative of a bona fide residential tenant who was in occupancy of a Residential Unit on the Filing Date who died on or after the Filing Date.

Generally, “free-market” leases do not provide for any renewal rights to be exercised by residential tenants. Current case law provides that unless, prior to the date an offering plan is accepted for filing, a warrant of eviction has been issued for a residential tenant who has continued in occupancy of a dwelling unit under such a “free-market” lease, such residential tenant has a right to purchase the unit even if the term of his or her lease has expired prior to the date the offering plan was accepted for filing or the “black book” date.

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

The following summary of rights of existing residential tenants is set forth in accordance with Section 352-eeee of the GBL, a copy of which is set forth in Part II of this Plan. Bona fide residential tenants in occupancy derive substantial protections under the GBL.

The term “Non-Purchasing Tenant” (as such term is defined in the GBL) means a person who has not purchased a Residential Unit pursuant to this Plan and who is a residential tenant entitled to possession at the time this Plan is declared effective (the “Effective Date”) or a person to whom a Residential Unit is rented by Sponsor subsequent to the Effective Date of this Plan. A person who sublets a Residential Unit from “a purchaser under this Plan” (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

(A) No eviction proceedings will be commenced at any time after the effective date of this Plan against Non-Purchasing Tenants for failure to purchase or any reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the Residential Unit, refusal of reasonable access to the Residential Unit by the Condominium or its

Managing Agent or a breach by the Non-Purchasing Tenant of his or her obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by Law; and provided further that an owner of a Residential Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that the non-tenant Purchaser seeks the Residential Unit for the use and occupancy of himself or herself or such non-tenant Purchaser's family.

(B) Non-Purchasing Tenants who reside in Residential Units subject to government regulation as to rentals and continued occupancy prior to the conversion of the Building to Condominium ownership shall continue to be subject to such regulations. Nothing contained herein shall be deemed to extend greater rights to a Non-Purchasing Tenant than such residential tenant would have had if the Building had not been converted to condominium ownership, except as otherwise provided in subparagraph (C) below.

(C) Non-Purchasing Tenants who reside in Residential Units not subject to government regulation as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Residential Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Filing Date of this Plan, and whose leases expire and against whom holdover proceedings are commenced before the Effective Date of this Plan 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. Residential tenants who lease Unsold Units after the Effective Date of this Plan are protected from eviction and from unconscionable rent increases if they do not purchase their Residential Unit. Unconscionable increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy".

Non-Purchasing Tenants are advised that complaints of unconscionable rent increases may be referred to the New York State Department of Law, Bureau of Real Estate Financing, 28 Liberty Street, 21st Floor, New York, New York 10005.

Non-Purchasing Tenants may be subject to rent increases as the result of major capital improvements ("MCI") made by Sponsor, the Board or purchasers of Residential Units occupied by such Non-Purchasing Tenants. Under current Law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund as the result of such MCI. Sponsor may take a credit against the Reserve Fund (as hereinafter defined), for qualifying work performed in the Building. Sponsor may perform or engage 1 or more contractors to perform qualifying work. Please refer to the Section of this Plan entitled "Reserve Fund" for further details.

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

(E) The rights granted under this Plan to "purchasers under this Plan" (as such term is defined in the GBL) and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, the GBL. Please refer to the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" in Part I of this Plan for further details.

(F) All Residential Units occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Residential Units in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis. Sponsor will guarantee the obligation of the Managing Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Board. Please refer to the Section entitled "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants" in Part I of this Plan for further details.

(G) 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 or harassment, which substantially interferes with, or disturbs the comfort, repose, peace or quiet of, any tenant in his or her use or occupancy of his or her Residential 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 the Attorney General deems it appropriate, an order restraining Sponsor from selling the Residential Unit or from proceeding with this Plan of conversion. Nothing contained in the GBL shall be deemed to preclude the tenant from applying on his or her own behalf for similar relief.

(H) Any provision of a lease or other rental agreement which purports to waive a tenant's rights under the GBL or rules and regulations promulgated pursuant to the GBL shall be void as contrary to public policy.

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

Non-Purchasing Tenants will receive the same services and access to facilities required by law as Residential Unit Owners on a non-discriminatory basis. Please see the Section of the Plan entitled "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants".

The By-Laws provide that subsequent to the First Closing under this Plan, and for each sale or resale of a Residential Unit occupied by a Non-Purchasing Tenant, a Non-Purchasing Tenant will be promptly notified in writing by the purchaser thereof, of the name and address of the person or persons who purchased such Non-Purchasing Tenant's Residential Unit and the Board is required to make such information available to such Non-Purchasing Tenant.

If prior to the expiration of any Exclusive Purchase Period, which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and a Deposit before Sponsor amended the terms and conditions of this Plan shall benefit from the more favorable terms and conditions. An Agreement from a Tenant Purchaser executed and submitted to Sponsor during any Exclusive Purchase Period shall have priority over and pre-empt any Agreement from a Non-Tenant Purchaser. After expiration of any Exclusive Purchase Period a residential tenant shall have no greater rights than a Non-Tenant Purchaser.

In the event a Purchaser purchases a Residential Unit not occupied by such Purchaser, such purchase shall be subject to the terms and conditions of the existing lease or tenancy of the Residential Unit and subject to the rights and obligations set forth in the GBL, and the Purchaser and his or her successors shall continue to be bound as long as such lease or tenancy continues. A Tenant Purchaser will not have the right to purchase on terms obtained by a Non-Tenant Purchaser. Please refer to the Section entitled "Effective Date" for the details regarding Sponsor's obligation to post notices regarding the percentage of Tenant Purchasers and Non-Tenant Purchasers from whom Sponsor has accepted Agreements.

If a Tenant Purchaser purchases a Residential Unit, then from and after the closing of title to such Residential Unit, such Tenant Purchaser will no longer be subject to, or have any rights afforded tenants in occupancy under, the GBL. Purchasers shall not have the right to assign their Agreements. Notwithstanding the foregoing, Tenant Purchasers shall have the right to assign their Agreements 1 time to any individual, without the payment of a fee (other than a \$750 fee to Pryor Cashman LLP, counsel to the Sponsor), in accordance with Paragraph 23 of the Agreement. Both the Tenant Purchaser and the proposed

assignee must execute, in quintuplicate, an Assignment and Assumption Agreement in the form contained in Part II of this Plan, and deliver same to the Selling Agent at least 30 days prior to the Closing Date. Please refer to the Section of this Plan entitled "Assignment of Agreements."

Tenant Purchasers are not being offered the right to purchase any Residential Unit other than the Residential Unit occupied by such Tenant Purchaser on the Filing Date of this Plan. Non-Purchasing Tenants shall have no rights with respect to their Residential Units except as same may be specifically set forth above and in the GBL. Nothing contained herein shall be deemed to grant Non-Purchasing Tenants any additional rights of occupancy with respect to the Residential Units.

OBLIGATIONS OF PURCHASERS OF RESIDENTIAL UNITS OCCUPIED BY NON-PURCHASING TENANTS

A person purchasing a Residential Unit occupied by another does so subject to: (a) the existing lease for the Residential Unit, if any (and any renewal thereof pursuant to Law or effected prior to the date on which the Purchaser's Agreement is accepted), (b) the existing occupancy of the Residential Unit, and (c) the rights of the tenant thereof, if any, under the Rent Laws and under the GBL, including the right to stay in possession of the Residential Unit pursuant to the GBL, as more fully discussed in the Section entitled "Rights of Existing Tenants." Certain of the Residential Units in the Building being offered for sale under this Plan are subject to the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 and 1997 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder, as same may be amended (collectively, the "Rent Laws"), as a result of the Building being constructed prior to July 1, 1974 and containing more than 6 residential apartments. A purchaser purchasing a Residential Unit subject to the Rent Laws must register such Residential Unit with the New York State Department of Housing and Community Renewal. The status of each of the Residential Units being offered for sale as of the date of this Plan is set forth on "Schedule A - Prices of Residential Units and Related Information" in Part I of this Plan. Under the current Rent Laws, where a Residential Unit previously occupied by a Non-Purchasing Tenant is vacated and re-rented by Sponsor, such Residential Unit is no longer subject to the Rent Laws but will be subject to any limitations set forth in the GBL regarding rent increases.

No representations or statements of any kind as to the requirements of the GBL are given, except as expressly set forth in this Plan. A Prospective Purchaser of an occupied Residential Unit in which he or she does not reside, or lease, is advised to consult with his or her attorney regarding the application and effect of the foregoing Laws and regulations in order to become fully apprised of his or her rights as a purchaser and his or her obligations to any existing tenant or occupant.

After consummation of the sale of a Residential Unit to a Non-Tenant Purchaser, such Non-Tenant Purchaser will own the Residential Unit subject to the lease or tenancy of the present tenant and subject to all rights, if any, afforded such tenant under the GBL and this Plan. Under the GBL, the Non-Purchasing Tenant may not be evicted at any time for failure to purchase or any 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 Condominium or its Managing Agent or a breach by a Non-Purchasing Tenant of his or her obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by Law. In addition, no eviction proceedings may be commenced against a Non-Purchasing Tenant on the grounds that the Non-Tenant Purchaser seeks the Residential Unit for the use and occupancy of himself or herself or such Non-Tenant Purchaser's family.

If a Non-Tenant Purchaser acquires a Residential Unit occupied by another, then on the Closing Date of such Residential Unit, the Non-Tenant Purchaser will become the landlord of such Residential Unit's tenant and the latter will become the Non-Tenant Purchaser's tenant. Such Non-Tenant Purchaser will be required under the Agreement executed by him or her to pay the Common Charges, taxes or other assessments charged against the Residential Unit by the Board, regardless of whether such Common Charges, taxes and other assessments are greater or less than the rent payable by the tenant or occupant, and regardless of whether the rent is received. In addition, such Non-Tenant Purchaser will be solely responsible for any litigation costs, fees and dues related to the tenancy as well as the performance of all obligations of the landlord under the lease with the tenant or occupant, including, without limitation, the obligation to Maintain plumbing fixtures, doors, hardware, flooring, refrigerator, range, dishwasher, lighting fixtures and other equipment, if any, which are included in the Residential Unit or are the obligation of the Residential Unit Owner to maintain, and which are not owned by the tenant or occupant, and to paint the Residential Unit, as provided in the Agreement or applicable Law. The Non-Tenant Purchaser will be

obligated to give the Non-Purchasing Tenant such renewal leases and riders as may be required under applicable Law, including the Rent Laws and the GBL, and may only evict the Non-Purchasing Tenant on grounds permitted by Law, as more particularly described in the Section entitled "Rights of Existing Tenants" in Part I of this Plan.

Each Agreement will contain a provision whereby the Non-Tenant Purchaser of a Residential Unit occupied by another irrevocably appoints the then Managing Agent of the Building (which Managing Agent may be replaced from time to time by the Board) as his or her agent, coupled with an interest, to provide, for the account and at the expense of the Non-Tenant Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has a right to occupy the relevant Residential Unit until such time as said right to occupy terminates. In addition, each Non-Tenant Purchaser of a Residential Unit occupied by another agrees: (a) to deposit with the Managing Agent at the closing of title to the Residential Unit, an amount equal to not less than the greater of (i) 2 months' Common Charges or (ii) 2 months' rent for such Residential Unit to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a 30 day period. If such fund accrues interest, the interest earned on such funds shall be the property of the Residential Unit Owner. In the event the Residential Unit Owner fails to so replenish such fund, the Board will have a lien against the Residential Unit Owner's Residential Unit in accordance with the By-Laws. Sponsor shall guarantee the obligation of the Managing Agent to provide such services and facilities until such time as Sponsor surrenders control of the Board. Each Non-Tenant Purchaser of a Residential Unit occupied by another will be required to indemnify Sponsor for all costs expended by Sponsor on such Non-Tenant Purchaser's behalf. The foregoing obligations of a Non-Tenant Purchaser do not apply to Sponsor.

Upon each resale of a Residential Unit occupied by another, the Managing Agent shall notify the Non-Purchasing Tenant thereof in writing within 10 days following the change in ownership of the name and address of the new Non-Tenant Purchaser.

No representation is made or warranty given as to whether the GBL or the Rent Laws will continue to apply to any Residential Unit in the Building or whether there will be any future amendments to any such laws. Nothing contained herein shall be deemed to prevent Sponsor or the purchaser of a Residential Unit occupied by Non-Purchasing Tenants from enjoying the benefits of any amendment to the Rent Laws or any court ruling which may be deemed to benefit Sponsor.

A person interested in purchasing a Residential Unit in which he or she does not reside is advised to examine the lease for such Residential Unit to ascertain the rental thereof, expiration date and obligations imposed on the landlord thereof. These leases are on file at the office of the Managing Agent or Sponsor. It is further recommended that such person consult with his or her own attorney in order to become fully apprised of the effect of the GBL and the Rent Laws, as well as the lease for the Residential Unit, on his or her rights as a Non-Tenant Purchaser and his or her obligations to the existing tenant or occupant.

A Non-Tenant Purchaser of a Residential Unit subject to a lease will be entitled to receive the unapplied portion of any security deposit held by Sponsor under the terms of such lease. Such security deposit must be held by the Non-Tenant Purchaser, in trust, in an interest bearing account in accordance with Section 7-103 of the New York General Obligations Law. Upon receipt of such security deposit from Sponsor, the Non-Tenant Purchaser will be required to acknowledge, in writing, receipt thereof and agree to indemnify Sponsor against all claims or liability in connection therewith. A Non-Tenant Purchaser of a occupied Residential Unit shall be liable to the tenant for any sum of money deposited as security, and such liability shall attach whether or not the Non-Tenant Purchaser has, upon the conveyance of the leased Residential Unit, received the sum as deposited.

Certain of the Residential Units in the Building being offered for sale under this Plan are subject to the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 and 1997 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder, as same may be amended (collectively, the "Rent Laws"), as a result of the Building being constructed prior to July 1, 1974 and containing more than 6 residential apartments. A purchaser purchasing a Unit subject to the Rent Laws must register such Residential Unit with the New York State Department of Housing and Community Renewal. The status of each of the Residential Units being offered for sale as of the date of this Plan is set forth on "Schedule A - Prices of Residential Units and Related Information" in Part I of this Plan. Under the current Rent Laws, where a Residential Unit previously occupied by a Non-Purchasing Tenant is vacated and re-rented, such Residential Unit is no longer subject to the Rent Laws but will be subject to any limitations set forth in the GBL regarding rent increases.

A Non-Tenant Purchaser of a leased Residential Unit, not subject to New York City Rent Stabilization Code and Laws, shall be deemed to have actual knowledge of any security deposit which: (i) the tenant deposited at any time during the 6 months immediately prior to the Closing pursuant to subdivision 2(a) of GOB Section 7-103, or (ii) was acknowledged in any lease in effect at the time of the Closing, or (iii) was supported by Documentary Evidence provided by the tenant. With respect to any leased Residential Unit for which there is no record of a security deposit, the Non-Tenant Purchaser of the leased Residential Unit shall be obligated to notify the tenant thereof in writing no later than 30 days following the Closing of the fact that there is no record of a security deposit for said leased Residential Unit and that unless the tenant within 30 days after receiving notice provides Non-Tenant Purchaser with Documentary Evidence of a security deposit, the tenant shall have no recourse against the Non-Tenant Purchaser for said security deposit. "Documentary Evidence" is limited to any cancelled check drawn to the order of, a receipt from, or a lease signed by any predecessor-in-interest. Except as previously stated, the Non-Tenant Purchaser shall not be charged with actual knowledge of the security deposit where the tenant fails within the 30 day period to provide said Documentary Evidence. Where the Non-Tenant Purchaser of the leased Residential Unit fails to notify the tenant of the Residential Unit within 30 days following the Closing or other transfer of title, the tenant shall be entitled to produce Documentary Evidence at any time.

GOB Section 7-107 provides that a Non-Tenant Purchaser of a leased Residential Unit, subject to New York City Rent Stabilization Code and Laws, shall be liable to the tenant for any sum of money or any other thing of value deposited as security for the full performance by such tenant of the terms of the lease, plus any accrued interest, if the predecessor Residential Unit Owner was liable for such funds, whether or not the Non-Tenant Purchaser of the leased Residential Unit upon receipt of title to the Residential Unit received the sum as deposited. Any agreement by a rent stabilized tenant waiving or modifying the right set forth in GOB Section 7-107 is void.

INTERIM USE AND OCCUPANCY AGREEMENTS

Sponsor is reserving the unconditional right to rent rather than sell Residential Units. Since Sponsor is retaining the unconditional right to rent rather than sell Residential Units, this Plan may not result in the creation of a condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor.

Sponsor reserves the right, freely and without restriction, to rent or license vacant Residential Units, to Purchasers and non-purchasers at any time, both before and after the First Closing. Neither Sponsor nor its agents will discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. Once an Agreement is signed for a vacant Residential Unit, and for so long as such Agreement is in effect, such Residential Unit may only be rented or licensed to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement") will be for such rent or use and occupancy fee, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement shall be for a period which will expire on the earlier of the date of the closing of such Residential Unit or the expiration date in the Interim Use and Occupancy Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Interim Use and Occupancy Agreement and remove from the Building upon 30 days' prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Should Purchaser rescind his or her Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate 30 days thereafter and Purchaser shall be obligated to vacate the Residential Unit no later than that time. In the event that this Plan is abandoned and Sponsor leases a vacant Residential Unit, such vacant Residential Unit shall be subject to the Rent Laws, as applicable, and the rent will not exceed the maximum legally collectible rent.

Purchasers or any other persons entering into an Interim Use and Occupancy Agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim Use and Occupancy Agreement. Such legal fees are estimated to be approximately \$2,500 assuming that the Purchaser's counsel does not negotiate the terms of the Interim Use and Occupancy Agreement. All other charges or other fees due under an Interim Use and Occupancy Agreement shall be adjusted as of the Closing to the Residential Unit.

An Interim Use and Occupancy Agreement entered into with a Purchaser will provide that an uncured default by the Purchaser under the Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling Sponsor, at its sole option, to terminate the Interim Use and Occupancy Agreement. The Agreement contains a similar cross-default provision entitling Sponsor to cancel the Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Agreement, Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Residential Unit. The interim occupant must vacate the Residential Unit within 30 days after any default under the Agreement which remains uncured after 30 days.

Sponsor reserves the right, at Sponsor's sole option, to enter into Interim Use and Occupancy Agreements for Residential Units both prior to and after consummation of this Plan. In the event that an Interim Use and Occupancy Agreement is entered into for a vacant Residential Unit prior to consummation of this Plan, which was a stabilized Residential Unit when last occupied by a Tenant, such Residential Unit shall remain a stabilized Residential Unit if this Plan is abandoned. Any Interim Use and Occupancy Agreement or lease entered into for occupancy of a Residential Unit after consummation of this Plan shall not be subject to Applicable Rent Laws. Neither Sponsor nor its authorized agents will discriminate against

any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by Law.

Sponsor's right to rent or license any Unsold Residential Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Residential Unit from Sponsor or its designee on the same terms offered to the prospective occupant.

PROCEDURE TO PURCHASE

Any Prospective Purchaser who executes an Agreement and does not obtain financing may lose his or her deposit if he or she is unable to 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 an Agreement. No representation is made by Sponsor as to the availability or cost of such financing.

A person desiring to purchase a Residential Unit will be required to execute an Agreement in quintuplicate, which will be substantially in the form set forth in Part II of this Plan.

Tenant Purchasers will be afforded not less than 3 business days to review this Plan and all filed amendments prior to executing an Agreement unless fewer than 3 business days remain in the statutory time period to declare this Plan effective. Sponsor must accept an Agreement from a Tenant Purchaser who submits a signed Agreement and a check for the Deposit to Sponsor or the Selling Agent designated by Sponsor during the time within which the Tenant Purchaser has the exclusive right to purchase his or her Residential Unit under this Plan. Such Tenant Purchaser will receive a fully executed counterpart of his or her Agreement from Sponsor or the Selling Agent.

Non-Tenant Purchasers will be afforded not less than 3 business days to review this Plan and all filed amendments prior to executing an Agreement unless fewer than 3 business days remain in the statutory time period to declare this Plan effective. If a Non-Tenant Purchaser has not been afforded at least 3 business days prior to executing an Agreement, such Purchaser will have 7 days after delivering an executed Agreement together with the Deposit to rescind the Agreement and have the Deposit refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Selling Agent within the 7 day period or mail the notice of rescission to Sponsor or the Selling Agent and have the mailing post-marked within the 7 day period.

If the Agreement does not pertain to the Tenant Purchaser's Residential Unit or is submitted after the expiration of a Tenant Purchaser's exclusive right to purchase, or a Non-Tenant Purchaser submits a signed Agreement and check for the Deposit to the Selling Agent or Sponsor, such Tenant Purchaser or Non-Tenant Purchaser, as the case may be, will be notified within 30 days after such submission whether the Agreement has been accepted or rejected. Agreements will not be binding on Sponsor until approved and executed by it and delivered by Sponsor to the Prospective Purchaser or such Purchaser's attorney. An Agreement from a Tenant Purchaser executed and submitted to Sponsor during any Exclusive Purchase Period shall have priority over and pre-empt any Agreement from a Non-Tenant Purchaser. Sponsor reserves the right, but has no obligation, to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by Law. If the Agreement is accepted, a fully executed counterpart will be returned to the Purchaser by Sponsor or the Selling Agent. If such Purchaser receives no response within the 30 day period, his or her Agreement will be deemed rejected and canceled and all monies paid thereunder shall be refunded within 15 days thereafter. Upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to this Plan and without the consent of the Board, to refuse to approve and execute an Agreement (a) for any Residential Unit, except as prohibited by Law or (b) for more than 1 Residential Unit to any 1 person or entity. Sponsor shall have the right to reject such Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, race, creed, color, national origin, ancestry or other ground proscribed by Law. No Prospective Purchaser will have any claim against Sponsor for Sponsor's failure to execute an Agreement.

The Agreement sets forth in detail the terms of sale with respect to each Residential Unit and should be read carefully by each prospective Purchaser. Prospective Purchasers should be aware that if any conflict exists between this Plan and the Agreement, the provisions of this Plan shall in all events control.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Residential Unit pursuant to the Agreement shall not be contingent on Purchaser obtaining financing for such purchase.

The Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under this Plan or under Article 23-A of the GBL.

At the time of execution of an Agreement, a Purchaser is required to make a payment in an amount equal to \$1,000 (for Tenant Purchasers) or 10% of the purchase price (for all others) (the "Deposit"). All Deposit checks must be made payable to the direct order of "Pryor Cashman LLP, as Escrow Agent." All checks delivered in payment of the Deposit shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Agreement to be canceled and of no further force or effect.

The balance of the purchase price shall be payable simultaneously with the delivery of the deed to the Residential Unit by an official bank check or an unendorsed certified check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association and shall be payable to the direct order of Sponsor, or otherwise if Sponsor should so notify Purchaser. The deed will be substantially in the form set forth in Part II of this Plan. At Closing, each Purchaser is obligated to execute and deliver the Power of Attorney to the Condominium for recording substantially in the form set forth in Part II of this Plan. It shall be a default under the Agreement if Purchaser fails to deliver the executed Power of Attorney at or before the Closing, which default shall entitle Sponsor to all of its remedies in the event of such default.

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

After an amendment declaring this Plan effective has been accepted for filing, Sponsor will serve Purchasers with written notice of the originally scheduled Closing Date at least 30 days prior to the originally scheduled Closing Date. In the event Purchaser fails to close on the designated date, then Purchaser will have a 30 day period after written notice within which to cure such default, time being of the essence, following which Sponsor shall have the remedies set forth below. A Purchaser may waive notice of such Purchaser's Closing Date.

In the event of any default by Purchaser under an Agreement, and if Purchaser does not cure such default within 30 days after Sponsor gives written notice to the Purchaser of such default and makes a written demand for payment, Sponsor may, at its option, cancel such Agreement and retain the Deposit made by Purchaser, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate. In addition, Sponsor shall also be entitled to retain any costs or expenses incurred by Sponsor for special work requested by Purchaser to the extent that same has been expended.

Sponsor will fix dates for closing title to all Residential Units for which Agreements have been executed by serving notice upon each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date.

If a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date, (a) the closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Residential Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Agreement and this Plan, an amount equal to 0.04% of the purchase price of the Residential Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Prior to the closing of title to a Residential Unit, the Agreement prohibits a Non-Tenant Purchaser from listing the Residential Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or lease, without Sponsor's prior written consent.

If this Plan is withdrawn or abandoned, any Deposit and payments for upgrades, extras or custom work received in connection with the Agreement, previously paid to and actually collected by Sponsor shall be returned to Purchaser within 5 days after the amendment abandoning the Plan has been accepted for filing.

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

At Closing, each Purchaser is obligated to execute and deliver the Power of Attorney substantially in the form set forth in Part II of this Plan. It shall be a default under the Agreement if Purchaser fails to deliver the Power of Attorney, which default shall entitle Sponsor to all remedies in the event of such default.

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Residential Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Agreement shall continue in full force and effect and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price for the subject Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to any rights of the Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Residential Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Residential Unit Owners and Board of Managers"), the

Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser all sums deposited thereunder, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

The Agreement to be used by Tenant Purchasers who purchase during any Exclusive Purchase Period will not be modified except by a duly filed amendment to this Plan.

In the event that a Purchaser is entitled to rescind or terminate an Agreement for any reason, any Deposit and payments for upgrades, extras or custom work, previously paid and actually collected by Sponsor shall be returned to Purchaser, provided that Sponsor shall only retain the Deposit of a Purchaser in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto, as described in the subsection of this Plan entitled "Escrow and Trust Fund Requirements" in this Section of this Plan.

If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and the Deposit before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

Escrow and Trust Fund Requirements

All Deposits received by Sponsor under an Agreement will be held in escrow in conformity with the provisions set forth below.

Sponsor will comply with the escrow and trust fund requirements of GBL Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in this Plan or in an Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

Escrow Agent

The law firm of Pryor Cashman LLP, with an address at 7 Times Square, New York, New York 10036-6569, telephone number (212) 421-4100, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The signatories authorized to withdraw funds from the Escrow Account are: Ronald H. Shechtman, Esq., Gideon Cashman, Esq., Colleen Caden, Esq., Judith Poller, Esq. Brad D. Rose, Esq., David Rose, Esq., Todd Soloway, Esq., Barry Landsman, Esq. and Donald S. Zakarin, Esq. (each an attorney admitted to practice law in the State of New York), none of whom has any interest in Sponsor. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Agreement or otherwise concerning the maintenance and release of the Deposit from escrow. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account

Escrow Agent has established a master escrow account at Citibank, N.A., located at 666 Fifth Avenue, 5th Floor, New York, New York 10103 (the “Bank”), a bank authorized to do business in the State of New York. The escrow account is entitled “Pryor Cashman LLP, Attorney Trust Account” (the “Master Escrow Account”). All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in the form set forth in Part II of this Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Agreement. If the Deposit is accompanied by a completed and signed Form W-9 or Form W-8BEN, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8BEN, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Bank is covered by federal bank deposit insurance to a maximum of \$250,000 and while the Deposit is in the checking portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed \$250,000. No representation or guaranty is made by Sponsor that the Federal Deposit Insurance Corporation will insure any depositor’s funds, if and when called upon to do so.

All Deposits received from Purchaser shall be in the form of checks or wire transfers, and shall be made payable to the order of “Pryor Cashman LLP, as Escrow Agent”. Endorsed instruments will not be accepted. Information regarding the Escrow Account may be provided to Sponsor, who may be entitled to access to records with respect thereto.

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

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

In the event a check delivered by a Purchaser fails of collection, the Agreement will be deemed void ab initio (as if the Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within 5 business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

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

Before funds may be transferred to a new escrow account, or if there is a substitution of Escrow Agent, this Plan will be amended to provide the name of the new account, the bank at which the new account is held and the address of the bank at which the new account is held, or the name of the substitute escrow agent and the names of individual signatories to the new account of the substitute escrow agent, as the case

may be. Deposits held in the new escrow account will continue to be held in conformity with the provisions set forth in this Plan, GBL Sections 352-3(2-b) and the Attorney General's regulations promulgated pursuant thereto.

Notification of Purchaser

Sponsor agrees that Sponsor and its agents, including Selling Agent, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within 2 business days of tender of the Deposit by Purchaser. Within 5 business days after the Agreement has been tendered to Escrow Agent along with the Deposit, Escrow Agent shall sign the Agreement and place the Deposit into the Master Escrow Account. Within 10 business days of the placing of the deposit in the Master Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. If Purchaser does not receive notice of such deposit within 15 business days after tender of the Deposit, he or she may cancel the Agreement within 90 days after tender of the Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Master Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to Purchaser.

Release of Funds

All deposits, including the Deposit, but specifically excluding any deposits made in connection with advances made for upgrades, extras or custom work received in connection with the Agreement, are and shall continue to be Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h. Any deposits made for upgrades, extras or custom work shall be initially deposited into the Master Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

Escrow Agent shall release the Deposit if so directed: (a) pursuant to the terms and conditions set forth in the Agreement upon the closing of title to the Unit; (b) in a subsequent writing signed by both Sponsor and Purchaser or (c) by a final, non-appealable order or judgment of a court.

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

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

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

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

Escrow Agent shall maintain the Master Escrow Account under its direct supervision and control.

A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h). 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.

Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under the 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.

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under the escrow agreement, if any. Prior to release of the Deposit, Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with the Agreement or the performance or non-performance of Escrow Agent's duties under the Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in the 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.

Escrow Agent shall not be bound by any modification, cancellation or rescission of the Agreement unless the same is in writing and signed by all parties hereto. In no event, however, shall any modification of the Agreement that shall affect the rights or duties of Escrow Agent be binding on Escrow Agent unless Escrow Agent shall have given its prior written consent.

Escrow Agent shall not be restricted in any manner whatsoever from acting as attorney for Sponsor with respect to any matter and consent to Escrow Agent so acting as attorney for Sponsor with respect to any matter, including, but not limited to, any litigation or matter related to the Agreement, the Deposit or the transaction contemplated by the Agreement, and whether or not there is a controversy between Sponsor and Purchaser with respect thereto.

Waiver Void

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

concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Agreement, this Plan or any amendment thereto.

FinCEN Requirements

Title insurers are required to collect and report information by the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (“FinCEN”) on FinCEN Form 8300 within 30 days of the closing to the U.S. Department of the Treasury regarding purchasers in transactions where: (1) the purchaser is a Legal Entity (hereinafter defined) which is a corporation, limited liability company, partnership, other similar business entity, whether formed under the laws of a state of the United States or a foreign jurisdiction; and the natural persons behind such entities; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan and Staten Island; (3) the total purchase price is in excess of \$300,000; (4) such purchase price is paid 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. For purposes of FinCEN “Legal Entity” means 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, other than a business whose common stock or analogous equity interests are listed on a securities exchange regulated by the Securities Exchange Commission or a self-regulatory organization registered with the SEC, or an entity solely owned by such a business. The aforesaid reporting applies to all residential real property closings occurring on or after November 17, 2018 until expiration of the effective period as determined by FinCEN. The latest FinCEN notice contains a confidentiality requirement.

ASSIGNMENT OF AGREEMENTS

Agreements executed by Non-Tenant Purchasers are not assignable. However, Tenant Purchasers shall have the right to assign their Agreement 1 time to any individual, without the payment of a fee (other than a \$750 fee to Pryor Cashman LLP, counsel to Sponsor) in accordance with Paragraph 23 of the Agreement. Both the Tenant Purchaser and the proposed assignee must execute, in quintuplicate, an Assignment and Assumption Agreement in the form contained in Part II of this Plan, and deliver same to the Selling Agent at least 30 days prior to the Closing Date. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of the Agreement. In order for an assigned Agreement to be counted towards effectiveness, (i) an Agreement shall be signed by the assigning Tenant Purchaser (which assignment shall include the Deposit paid by the assigning Tenant Purchaser to Sponsor) and (ii) the assignee shall provide an affidavit stating that the assignee was not procured by Sponsor, the Selling Agent or the Managing Agent, and that the assignee intends that he or she or a specified member of his or her immediate family will personally occupy the Residential Unit (which affidavit shall be substantially in the form set forth in Part II of this Plan). Neither Sponsor nor its authorized agents shall discriminate against any person because of race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

EFFECTIVE DATE

The offering of the Residential Units for sale under this Plan by Sponsor is contingent upon this Plan being declared effective. The following provisions will determine whether, and when, this Plan will be declared effective:

1. This Plan may not be declared effective until Agreements have been executed and delivered for at least 15% (i.e., 12 Residential Units) of all Residential Units in the Building, by bona fide tenants in occupancy or bona fide purchasers who purchase without fraud or discriminatory repurchase agreements or other discriminatory inducements and represent that they intend that they or 1 or more specified members of their immediate family occupy the Residential Unit when it becomes vacant. As to tenants who were in occupancy on the Filing Date of this Plan, the Agreement must be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

2. After the conditions in the preceding paragraph 1 have been met, Sponsor may, at its option, declare this Plan effective.

3. When Agreements have been executed and delivered for the sale of 80% of all Residential Units in the Building (i.e., 60 Residential Units), and all the conditions referred to in the foregoing paragraph 1 have been met, Sponsor must declare this Plan effective.

This Plan will not be declared effective based on Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) assigned or transferred unless all of the procedures in the Section entitled "Assignment of Agreements" have been complied with; or (iii) signed by Purchasers who have not been afforded at least 3 business days to review this Plan and all filed amendments prior to executing an Agreement or at least 7 days to rescind; or (iv) signed by any Purchaser who is Sponsor, the Selling Agent, the Managing Agent, or a principal of either, or is related by blood, marriage or adoption or is a business associate, an employee, a shareholder, a member or a limited partner of Sponsor, the Selling Agent, the Managing Agent or a principal of either (except that such a Purchaser other than Sponsor or a principal thereof may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is either a bona fide tenant in occupancy or a bona fide purchaser).

When calculating the 15% requirement: (i) no more than one Agreement by the residential tenant or tenants of a particular Residential Unit will be counted; (ii) only one Agreement from any residential tenant who leases or occupies more than 1 Residential Unit will be counted; and (iii) only one Agreement from any Non-Tenant Purchaser who purchases more than one Residential Unit will be counted.

In the event that all of the Agreements counted towards declaring this Plan effective are either rescinded or terminated prior to the First Unit Closing Date, regardless of whether the Declaration of Condominium has been recorded, Sponsor must redeclare this Plan effective prior to beginning Closings.

This Plan will be declared effective either by: (a) written notice to all Purchasers and tenants of the Building and, within 5 business days following such notice, an amendment to this Plan confirming that this Plan was declared effective as of the date of such notice will be submitted to the Department of Law, which amendment, upon acceptance for filing, will be delivered to all Purchasers and tenants; or (b) by duly filed amendment to this Plan. Written notice to all Purchasers and tenants of the Building may be delivered, at Sponsor's option, either via personal delivery or mailing by regular mail or certified mail with or without return receipt requested, addressed to the Purchaser or tenant at the last known address of such Purchaser or tenant. Service by personal delivery shall be deemed complete upon delivery. Service via mailing shall be presumed complete on the 5th day after mailing. The date of completion of service shall be the latest date

on which service upon all Purchasers and tenants is deemed or presumed complete. The closing of title with respect to any Residential Unit shall in no event take place prior to the acceptance for filing of such amendment to this Plan.

Included in the Agreement contained in Exhibit I of Part II of this Plan is an “Affidavit of Bona Fide Tenant Purchaser For Purposes of Declaring Offering Plan Effective” and an “Affidavit of Bona Fide Non-Tenant Purchaser For Purposes of Declaring Offering Plan Effective” (together, the “Affidavit”). A Purchaser will be required as a part of the Agreement to execute the applicable Affidavit as a part of the Agreement. The Sponsor will submit the Affidavit to the Department of Law as a backup exhibit to the amendment declaring this Plan effective (i.e., the Affidavit will not be a part of the amendment). Notwithstanding the foregoing, the Department of Law reserves the right to conduct an in depth review of the status of bona fide purchasers counted to declare this Plan effective.

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

If this Plan has not become effective within 15 months from the Filing Date, it will be deemed abandoned, void and of no effect and all monies will be returned to Purchasers not in default under their respective Agreements, in full, within 30 days thereafter, and all monies forfeited by defaulting Purchasers will (in such case) be retained by Sponsor in accordance with the Agreement (but in no event to exceed 10% of the Purchase Price). In the event of such abandonment, Sponsor shall promptly submit an amendment to the Department of Law together with Form RS-3 as promulgated by the Department of Law and any Deposits previously paid to and actually collected by Sponsor shall be returned to Purchasers within 5 days after the amendment abandoning the Plan has been accepted for filing by the Department of Law. Upon the return or retention of the Deposit, the Agreement will be null and void and Sponsor will have no further obligation or liability to any Purchaser under this Plan or the Agreement. In the event of abandonment, no new condominium offering plan relating to the Building shall be submitted to the Attorney General for at least 12 months after such abandonment.

Prior to conveying title to the first Residential Unit, Sponsor may, at its option, declare this Plan abandoned for any reason whatsoever before it is declared effective or the 80% quota and other conditions referred to in the foregoing paragraph 3 are reached and satisfied, respectively. Once this Plan has been declared effective, it may not be abandoned except in the event of: (i) the existence of a defect in title (unknown to Sponsor on the Filing Date of this Plan) which cannot be cured without litigation or cannot be cured for less than 0.5% of the Total Purchase Price to Tenant Purchasers in the aggregate (by way of example only, assuming the Price to Tenant Purchasers for example is \$47,020,712.00 if the defect in title could not be cured for less than \$235,104.00); or (ii) a substantial damage to or destruction of the Building or any portion thereto by fire or other casualty which cannot be repaired for less than 0.5% of the Total Purchase Price to Tenant Purchasers in the aggregate; or (iii) the taking of any material portion of the Property by condemnation, eminent domain or by other means. There will be no obligation on the part of Sponsor to incur expenses (except to the extent of up to 0.5% of the Total Purchase Price to Tenant Purchasers in the aggregate in case of defects in title and casualty losses as aforesaid) or engage in litigation to cure the same. Any dollar amount relied upon by Sponsor as the basis for abandonment of this Plan after effectiveness will exclude any attorney fees or any title defects or determination of any authority or regulatory agency or association which existed on the Presentation Date and were either known to Sponsor or were a matter of public record. If Sponsor does not abandon this Plan after the occurrence of any of the events set forth in (i), (ii) or (iii) above, then Sponsor shall be obligated to proceed with this Plan regardless of the cost to cure or repair such items. Whether or not this Plan will be abandoned or the expenses incurred will be in the sole discretion of Sponsor.

Sponsor will on the 30th, 60th, 88th and 90th day after the Presentation Date of this Plan and at least once every 30 days until this Plan is declared effective or abandoned, as the case may be, and on the

2nd day before the expiration and on the expiration day of any Exclusive Purchase Period provided in an amendment to this Plan, (i) file with the Attorney General, Investment Protection Bureau, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005, a written statement, under oath, setting forth the percentage of Residential Units in the Building which are the subject of Agreements executed by bona fide residential tenants in occupancy or bona fide purchasers who represent that they intend that they or 1 or more specified members of their immediate family occupy the Residential Unit when it becomes vacant as of the date of such statement and as of a specified time and, (ii) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the Building. The percentage shall be computed in the same manner as Sponsor shall compute the minimum percentage needed to declare this Plan effective. The statement which is posted in the Building and filed with the Attorney General shall include the following: the date and time of the statement, the Filing Date of this Plan, the Presentation Date of this Plan and any current amendment, the last day of any Exclusive Purchase Period, the number of bona fide residential tenants in occupancy and bona fide purchasers who have executed Agreements, the number of Residential Units counted in the base and the percentage of purchasers. Copies of all filed and posted written statements will be available for inspection at the office of Sponsor or the Selling Agent and the Attorney General. All filed and posted written statements shall remain posted until the next filed and written statement is posted.

In connection with the amendment declaring this Plan effective, the Department of Law requires an affirmative representation from each bona fide purchaser as part of its investigative process. A bona fide purchaser, will be required to execute an affidavit entitled "Affidavit of Bona-Fide Tenant Purchaser" or "Affidavit of Bona-Fide Non-Tenant Purchaser", copies of which are included in Exhibit 1 in Part II of this Plan. Purchasers are advised to seek the advice of an attorney before executing one of the aforesaid affidavits. The submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the Martin Act, and may subject both the Sponsor and Purchaser to both civil and criminal liability.

After an amendment declaring this Plan effective has been accepted for filing, Sponsor will fix dates for the closing of title to all Residential Units as to which Agreements are outstanding, in accordance with the provisions of the respective Agreements. See the Section of this Plan entitled "Terms of Sale" for a discussion of the mechanics of closing of title to a Residential Unit.

TERMS OF SALE

The term “Closing” as used herein refers to the conveyance of title to a Residential Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the purchase price for such Residential Unit. The Closing to each Residential Unit shall be held at the offices of Sponsor’s attorneys, Pryor Cashman LLP, 7 Times Square, 40th Floor, New York, New York 10036, or at such other place as Sponsor may designate on not less than 2 business days’ prior notice. The Closing to each Residential Unit shall take place only after or concurrently with the following events:

a. this Plan has been declared effective in accordance with its terms and the amendment to this Plan disclosing same has been accepted;

b. the recording or filing of the Declaration, By-Laws and Floor Plans in the City Register’s Office after approval of same in the Real Property Assessment Department of the New York City Department of Finance, as required by Section 339-p of the New York Condominium Act or other applicable Law, and such other documents as may be required by Law;

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

d. the delivery to Purchaser of written notice of the time and place of the Closing to the Residential Unit at least 30 days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Residential Unit and the Property, during normal business hours and in the company of the Selling Agent, prior to Closing;

e. the execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor’s acts (which deed shall be substantially in the form set forth in Part II of this Plan) conveying title to the Residential Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances (listed in Schedule A to the form of Agreement contained in Part II of this Plan);

f. if the Purchaser of the Residential Unit so requests, the issuance of a title insurance policy or certificate committing to insure fee title to the Residential Unit in the Purchaser subject only to the encumbrances set forth in Schedule A annexed to the form of Agreement, set forth in Part II of this Plan, which policy or certificate will also insure that a valid condominium has been created pursuant to the Condominium Act. A form of Residential Unit Owner’s Specimen Title Policy (as prepared by Commonwealth Land Title Insurance, having an office at 685 Third Avenue, 20th Floor, New York, New York 10017, Attn: Peter G. Doyle, Jr., Telephone: 212-973-6209, e-mail: pdoyle@cltic.com (the “Title Company”)), if title insurance is ordered from the Title Company, is set forth in Part II of this Plan. A Purchaser may obtain title insurance from any title insurance company, without incurring extra costs or penalty from Sponsor, provided that such title company agrees to submit all real estate transfer tax forms required to be submitted in connection with the conveyance of a deed to a Residential Unit Owner and all transfer taxes due in connection therewith and agrees to indemnify Sponsor for such title company’s failure to file such transfer tax forms and remit the required transfer taxes in connection therewith in a timely manner. For an estimate of the cost to the Purchaser of obtaining such title insurance, see the Section entitled “Closing Costs and Adjustments” and

g. the execution and delivery by Purchaser of the Power of Attorney, the form of which is set forth in Part II of this Plan.

The Residential Units are being sold "as is" in the condition in which they exist at the time a Purchaser signs an Agreement, subject to ordinary wear and tear except as otherwise provided in this Plan. All personal property that is owned by the Sponsor and located within the Residential Unit on the date the Agreement is signed is included in the conveyance unless specifically excluded in this Plan. All personal property that is owned by Sponsor and/or located within the Residential Common Elements or Residential Limited Common Elements or the Common Elements on the date the Declaration is filed is included in the conveyance unless specifically excepted in this Plan. Sponsor will maintain the Building and the Common Elements and the Residential Common Elements until the First Closing, subject to ordinary wear and tear. Sponsor's obligation to make repairs in any Residential Unit and/or Residential Limited Common Elements shall cease upon the closing of title of such Residential Unit and/or Residential Limited Common Elements, except for repairs which Sponsor was obligated (and agreed) to make prior to the closing of title. Each Purchaser will be given a reasonable opportunity to examine the Residential Unit and/or Residential Limited Common Elements prior to closing, subject to the rights of any tenant or occupant of such Residential Unit, and is urged to make a careful inspection thereof. In the event a Purchaser fails to inspect a Residential Unit and/or Residential Limited Common Elements, after being given the opportunity to do so, Sponsor reserves the right, in its discretion, to postpone the scheduled Closing or to deem Purchaser to have waived the right to cause punch list work, if any, to be completed.

In no event will Sponsor be responsible for any immaterial condition resulting from: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) conditions of an immaterial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square and/or straight; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building; (iv) deviations in the level or straightness of ceilings and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) deviations in the level or straightness of a floor or failure of finished floors and walls to be straight or on plane or at less than 90° from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows, vents, electrical outlets and similar openings in the wall, in accordance with customary practice and professional standards; (ix) noise from normal plumbing, heating, ventilating and air conditioning operation; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching; (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, and normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, or due to occupant's failure to maintain consistent temperature; (xiii) repair of chips, scratches, mars, breaks, dents, cracks or other immaterial conditions in: exterior stone, windows, window glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins and water closets; kitchen cabinets, backsplashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, dimensional variations in brick joints and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii)

cracks or discoloration in concrete used in lobby walls and paving; (xix) discoloration to hardware and plumbing finishes; (xxi) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xx) scratched, dirty or cracked lenses in light fixtures; (xxi) tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxii) subsequent to the Residential Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts; or (xxiii) salting or color variation in exterior colored mortar and deep colored brick. In no event will Sponsor be responsible for any condition beyond its control, including without limitation: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) partial or total loss of any trees, shrubs, bushes or other landscape improvements; (iii) gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage; (iv) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building; (v) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; or (vi) cracks in pressure-treated lumber used or intended for use outside the Building.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE ARE IMMATERIAL CONDITIONS, NOT DEFECTS. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND OTHER IMMATERIAL CONDITIONS IN THEIR RESIDENTIAL UNIT, THE COMMON ELEMENTS, OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND IMMATERIAL CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREFOR. IF PURCHASERS OR THE BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR IMMATERIAL CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

The method of correcting any “punch list” item will be selected by Sponsor. Sponsor will be conclusively considered to have discharged any obligation with respect to a “punch list” item if: (a) Sponsor has caused the correction in accordance with the practice of the industry; (b) Purchaser, through act or omission, is the cause of such “punch list” item; (c) Purchaser obstructs, delays, prevents or hinders Sponsor from gaining access to the Residential Unit in order to repair or replace the “punch list” item; or (d) Purchaser undertakes the repair or replacement of the “punch list” item.

To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable Law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character are specifically disclaimed. Unless caused by a violation of the Sound Transmission Code or other applicable code, there is no warranty as to sound transmission. Unless caused by a violation of an applicable code with regard to the ventilation system or other applicable code, there is no warranty as to odors. Unless caused by a code violation, there is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. Sponsor’s obligation, regardless of any limitations in any warranty, cannot go below the duty to complete any construction it agrees to undertake in accordance with all applicable codes and filed plans and specifications. Sponsor has not given, and Purchaser has not relied on or bargained for, any of the foregoing warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise), including, without limitation, any costs associated with a Residential Unit Owner vacating the Residential Unit or its contents during any period of repair or alteration which Sponsor has agreed or is required to perform.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of any immaterial variations in the description of any portion of the Building or a Residential Unit set forth in this Plan or an Agreement which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction. Any such variation affecting the Property which is material will be disclosed in a duly filed amendment to this Plan.

If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and the Deposit before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

If the Purchaser is or becomes the tenant or occupant of the Residential Unit before the closing of title thereto and, before such closing, the Residential 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 of the Residential Unit or did not result from the acts of such Purchaser or other occupants of the Residential Unit or such Purchaser's guests, invitees or workmen. 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 the same. If Sponsor or (in the event the Declaration is filed) the Board does not elect to repair the damage, the Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Residential Unit without such repair. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor unless the Purchaser is then in default under the Agreement (beyond the applicable grace period, if any), in which event the said purchase monies will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Residential Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair.

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Residential Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments. If existing mortgages will not be satisfied at or prior to the First Closing, as of the First Closing, each mortgagee will either: (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Residential Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Residential Unit being conveyed.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under this Plan except those (if any) which may be expressly stated in this Plan, in the Agreement, in 13 NYCRR, Part 23 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in GBL §352-e to survive delivery of the deed.

Upon the closing of title to a Residential Unit, a Purchaser will thereupon become obligated for the payment of Common Charges, taxes and other assessments charged against the Residential Unit to the Board (whether or not such Purchaser has taken possession of the Residential Unit and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

The existing lease of a tenant who has purchased a Residential Unit will be terminated as of the closing of title to such tenant's Unit, and such tenant will not have any rights afforded by, nor be subject to, the Rent Laws or the GBL.

CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the closing of title of the Purchaser's Residential Units. Recording charges, fees and taxes are based on rates in effect on the date of this Plan and are subject to change without notice:

(a) Each Purchaser of a Residential Unit will pay a contribution to the working capital fund of the Condominium in an amount equal to 2 months' Common Charges then applicable to each Residential Unit being purchased.

(b) If a Purchaser elects to obtain fee title insurance, such Purchaser will pay the premium therefore, which will vary depending upon the amount requested. Title Company has provided Sponsor with the standard fee policy rates set forth below. Purchaser is under no obligation to obtain title insurance from the Title Company. PURCHASER MAY OBTAIN TITLE INSURANCE FROM A TITLE INSURER OF PURCHASER'S CHOICE, WITHOUT INCURRING ANY ADDITIONAL COST FROM SPONSOR.

FEE RATE SCHEDULE FOR INSURANCE UP TO AND INCLUDING \$1,000,000.00

<u>AMOUNT OF INSURANCE</u>	<u>PREMIUM</u>
First \$35,000 or less	\$342.00
From \$35,001 to \$50,000	\$5.67 per Thousand
From \$50,001 to \$100,000	\$4.62 per Thousand
From \$100,001 to \$500,000	\$3.71 per Thousand
From \$500,001 to \$1,000,000	\$3.38 per Thousand

Note - The minimum premium for a fee policy is \$342.00.

FEE RATE SCHEDULE FOR INSURANCE OVER \$1,000,000

<u>AMOUNT OF INSURANCE</u>	<u>PREMIUM</u>
First \$35,000 or less	\$402.00
From \$35,001 to \$50,000	\$6.67 per Thousand
From \$50,001 to \$100,000	\$5.43 per Thousand
From \$100,001 to \$500,000	\$4.36 per Thousand
From \$500,001 to \$1,000,000	\$3.98 per Thousand
From \$1,000,001 to \$5,000,000	\$3.66 per Thousand

If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from the Title Company, the premium for the fee title insurance will be calculated as described in paragraph (b) - the premium for the mortgage title insurance that does not exceed the fee policy will be calculated using the below standard mortgage policy rates and after calculating the mortgage title insurance premium applying a discount of 70%:

SIMULTANEOUS MORTGAGE RATE SCHEDULE

<u>AMOUNT OF INSURANCE</u>	<u>PREMIUM</u>
First \$35,000	\$344.00
From \$35,001 to \$50,000	\$5.55 per Thousand
From \$50,001 to \$100,000	\$4.54 per Thousand
From \$100,001 to \$500,000	\$3.64 per Thousand
From \$500,001 to \$1,000,000	\$3.31 per Thousand
From \$1,000,001 to \$5,000,000	\$3.05 per Thousand

A Purchaser may obtain title insurance from any title insurance company, provided that such title company agrees to submit all real estate transfer tax forms required to be submitted in connection with the conveyance of a deed to a Residential Unit Owner and all transfer taxes due in connection therewith (as more particularly summarized in subparagraphs (c) and (d) below) and agrees to indemnify Sponsor for such title company's failure to file such transfer tax forms and remit the required transfer taxes in connection therewith in a timely manner.

(c) Purchaser will pay a fee for recording the Residential Unit Deed and Power of Attorney, being approximately \$42.00 for each instrument plus \$5.00 per page together with a fee of \$125 for filing the New York City Real Property Transfer Tax Return additionally each title company establishes its own additional service and surcharges in this regard.

(d) Notwithstanding that the New York City Real Property Transfer Tax ("RPT Tax") and the New York State Real Estate Transfer Tax ("NYS Tax") are statutorily imposed upon a seller, as is customary in sponsor condominium offerings, Purchasers will pay the RPT Tax, which currently, for the purchase of a single Residential Unit, is 1% of the purchase price of a Residential Unit \$500,000 or less (1.425% of the purchase price if over \$500,000) and the NYS Tax, presently \$2 for each \$500 (or part thereof) of the purchase price of a Residential Unit. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Therefore, the steps to compute the tax are:

- (i) Multiply the purchase price by the RPT Tax rate to compute the tentative RPT Tax.
- (ii) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.
- (iii) Add the tentative taxes to the purchase price.
- (iv) Multiply (iii) by the RPT Tax rate to determine the RPT Tax payable.
- (v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

Under the current policies of the City of New York Department of Finance, where a purchaser purchases 2 or more Residential Units that have not been physically combined into a single residence before the transfer, the NYC RPT Tax rate where the consideration is \$500,000 or less will be 1.425%, while the tax rate where the consideration is in excess of \$500,000 will be 2.625%. The City of New York Department of Finance has taken the position that the consideration for the transfer of a Residential Unit under a deed is aggregated with the consideration for the transfer of other Residential Units under separate deeds for purposes of determining total consideration. There is no guarantee that the City of New York will not change its positions with respect to the foregoing.

(e) If the purchase price of the Residential Unit is \$1,000,000 or more, Purchaser will pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the “Mansion Tax,” which is currently 1% of the purchase price (the computation of which shall include the RPT Taxes and NYS Taxes as described above). When the Purchase Price is equal to or in excess of \$1 million, payment by Purchaser of the Mansion Tax is not considered additional consideration to Sponsor for purposes of the calculation of the NYS Transfer Tax.

	Purchase Price of \$500,000 or Less	Purchase Price of \$500,000 or Greater
Tentative RPT Tax		
Consideration	\$400,000	\$600,000
Tax Rate	1%	1.425%
Tentative Tax	\$4,000	\$8,550
Tentative NYS Tax		
Net Consideration	\$400,000	\$600,000
Round up to nearest \$500	\$400,000	\$600,000
Tentative tax (\$2.00 per \$500)	\$1,600	\$2,400
RPT Tax		
Consideration	\$400,000	\$600,000
Tentative Tax	\$5,600	\$10,950
Taxable Consideration	\$405,600	\$610,950
Tax Rate	1%	1.425%
RPT Tax	\$4,056	\$8,706
NYS Tax		
Net Consideration	\$400,000	\$600,000
Tentative Tax	\$5,600	\$10,950
Taxable Consideration	\$405,600	\$610,950
Round up to nearest \$500	\$406,000	\$611,000
NYS Tax	\$1,624	\$2,444

On March 31, 2019, New York State announced additions to the base real estate transfer tax (“transfer tax”) and established a new supplemental tax (“supplemental tax”) on certain conveyances of real property within New York State. The Tax Law was amended to provide for an addition to the base tax (“additional base tax”) in the amount of \$1.25 for each \$500, or fractional part, of the consideration for certain conveyances of real property located in New York City. The tax applies to:

- The conveyance of residential real property where the consideration for the entire conveyance is \$3 million or more.
- The conveyance of real property other than residential real property where the consideration for the entire conveyance is \$2 million or more.

The seller is required to pay the additional base tax. If the seller fails to pay the tax or is exempt from the tax, the buyer is required to pay the tax. When the buyer is required to pay the tax because the seller has failed to pay, the additional base tax becomes the joint and several liability of the seller and the buyer.

The amended tax rates apply only to conveyances of real property in cities with a population of 1 million or more. The additional transfer tax applies only to conveyances of residential real property when the consideration for the conveyance is \$3 million or more, and conveyances of any other property when the consideration for the conveyance is \$2 million or more. The new supplemental tax applies only to

conveyances of residential real property when the consideration for the conveyance is \$2 million or more. For purposes of both the additional transfer tax and new supplemental tax, the term “residential real property” includes “any premises that is or may be used in whole or in part as a personal residence, and shall include a one, two, or three-family house, an individual condominium, or a cooperative unit.”

The supplemental tax on the conveyance of residential real property located in New York City where the consideration for the conveyance is \$2 million or more. The supplemental tax differs depending on the amount of the consideration for the entire conveyance. The chart below shows the applicable rates.

Entire Conveyance Amount	Supplemental tax rate
At least \$ 2 million but less than \$ 3 million	One-quarter of one percent (.25%)
At least \$ 3 million but less than \$ 5 million	One-half of one percent (.5%)
At least \$ 5 million but less than \$10 million	One and one-quarter percent (1.25%)
At least \$10 million but less than \$15 million	Two and one-quarter percent (2.25%)
At least \$15 million but less than \$20 million	Two and one-half percent (2.5%)
At least \$20 million but less than \$25 million	Two and three-quarters percent (2.75%)
\$25 million dollars or more	Two and nine-tenths percent (2.9%)

The buyer is required to pay the supplemental tax. If the buyer fails to pay the tax or is exempt, the seller is required to pay the tax. When the seller is required to pay the tax because the buyer has failed to pay, the supplemental tax becomes the joint and several liability of the seller and the buyer.

The additional transfer tax and new supplemental tax apply to all applicable transfers occurring after July 1, 2019.

Purchasers are advised to consult with their attorney and/or a tax expert to determine the tax implications of their purchase.

(f) The legal fees of Sponsor’s attorneys in the amount of \$2,500 will be payable by a Purchaser to Pryor Cashman LLP. All legal costs, fees and expenses charged by the Purchaser’s attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor’s attorneys, Pryor Cashman LLP, in connection with the closing of title to Purchaser’s Residential Unit: If the Purchaser requests the Closing to occur other than at the offices of Pryor Cashman LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$750 for each Closing held within Manhattan and \$1,000 for each Closing held in any borough outside Manhattan. Sponsor’s attorneys will impose a reschedule fee of \$300 if the Purchaser postpones the scheduled Closing (with the consent of Sponsor) less than 5 business days prior to the date thereof. In addition, if Sponsor, in its sole discretion, consents to a Purchaser’s request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, a fee of \$750, payable in advance, for preparation of an assignment agreement, shall be due to Sponsor’s attorneys. Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Residential Unit. In addition to an attendance fee in connection with a completed Residential Unit transfer, Sponsor’s attorneys shall also be entitled to an attendance fee if they attend a scheduled closing but the closing is adjourned due to Purchaser’s failure to comply with its closing obligations, the determination of which shall be within the sole discretion of Sponsor’s attorneys. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one request.

(g) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, for Residential Units, the mortgage recording tax for mortgages under \$500,000 is \$2.05 for each \$100 of principal and such tax for mortgages in the amount of \$500,000 or greater is \$2.175 for each \$100 of principal. Of the total due, the mortgagee typically pays an amount equal to .25% of the face amount of the mortgage. In addition, there is a \$30.00 exemption for residential property. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources.

The following table illustrates the projected closing costs (based on current rates) for a Residential Unit at a Purchase Price of \$484,888, assuming such Purchaser finances 80% (i.e., \$387,910) of the purchase price:

Fee Title Insurance (if purchased simultaneously with mortgage title insurance)	\$2,084
Fee for recording Residential Unit Deed (7 pages) and Residential Unit Owner's Power of Attorney (5 pages)	210
Mortgage Loan Closing Costs:	
- recording mortgage (assuming 20 pages)	175
- mortgage recording tax.....	6,952
- mortgage title insurance (if purchased simultaneously with fee title insurance)	511
- other bank charges (assuming "points" of 1% of mortgage amount, and appraisal fee of \$500 and legal fees of \$500 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)	4,879
New York City Real Property Transfer Tax and New York State Transfer Tax	6,885
Working Capital Payment (approximate)	1,041
Closing Fee (assuming the closing occurs at the offices of Sponsor's counsel)	<u>2,500</u>
TOTAL	\$25,237

The following table illustrates the projected closing costs (based on current rates) for a Residential Unit at a Purchase Price of \$646,888, assuming such Purchaser finances 80% (i.e., \$517,510) of the purchase price:

Fee Title Insurance (if purchased simultaneously with mortgage title insurance)	\$2,637
Fee for recording Residential Unit Deed (7 pages) and Residential Unit Owner's Power of Attorney (5 pages)	210
Mortgage Loan Closing Costs:	
- recording mortgage (assuming 20 pages)	175
- mortgage recording tax.....	9,932
- mortgage title insurance (if purchased simultaneously with fee title insurance)	651
- other bank charges (assuming "points" of 1% of mortgage amount, and appraisal fee of \$500 and legal fees of \$500 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)	6,175
New York City Real Property Transfer Tax and New York State Transfer Tax	12,022
Working Capital Payment (approximate)	1,131
Closing Fee (assuming the closing occurs at the offices of Sponsor's counsel)	<u>2,500</u>
TOTAL	\$35,433

In addition to the above-specified costs and expenses, a mortgage on a Residential Unit may provide that the Residential Unit Owner deposit monthly with the lender 1/12 of the estimated annual real estate taxes and tax assessments which are assessed or to be assessed against the Residential Unit, together with 1/12 of the annual fire and casualty insurance policy premiums for the Residential Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of such 1 month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

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

At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, (b) Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering Purchaser's Residential Unit. Sponsor may also collect, on behalf of the Board, Common Charges for the month following the month in which the Closing occurs. In the event the Residential Units have not been separately assessed for real estate tax purposes prior to the First Closing, each Residential Unit Owner will pay a pro rata share (in the proportion that such Residential Unit's Common Interest bears to the aggregate Common Interest of all Residential Units) of all real estate taxes with respect to the Residential Units to the Board as Common Charges. (Please refer to Schedule A for an estimate of real estate taxes payable during the first year of Condominium operation). In addition, to the extent the Residential Units will not be separately assessed, Sponsor may collect at

Closing, on behalf of the Board, real estate taxes due and payable for the tax periods in which the Residential Units will not be separately assessed. The Board will pay such taxes either to the Department of Finance of the City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Residential Unit Owner fails to pay such Residential Unit Owner's pro rata share as set forth above, the Board will have a lien on such Residential Unit for non-payment of Common Charges. (See the subsection "Common Charges: Collection and Lien for Non-Payment, Payment of Rent to Board" under the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" for further discussion.) At such time as a Residential Unit is separately assessed and separately billed, its Residential Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Residential Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Agreement and this Plan, an amount equal to 0.04% of the purchase price of the Residential Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Except as specifically set out in this Plan, Sponsor must pay all costs and expenses incurred in connection with the promulgation and consummation of this Plan, the creation of the Condominium and the initial sale of Residential Units, including, but not limited to, all selling expenses and commissions payable to the Selling Agent for the initial sale of Residential Units pursuant to this Plan, advertising, printing and engineers' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the effective date of this Plan, in connection with the obligations of Sponsor. See the Section entitled "Rights and Obligations of Sponsor."

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Creation of the Condominium

Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of this Plan. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor. In the event that there are title encumbrances (other than Permitted Encumbrances annexed to the Agreement as Schedule A and mortgages) affecting the Property at the time of the First Closing, Sponsor shall cause such encumbrances to be cured, remedied and removed in accordance with this Plan, at its sole cost and expense, by the First Closing or within a reasonable time thereafter. The existence of any such encumbrances will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under his or her Agreement (without provision for escrow), provided that Sponsor furnishes adequate proof to Purchaser's title company that such encumbrance has been remedied or deposits a reasonable sum to secure Sponsor's obligation to cure and remedy such encumbrance subsequent to the First Closing as determined by Purchaser's title company. At Sponsor's request, the sums so deposited shall be applied towards payment of the cost of curing or remedying the title defect. If the aggregate cost and expense of curing, remedying and/or removing all such encumbrances exceeds 0.5% of the Total Purchase Price to Tenant Purchasers and Sponsor elects not to accomplish the same, Sponsor shall abandon and withdraw this Plan in accordance with the terms of the Section entitled "Effective Date."

If the Purchaser is or becomes the tenant or occupant of the Residential Unit before the closing of title thereto and, before such closing, the Residential Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss, to the extent same is not covered by Sponsor's insurance, and the obligation to repair the damage, unless the cause thereof originated outside of the Residential Unit or did not result from the acts of such Purchaser or other occupants of the Residential Unit or such Purchaser's guests, invitees or workmen. This coverage does not include claims for personal injury or property damage resulting from occurrences in Residential Units, nor does it include coverage of the furniture or personal property of the tenant or occupant of the Residential Unit before the closing of title thereto. Each tenant or occupant of a Residential Unit must obtain insurance, at his or her own cost, covering among other items (i) fire or casualty losses to the contents of the Residential Unit and any replacements, additions upgraded fixtures and improvements therein, (ii) personal property, and (iii) liability for personal injury as a result of occurrences in the individual Residential Unit. 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 the same. If Sponsor or (in the event the Declaration is filed) the Board does not elect to repair the damage, the Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Residential Unit without such repair. If the Agreement is so canceled, the Purchaser will be refunded all purchase monies paid to Sponsor unless the Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Residential Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair.

Immediately following the recording of the Declaration, all assignable service and maintenance contracts and agreements relating to the Residential Units, the Common Elements and/or the Residential Common Elements and/or Residential Limited Common Elements will be assigned to the Board, and the Board will, on behalf of all Residential Unit Owners, assume the same and indemnify the assignor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the Declaration was recorded.

Sponsor's Obligations with Respect to Asbestos

In accordance with the provisions of 13 NYCRR 23.7(cc) (the "Asbestos Regulations"), Sponsor requested Singer Environmental Group Ltd. to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM on the Building (the "Asbestos Report") which indicates that in the office on the Lobby/Cellar Level, there may be ACM in the piping above the drop ceiling, which is enclosed in its current state and poses no health hazard; it is suspected that the hallways on floors 2 through 6 may contain ACM non friable 9"x9" floor tile in good condition.

Real Property Law Section 339-kk

Subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of this Plan, was enacted into law July 22, 1998. RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant Residential Unit owner of a residential unit fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's Residential Units.

RPL §339-kk provides, by its terms, among other things, that with respect to unsold units of a condominium owned by a sponsor or by any other non-occupant unit owner and occupied by a tenant:

(a) If payment of common charges, assessments or late fees by any non-occupant unit owner is more than 60 days late after the expiration of any grace period within which they are due, rental payments from a tenant of such unit may become directly payable to the condominium upon written notice by the condominium to the tenant and the non-occupant unit owner. Where a majority of the board has been elected by Residential Unit Owners who are in occupancy of their respective units, the board may elect not to require that the rental payments be paid to the condominium. Once the common charges, assessments and late fees of the non-occupant Residential Unit Owner have been brought current, the board must notify the non-occupant Residential Unit Owner and tenant within 3 business days and thereafter the rental payments will be payable to the non-occupant Residential Unit Owner or a designated agent.

(b) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the condominium pursuant to RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying Residential Unit Owner.

(c) Any rights existing under any other laws are not limited by RPL §339-kk.

(d) A non-occupant Residential Unit Owner who disputes a condominium's claim to rental payments is entitled to present facts supporting such owner's position at the next scheduled meeting of the board, which must be held within 30 days after receipt of notice that the Residential Unit owner seeks to dispute the condominium's claim.

Sponsor makes no representation or guarantee that any Residential Unit Owner (other than Sponsor), any tenant or the Condominium will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so.

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant owner and secured by the Unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant

constitutes a default by the Residential Unit Owner under said loan, (ii) RPL §339-kk's effect on assignments of leases and rents given by a non-occupant owner to a mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Board after notice from the Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Board's failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Residential Unit owner is brought current in payment of common charges, assessments and late fees.

Finally, no representation is made about the tax effects of RPL §339-kk.

All prospective purchasers should review RPL §339-kk to determine its effect on their own situation.

Leasing and Use of Unsold Residential Units

Sponsor reserves the right, prior to the date of closing title thereto, to enter into an Interim Use and Occupancy Agreement for any Residential Unit for such consideration and term and on such other conditions as may be agreed to between Sponsor and any Purchaser who has paid the Deposit required by the Agreement. Any such Interim Use and Occupancy Agreement will provide, however, among other things, that any uncured default by the Purchaser under the Agreement with respect to the Residential Unit which is the subject of the Interim Use and Occupancy Agreement will constitute a default under the Interim Use and Occupancy Agreement entitling Sponsor, at its sole option, to terminate such Interim Use and Occupancy Agreement in accordance with applicable Law. In addition, each Agreement may provide that an uncured default by the Purchaser under any Interim Use and Occupancy Agreement with respect to the Residential Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor, at its sole option, to terminate such Agreement and to exercise any remedies therein; provided however, that before Sponsor utilizes the default under the Interim Use and Occupancy Agreement to declare a default under the Agreement, Sponsor will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the occupant unless the occupant has vacated the Residential Unit.

Purchasers or any other persons entering into an Interim Use and Occupancy Agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim Use and Occupancy Agreement. All other charges or other fees due under an Interim Use and Occupancy Agreement shall be adjusted as of the closing of title to the Residential Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Interim Use and Occupancy Agreement.

Sponsor or its designee reserves the right to use or occupy itself or to rent, license or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Residential Unit not yet conveyed and occupied or to withdraw Residential Units from the market. Under this non-eviction Plan, individuals who reside in Residential Units not subject to government regulation as to rentals and continued occupancy, and whose leases expire and against whom holdover proceedings are commenced before the Effective Date of this Plan retain only 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. Non-Purchasing Tenants who lease Unsold Units after the Effective Date of this Plan are protected from eviction for failure to purchase their Residential Unit or any other reason applicable to expiration of tenancy and from unconscionable rent increases. Unconscionable rent increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy." Sponsor or its

designee further has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to 1 or more Non-Tenant Purchasers for investment or resale or to lease occupied Residential Units to others or to retain vacated Residential Units for future rental. The terms of the Fee Mortgage do not obligate Sponsor to market Residential Units for sale as they become vacant. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make bulk sales of Residential Units to Sponsor's Transferee. Sponsor and Sponsor's Transferee, if any, reserve the right to rent, rather than sell, any or all of the Residential Units as they become vacant. Sponsor's and Sponsor's Transferee's, if any, right to rent, rather than sell Residential Units once they become vacant, is unconditional and exercisable in their sole discretion. Accordingly, it is possible that a significant proportion of Residential Unit Owners will not be residents of the Building and that a significant portion of occupants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor and Sponsor's Transferee, if any, to sell more than the 15% of the Residential Units needed to declare this Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. The By-Laws do not require that after the Sponsor Control Period a majority of the Board Members be owner-occupants of a Residential Unit or members of owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and nonresident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to purchase for investment. Sponsor need not endeavor in good faith to sell Residential Units rather than rent them as they become vacant. Sponsor retains unconditional discretion to rent rather than sell Residential Units.

As of the date hereof, the Fee Mortgagee will release or partially assign the lien of the Fee Mortgage with respect to each Residential Unit as same is conveyed to Purchasers under this Plan upon payment to the Fee Mortgagee of a release price. As of the date hereof, the Fee Mortgagee will release a Residential Unit from the lien of the Fee Mortgage upon the payment of: (i) the greater of 65% of the gross sales price of the Residential Unit or 125% of the Residential Unit's pro rata share of the original loan amount as determined by the Fee Mortgagee and (ii) an amount, as necessary, for the remaining loan balance to exhibit a 6.9% debt yield and a 75% loan to value as determined by an appraisal that is no more than 12 months old.

Sponsor and its designee reserve the right, without prior notice or amendment to this Plan, to use Unsold Residential Units on any floor of the Building as sales and rental offices and model Residential Units for the Building and other buildings. In the event Sponsor or its designee thereafter elects to sell any such Unsold Residential Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Residential Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model Residential Unit or Common Element or Residential Common Element or Residential Limited Common Element or in any advertisements with respect thereto, imply or represent that any Residential Unit or Common Element or Residential Common Element or Residential Limited Common Element will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to the Purchaser, unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Residential Unit.

Sponsor's Obligations with Respect to the Residential Units and the Building

The Purchaser of a Residential Unit shall inspect such Residential Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Residential Unit in accordance with the terms of this Plan. As more particularly set forth elsewhere in this Plan, Sponsor is offering the Residential Units in their "as is" condition as of the date of execution of the Agreement. However, in the event Sponsor agrees, in its absolute discretion, to perform any work in a

Residential Unit, if Purchaser finds that Sponsor's work has not been completed as described in the Agreement for the Residential Unit, then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of "punch list" work to be completed in the Residential Unit by Sponsor following the Closing Date. Sponsor shall have no obligation to complete any work described therein which is not specifically designated by the Purchaser on the inspection statement. A Purchaser shall receive prior notice that a Residential Unit is available for inspection pursuant to this paragraph as more particularly set forth in the Agreement in Part II of this Plan. A Purchaser who fails to inspect such Residential Unit shall be deemed to have accepted the Residential Unit in good condition and in accordance with the terms of this Plan. After the closing of title to each Residential Unit, the Purchaser thereof must comply with the procedures established by the Managing Agent regarding such Purchaser's move into the Residential Unit. This may include "move in" fees which will be refunded to the Purchaser unless the Purchaser or the Purchaser's agents damage the Common Elements or Residential Common Elements or Residential Limited Common Elements or another Unit during the move in.

The method of correcting any "punch list" item will be selected by Sponsor. Sponsor will be conclusively considered to have discharged any obligation with respect to a "punch list" item if: (a) Sponsor has caused the correction in accordance with the practice of the; (b) Purchaser, through act or omission, is the cause of such "punch list" item; (c) Purchaser obstructs, delays, prevents or hinders Sponsor from gaining access to the Residential Unit in order to repair or replace the "punch list" item; or (d) Purchaser undertakes the repair or replacement of the "punch list" item.

In no event will Sponsor be responsible for any immaterial condition resulting from: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) conditions of an immaterial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square and/or straight; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building; (iv) deviations in the level or straightness of ceilings and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) deviations in the level or straightness of a floor or failure of finished floors and walls to be straight or on plane or at less than 90° from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows, vents, electrical outlets and similar openings in the wall, in accordance with customary practice and professional standards; (ix) noise from normal plumbing, heating, ventilating and air conditioning operation; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching; (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, and normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, or due to homeowner's failure to maintain consistent temperature; (xiii) repair of chips, scratches, mars, breaks, dents, cracks or other immaterial conditions in: exterior stone, windows, window glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins and water closets; kitchen cabinets, backsplashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, dimensional variations in brick joints and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the

roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete used in lobby walls and paving; (xix) discoloration to hardware and plumbing finishes; (xxi) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xx) scratched, dirty or cracked lenses in light fixtures; (xxi) tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxii) subsequent to the Residential Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts; or (xxiii) salting or color variation in exterior colored mortar and deep colored brick.

In no event will Sponsor be responsible for any condition beyond its control, including without limitation: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) partial or total loss of any trees, shrubs, bushes or other landscape improvements; (iii) gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage (iv) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building; (v) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; or (vi) cracks in pressure-treated lumber used or intended for use outside the Building.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE ARE IMMATERIAL CONDITIONS NOT DEFECTS. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND OTHER IMMATERIAL CONDITIONS IN THEIR UNIT, THE COMMON ELEMENTS, THE RESIDENTIAL COMMON ELEMENTS, THE RESIDENTIAL LIMITED COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND IMMATERIAL CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREFOR. IF PURCHASERS OR THE BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR IMMATERIAL CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable Law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character are specifically disclaimed. Unless caused by a violation of the Sound Transmission Code or other applicable code, there is no warranty as to sound transmission. Unless caused by a violation of an applicable code with regard to the ventilation system or other applicable code, there is no warranty as to odors. Unless caused by a code violation, there is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. Sponsor's obligation, regardless of any limitations in any warranty, cannot go below the duty to complete any construction it agrees to undertake in accordance with all applicable codes and filed plans and specifications. Sponsor has not given, and Purchaser has not relied on or bargained for, any of the foregoing warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise), including, without limitation, any costs associated with a Residential Unit Owner vacating the Residential Unit or its contents during any period of repair or alteration which Sponsor has agreed or is required to perform.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of any immaterial variations in the description of any portion of the Building or a Residential Unit set forth in this Plan or an Agreement which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction. Any such variation affecting the Property which is material will be disclosed in a duly filed amendment to this Plan.

Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice to, and without the consent of the Board, any Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing 1 or more such Residential Units into 2 or more separate Unsold Residential Units, (c) combine separate Residential Units (including those resulting from such subdivision or otherwise) into 1 or more Residential Units, altering any boundary walls between 1 or more Residential Units, or otherwise, including incorporating Common Elements and/or Residential Common Elements (such as a portion of a hallway) which exclusively benefit a Residential Unit and/or Residential Limited Common Elements into such Residential Unit, (d) designate a Common Element and/or Residential Common Elements and/or Residential Limited Common Element as part of a newly created Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests and Residential Common Interests. In the event of any change pursuant to either (b), (c) or (d) above, such change shall be disclosed in a duly filed amendment to this Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements or Residential Common Elements directly affecting or servicing a Residential Unit, will be made with respect to any Unsold Residential Unit for which an Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, Common Interest, dimension, floor space or layout of such Unsold Residential Unit. The Common Interest of a Residential Unit may change if there is a change in the floor space or the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. No material change will be made in the size or number of Residential Units or in the size or quality of the Common Elements or Residential Common Elements except by amendment to this Plan and, when applicable, by amendment to the Declaration.

Unless an affected Purchaser consents, Sponsor will not make a material change to a Residential Unit's size, layout or percentage of Common Interest or Residential Common Interest if an Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default under the terms of their respective Agreement.

No material change will be made in the size and no material adverse change will be made in the quality of the Common Elements or Residential Common Elements unless affected Purchasers not in default under their respective Agreements receive a right to rescind their respective Agreements within a reasonable period of time that is not less than 15 days after the date of presentation of an amendment setting forth the right to timely rescind. Sponsor will return any Deposit promptly to Purchasers, who are not in default and who timely rescind their respective Agreements.

General

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Residential Unit Owner with respect to any Unsold Residential Units (for so long as Sponsor owns same) and any other obligations set forth in this Plan on the part of Sponsor to perform, the foregoing sets forth the entire extent of the obligations of Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers under their respective Agreements. Sponsor agrees to pay all Common Charges, special assessments and real estate taxes with respect to the Unsold Residential Units. Sponsor represents that it has the financial resources to meet its obligations with respect to the Unsold Residential Units. Sponsor intends to meet its obligations to the Condominium through proceeds from the sale of Residential Units and rental income from Non-Purchasing Tenants and other tenants. Sponsor makes no representations or warranties other than as set forth in this Plan. The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and

discharged every agreement and obligation on the part of Sponsor to be performed under this Plan except those (if any) which may be expressly stated in this Plan, in the Agreement, in 13 NYCRR, Part 23 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in GBL Section 352-e to survive delivery of the deed. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Residential Unit arising out of any occurrence taking place on or after the date of the closing of title to such Residential Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements or Residential Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in this Plan.

Sponsor has not furnished any bond or other security for the performance of its obligations under this Plan.

Sponsor will initially procure on behalf of the Board the insurance relating to the Condominium which is required to be maintained by the Board in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers") the cost of which has been reflected in the Projected Budget set forth in Schedule B. Please refer to the Section of this Plan entitled "Terms of Sale" for a discussion of Sponsor's obligations to repair damage from a casualty or other causes prior to the closing of title to a Residential Unit.

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

In accordance with New York Business Corporation Law Section 713(a)(1), in the event that there are Board Members which are non-Sponsor designees and a vote of the Board Members is held as to whether to sue Sponsor, Sponsor designee Board Members cannot vote on said issue.

Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer of 10 or more Residential Units or 20% of the Residential Units in the Condominium, whichever is less, in connection with Sponsor's liquidation of its interest in the Residential Units, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Residential Units under this Plan and applicable Law and in the event of dissolution or liquidation, the principals of Sponsor shall guarantee the performance of such obligations.

Sponsor will have an easement through all portions of the Building, including the Residential Units, Common Elements, Residential Common Elements and Residential Limited Common Elements, Commercial Units and Commercial Limited Common Elements, as may be necessary to perform Sponsor's obligations under this Plan, including, without limitation, any obligation to perform work.

Sponsor will cause the Board to Maintain the Property in substantially the same condition and manner as on the date of presentation until Sponsor no longer controls the Board.

All representations under this Plan, all obligations pursuant to the GBL and such additional obligations under this Plan which are to be performed subsequent to the closing of each Residential Unit will survive delivery of the deed.

CONTROL BY SPONSOR

The affairs of the Condominium shall be governed by a board of managers of the Condominium (the “Board”). From and after the first annual meeting of Residential Unit Owners the Board shall consist of 9 persons, 5 persons elected by the Residential Unit Owners (“Residential Board Members”), 4 persons collectively designated by the Commercial Unit Owners 1 person designated by the Garage Unit Owner and 3 person collectively designated by the other Commercial Unit Owners (“Commercial Board Members”). Notwithstanding the foregoing, the Board shall govern the affairs of the Condominium which affect both the Residential Unit Owners and the Commercial Unit Owners; the affairs of the Condominium which only affect the Residential Unit Owners shall be governed by the Residential Board Members only and the affairs of the Condominium which only affect the Commercial Unit Owners shall be governed by the Commercial Board Members only. After the expiration of the Sponsor Control Period, in the event a vote of the Board Members is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Sponsor designee of the Board Members (whether Residential Board Members or Commercial Board Members) voting will not exceed the number of elected Board Members entitled to vote on said issue who are not Sponsor designees. Neither the Commercial Board nor the Board (including Residential Board Members and Commercial Board Members) will take any action impacting the Garage Unit without the Garage Unit Owner’s prior written consent.

In addition to Sponsor’s right to designate (or nominate and elect) Residential Board Members, Sponsor shall have the right to vote all of the Common Interests attributable to Residential Units owned by Sponsor for the Residential Board Members not affiliated with Sponsor in any election for Residential Board Members. At all elections held during the period ending on the earlier of (i) the closing of title with Purchasers under this Plan with respect to 50% or more in number of Residential Units and having more than 50% of the Residential Common Interests, or (ii) 5 years after the First Closing (the “Sponsor Control Period”), Sponsor may control the Board.

After the expiration of the Sponsor Control Period, Sponsor (or its designees) shall have the right to designate the following minimum number of Residential Board Members: (a) 2 Residential Board Members, for so long as the Residential Common Interests attributable to the Unsold Residential Units equal, in the aggregate, more than 15% of the Residential Common Interests of all Residential Units; and (b) 1 Residential Board Member, for so long as Sponsor (or its designees) owns at least 1 Unsold Residential Unit. In addition to Sponsor (or its designees) designating the aforesaid number of Residential Board Members, Sponsor (or its designees) may cast its votes for individuals nominated to be Residential Board Members who are not nominated or designated by Sponsor (or its designees), which individuals, if elected, shall not be deemed to be Sponsor’s (or its designees’) nominees or designees and shall not be deemed to cause Sponsor to control the Board. At all times the Commercial Unit Owners shall be entitled to designate a total of 4 Commercial Board Members; the Garage Unit Owner shall designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall collectively designate 3 Commercial Board Members. After the expiration of the Sponsor Control Period, in the event a vote of the Board Members is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Sponsor designee Board Members (whether Residential Board Members or Commercial Board Members) voting will not exceed the number of Board Members entitled to vote on said issue who are not Sponsor designees.

Notwithstanding anything to the contrary set forth above, Sponsor shall not exercise veto power over expenses described in Schedule B, or over expenses required (i) to comply with applicable Laws, (ii) to remedy any notice of violation or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses.

The Condominium, without the consent of Sponsor, may not reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their residential tenancies or as may be otherwise required by Law.

Within 30 days after the Sponsor Control Period, the applicable number of Residential Board Members who were designated by Sponsor shall resign and Sponsor shall call a meeting of Residential Unit Owners to elect a new Board.

Nothing contained herein shall be deemed to limit the right of Sponsor to cast its votes for individuals nominated to the Board who are not nominated or designated by Sponsor, which individuals, if elected, shall not be deemed Sponsor nominees or designees and shall not be deemed to cause Sponsor to control the Board after the Sponsor Control Period.

The number of Board Members may not be increased from the numbers described in this Section, without the consent of Sponsor (or its designees) as owner of the Unsold Residential Units, for so long as there remain 1 Unsold Residential Unit.

Sponsor will, for any period in which it controls the Board, have control of the Maintenance and operation of, and the services to be provided by, the Condominium to the Residential Units and will determine the Common Charges to be paid by all Residential Unit Owners.

The Board shall initially consist of 4 persons designated by Sponsor. The Board will call for a special meeting of the Residential Unit Owners to elect new Residential Board Members (the “First Annual Meeting”) no later than one year after the First Closing unless more than 50% of the Residential Units are sold, in which case the First Annual Meeting will be called within 30 days after the sale of 50% of the Residential Units. The First Annual Meeting shall be held not less than 10 days nor more than 40 days after the sending of the notice. Commencing with the First Annual Meeting, the Board shall consist of 9 individuals, 5 Residential Board Members and 4 Commercial Board Members (the Garage Unit shall designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall collectively designate 3 Commercial Board Members). After the expiration of the Sponsor Control Period, in the event a vote of the Board Members is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Sponsor designee Board Members (whether Residential Members or Commercial Members) voting will not exceed the number of elected Board Members entitled to vote on said issue who are not Sponsor designees.

So long as Sponsor continues to own at least either 25% in aggregate in number or 25% of the Residential Common Interests in Residential Units, but in no event later than 5 years after the First Closing, whichever shall first occur, the Board may not take any of the following actions without Sponsor’s prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements, the Residential Common Elements, the Residential Limited Common Elements, the Commercial Limited Common Elements or to any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of employees referred to in this Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in this Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor’s written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Board to (i) comply with Laws, rules or

regulations of any governmental authority having jurisdiction over the Condominium; (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

In accordance with New York Business Corporation Law Section 713(a)(1), in the event that there are Board Members who are not Sponsor designees and a vote of the Board Members is held as to whether to sue Sponsor, Sponsor designee Board Members cannot vote on said issue.

BOARD OF MANAGERS

The affairs of the Condominium shall be governed by the Board. On or about the date which is one year after the First Closing, the Board will call for the First Annual Meeting of Residential Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date unless more than 50% in number and of Residential Common Interests in all Residential Units are sold, in which case the First Annual Meeting will be called within 30 days of that date. At the First Annual Meeting, the incumbent Board shall resign and the Residential Unit Owners shall elect 5 Residential Board Members, subject to the rights of Sponsor (or its designees) to designate (or nominate and elect) Residential Board Members. (See the Section entitled "Control by Sponsor") Thereafter, at each annual meeting, Residential Board Members shall be elected and shall serve until the next annual meeting thereof and until successors have been elected and qualified. The Board of Managers shall consist of 5 Residential Board Members and 4 Commercial Board Members (the Garage Unit Owner shall designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall collectively designate 3 Commercial Board Members).

Except for Residential Board Members designated (or nominated and elected) by Sponsor or its designee, all Residential Board Members must be either Residential Unit Owners or certain parties (e.g., directors, shareholders of Residential Unit Owners) as described in the By-Laws. No Residential Board Member shall continue to serve on the Board if, during such Residential Unit Owner's term of office, said member shall cease to be a Residential Unit Owner or an interested party. All Board members shall serve without compensation.

The Commercial Unit Owners shall be entitled to designate a total of 4 Commercial Board Members; the Garage Unit Owner shall designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall collectively designate 3 Commercial Board Members. Sponsor and/or its designee(s) shall have the right to vote all of the Common Interests attributable to Unsold Commercial Units owned by it until Sponsor and/or its designee(s) has closed title to all of the Unsold Commercial Units owned by it. Sponsor and/or its designee(s) shall have the right to designate 2 Commercial Board Members for so long as Sponsor and/or its designees own at least 4 Commercial Units (excluding the Garage Unit). For so long as Sponsor and/or its designee(s) owns at least 1 Commercial Unit (in addition to the Garage Unit) Sponsor and/or its designee(s) shall have the right to designate at least 1 Commercial Board Member, in addition to the 1 Commercial Board Member designated by the Sponsor as Garage Unit Owner. In addition to Sponsor and/or its designee(s) designating the aforesaid Commercial Board Members, Sponsor and/or its designee(s) may cast votes for individuals nominated to the Board who are not nominated or designated by Sponsor and/or its designee(s), which individuals, if elected, shall not be deemed Sponsor's and/or its designee's nominees or designees. For so long as Sponsor and/or its designee(s) is entitled to designate at least 1 Commercial Board Member, in addition to the Commercial Board Member designated by Sponsor as the Garage Unit Owner, the number of Board Members may not be increased without the consent of Sponsor and/or its designee(s). Any vacancy created by removal of a Commercial Board Member designated (or nominated and elected) by Sponsor and/or its designee(s), or by any other cause which results in a Commercial Board Member designated (or nominated and elected) by Sponsor and/or its designee(s) ceasing to be a member of the Board, shall be filled by a person designated by Sponsor and/or its designee(s).

After the expiration of the Sponsor Control Period, in the event a vote of the Board Members is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Sponsor designee Board Members (whether Residential Board Members or Commercial Board Members) voting will not exceed the number of Board Members entitled to vote on said issue who are not Sponsor designees.

The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. As more fully set forth in the By-Laws, all determinations required to be made by the Board shall be by majority of the votes cast at any meeting at which a quorum is present.

Notwithstanding the foregoing, all matters pertaining solely to the Residential Units shall be determined solely by the Residential Board Members; matters pertaining solely to the Commercial Units shall be determined solely by the Commercial Board Members; and matters pertaining to both the Residential Units and the Commercial Units shall be determined by the Board including the Residential Board Members and the Commercial Board Members. Neither the Commercial Board nor the Board (including Residential Board Members and Commercial Board Members) will take any action impacting the Garage Unit without the Garage Unit Owner's prior written consent.

Annual meetings of Residential Unit Owners shall be held within approximately 30 days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the 5 Residential Board Members, subject to any rights of Sponsor (or its designees) to designate (or nominate and elect) Residential Board Members, and the Commercial Unit Owners shall designate 4 Commercial Board Members (the Garage Unit Owner shall designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall designate 3 Commercial Board Members). At the Annual Meetings, there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Board shall mail a notice of each annual or special meeting of the Condominium to all Residential Unit Owners of record and the Commercial Unit Owners. The notice, which will generally be given at least 10 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. The notice shall explicitly state if there are any matters which pertain to the Commercial Units. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than 50% of the Common Interests attributable to all Residential Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners.

In all elections for Residential Board Members, each Residential Unit Owner (or such Residential Unit Owner's proxy) entitled to vote (including Sponsor with respect to Residential Units owned by Sponsor or its designee) shall be entitled to cast the total of votes equal to: (i) 1 vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Residential Unit Owner's Residential Unit, (ii) multiplied by the number of Residential Members to be elected to the Board; and to cast the votes represented by the product obtained by multiplying (i) by (ii) for a single Residential Member or distribute them among the number of Residential Board Members to be voted for, or any 2 or more of them, as he may see fit.

The principal officers of the Board shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The initial Board Members on behalf of the Residential Unit Owners shall be Joel Wiener, who shall serve as President and Treasurer of the Board, Adam Kaplan, who shall serve as Vice President, Darren Landy, who shall serve as Secretary and Elyse Ciarleglio, who shall serve as Assistant Secretary. Joel Wiener is a principal of Sponsor. Adam Kaplan, Darren Landy and Elyse Ciarleglio are each employees of Pinnacle Managing Co., LLC an affiliate of Sponsor. The Board may appoint additional officers. No officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Board are to be executed by any officer thereof or by such other person or persons as may be designated by the Board.

The term of office of the Board Members shall be for 1 year or until their successors are elected. Board Members shall serve without compensation. Any Board Member may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the

Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Board elected by the Residential Unit Owners may be removed with or without cause by an affirmative vote of a Majority of Residential Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Residential Unit Owners; provided, however, that Residential Board Members designated (or nominated and/or elected) by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Board shall continue to serve on the Board if, during such Residential Unit Owner's term of office, said member shall cease to be a Residential Unit Owner or an interested party as described in Section 2.1 of the By-Laws; provided, however, that this provision respecting Residential Unit ownership and Board membership shall not apply to Residential Board Members designated (or nominated and elected) by Sponsor or its designee. Any Residential Board Member who is designated (or nominated and elected) as such by Sponsor (or its designee) may be removed by Sponsor at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member. Any Commercial Board Member who is designated by the Commercial Unit Owners may be removed by the Commercial Unit Owners at any time, with or without cause, by an affirmative vote of a Majority of Commercial Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Commercial Unit Owners. However, a Commercial Board Members designated (or nominated and/or elected) by Sponsor may only be removed with cause and can only be replaced by another Sponsor designee. No member of the Board shall continue to serve on the Board if, during such Commercial Unit Owner's term of office, said member shall cease to be a Commercial Unit Owner or an interested party as described in Section 2.1 of the By-Laws; provided, however, that this provision respecting Commercial Unit ownership and Board membership shall not apply to Commercial Board Members designated (or nominated and elected) by Sponsor or its designee. Any Commercial Board Member who is designated (or nominated and elected) as such by Sponsor (or its designee) may be removed by Sponsor at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

Upon the affirmative vote of a majority of the members of the Board, any officer (other than an officer designated (or nominated and elected) by Sponsor or its designee) may be removed with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

The By-Laws provide that to the extent permitted by applicable Law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium or any Common Element or Residential Common Element or Residential Limited Common Elements (except in their capacities as Residential Unit Owners) or Commercial Limited Common Elements (except in their capacities as Commercial Unit Owners). Board members shall have no liability to Residential Unit Owners except that a Board member shall be liable for such Board member's own bad faith or willful misconduct. All Residential Unit Owners shall severally, to the extent of their respective interests in their Residential Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct.

Generally, subject to certain exceptions concerning, among other things, Sponsor, Unsold Residential Units and the Unsold Commercial Units, and provided that required consents of the Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Residential Rules and Regulations affecting the Common Elements or all Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Residential Unit Owners; provided, however, that the Common Interest appurtenant to each Residential Unit may not be altered without the written consent of all Residential Unit Owners directly affected thereby.

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Residential Rules and Regulations shall be effective in any way (a) without the prior written consent of Sponsor or its designee or the owner of any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Residential Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Residential Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential Unit or (b) without the prior written consent of the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Residential Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit.

As more particularly set forth in the Special Risk Section and the Section of this Plan entitled "Rights and Obligations of Sponsor," it is possible that a significant portion of Residential Unit Owners will not be residents of the Building and that a significant portion of occupants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor to sell more than 15% of the Residential Units, as needed to declare this Plan effective, owner-occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. Even if the Plan is declared effective with 15% of the Units needed to declare this Plan effective, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number which are the subject of Agreements, if Purchasers counted towards effectiveness do not close title to their Residential Units. The By-Laws do not require that after the Sponsor Control Period a majority of the Board Members be owner-occupants of a Residential Unit or members of owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and nonresident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to purchase for investment.

RIGHTS AND OBLIGATIONS OF RESIDENTIAL UNIT OWNERS AND THE BOARD OF MANAGERS

Sales and Leases of Residential Units

Each Residential Unit Owner may sell or lease such Residential Unit Owner's Residential Unit provided such Residential Unit Owner (the "Transferor") first gives the Board notice of such Residential Unit Owner's intention to sell or lease such Residential Unit and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a Prospective Purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Board does not elect to purchase or lease the Residential Unit within 30 days after receipt of the offering Residential Unit Owner's notice, the Transferor will have an additional 60 days to enter into a written agreement with the Prospective Purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said 60 day period or such sale or lease is not consummated within an additional 60 days following the expiration of said 60 day period, the Transferor will be required to again first offer the same to the Board, provided that the Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Residential Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended or extended without the prior consent in writing of the Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board, and that the Board, if permitted by applicable Law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of lease approved by the Board which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws. Any lease entered into with a Residential Unit Owner, as landlord, should not be subject to state or local rent laws with respect to rent or other terms but will be subject to laws applicable to all rental leases in the State and City of New York such as requirements regarding warranties of habitability. Purchasers should refer to their own attorneys for guidance regarding their rights and obligations as a landlord under a lease for a Residential Unit.

Any purported sale or lease of a Residential Unit in violation of the By-Laws shall be voidable at the election of the Board.

In the event the Board exercises its right to purchase a Residential Unit (itself or through a designee), the Board shall utilize available funds in the Working Capital Fund or shall make a Special Assessment for such purpose. With respect to the right of first refusal, the Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. Please see "Residential Units Acquired by Board" in this Section of this Plan for further details regarding Residential Units acquired or leased by the Board (itself or through a designee).

A Residential Unit Owner may lease, sell or convey, gift, devise or have pass by intestacy the Residential Unit to a spouse, life partner, adult child or grandchild, parent, grandparent or adult sibling, without complying with the foregoing restrictions; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Residential Unit Owner's Residential Unit shall be subject to, the preceding restrictions. In addition, any Residential Unit Owner may lease, sell or convey the Residential Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws. At present,

a lease entered into by a Residential Unit Owner purchasing under this Plan is not subject to legal limitations on the amount of rent which can be charged but such lease will be subject to various state and local laws governing tenancies (e.g., warranty of habitability). Purchasers are advised to consult with their own attorneys regarding the legal ramifications of leasing a Residential Unit.

The restrictions upon the sale and lease of Residential Units shall not apply to (i) Sponsor or its designee with respect to any Unsold Residential Units or (ii) Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Board. There is no restriction on the sale or lease of Commercial Units by Sponsor or its designees.

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

A Residential Unit may not be conveyed unless all unpaid Common Charges and liens against such Residential Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to closing. In addition, the Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Residential Unit Owner, as the case may be, to the Managing Agent.

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Residential Unit, the Agreement prohibits a Non-Tenant Purchaser from listing such Residential Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or lease, without Sponsor's prior written consent.

Use of Residential Units

Residential Units shall be used only as a residence (except as described below). The Board may, in its sole discretion, permit a Residential Unit to be used for other purposes, provided such use is permitted by Law, does not violate the existing certificate of occupancy, complies with all applicable governmental regulations and such use does not interfere with the use and enjoyment of other Residential Units by their respective Residential Unit Owners. A Residential Unit Owner may only use such Residential Unit Owner's Residential Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Residential Unit Owner use such Residential Unit Owner's Residential Unit for a use violative of the By-Laws.

Notwithstanding the preceding paragraph, Sponsor or its designee may, without the permission of the Board (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, including, without limitation, use as a long or short term rental, timeshare or other use, provided such use is permitted by Law, does not violate the then existing certificate of occupancy, the user of such Residential Unit complies with all applicable governmental regulations with respect to such

use, and (b) without limiting (a) above, retain ownership of 1 or more Residential Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Residential Units in the Condominium or in buildings in which principals of Sponsor may have an interest. At this time, Sponsor does not intend to use any Unsold Units as part of a timeshare; if in the future, Sponsor decides to create a timeshare, Sponsor will amend this Plan accordingly and file in accordance with 13 N.Y.C.R.R. Part 24.

Each Residential Unit Owner shall notify the Managing Agent in writing when a child or children under the age of 10 years lives or resides (even temporarily) in the Residential Unit. Each Residential Unit Owner shall install at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in no event without full knowledge of the Managing Agent.

The current zoning Law permits a person who resides in a Residential Unit to use up to 25% of the floor area of such Residential Unit Owner's Residential Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, professional offices (e.g., lawyer, doctor or dentist) and teaching of not more than 4 persons. No transient tenant (for occupancy of 30 days or less) may be accommodated in a Residential Unit, except in Unsold Residential Units, as permitted by Law. At this time, Sponsor does not intend to lease to transient tenants; if in the future, Sponsor decides to lease to transient tenants, Sponsor will amend this Plan accordingly. Such home occupation use may only be engaged in with the consent of the Board or by Sponsor or its designee, as more particularly provided in the By-Laws.

No nuisance, immoral, improper, offensive or unlawful use, as determined by the Board, shall be allowed in the Condominium or any portion thereof. All valid Laws of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Residential Unit Owners or the Board, whoever or whichever shall have the obligation to Maintain or repair such portion of the Property.

No "For Sale," "For Rent," "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Residential Unit, except that these sign restrictions shall not apply with respect to Unsold Residential Units.

No awnings, air conditioning equipment or ventilators shall be installed or modified in or on the Building or the Property without prior written approval of the Board. No radio or television aerial, satellites or other similar device shall be erected by Residential Unit Owners on the roof or exterior walls or windows of the Building or on the Property. The foregoing restrictions shall not apply with respect to Sponsor (or its designees) or Unsold Residential Units or the Commercial Units owned by Sponsor or its designees.

No pets other than dogs, caged birds, cats and fish (which do not are not reasonably expected to cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the written consent of the Board or the Managing Agent. In no event will a Residential Unit Owner be entitled to maintain more than 1 pet in any Residential Unit without the written consent of the Board. Each Residential Unit Owner who keeps any type of pet in such Residential Unit Owner's Residential Unit will be required to abide by any and all reasonable Residential Rules and Regulations of the Board adopted with respect thereto and may be required to enter into an agreement with the Board governing the maintenance of such pets and indemnifying and holding harmless the Condominium, all Residential Unit Owners and the Managing Agent from all claims and expenses resulting from the acts of such pet.

Each Residential Unit Owner shall keep such Residential Unit Owner's Residential Unit in a good state of preservation and cleanliness and each Residential Unit Owner shall be obligated to Maintain and

keep in good order and repair such Residential Unit Owner's Residential Unit and Residential Limited Common Elements (if any) in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Residential Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Board in accordance with the By-Laws provided that copies thereof are furnished to Residential Unit Owners prior to the time that they become effective (except that no amendment thereof affecting the Unsold Residential Units or the Commercial Units may be made unless agreed to by Sponsor or its designee). Further restrictions on the use and leasing of Residential Units are set forth in the By-Laws and Residential Rules and Regulations.

Smoking Policy

The Condominium's Residential Rules and Regulations prohibit smoking in all common areas of the Building. See Schedule A – Residential Rules and Regulations to the By-Laws of the Condominium which are Exhibit D to the Declaration of Condominium contained in Part II of this Plan. Common Areas include, but are not limited to, the Building's lobby, courtyard, garden, hallways, stairwells, elevators, cellar, laundry room, fire escapes and amenity spaces. "Smoking" is defined as inhaling, exhaling, breathing, burning or carrying a lighted cigar, cigarette, pipe, hookah, electronic cigarette, vape pen or other similar device in any manner or form.

Smoking will be allowed inside a Residential Unit. However, residents (and their occupants) must take all reasonable steps to prevent smoke/vapors from escaping their respective Residential Units in a manner that would create objectionable odors, exhausts or otherwise interfere with the enjoyment and habitability of other residents.

The Board has the right to impose further restrictions on smoking, and to take legal action, against any resident or occupant who violates the smoking policy, including, without limitation, by permitting smoke to emanate from such resident's Residential Unit. A resident who violates (or whose co-occupant, guest or other invitee violates) this policy, shall, to the greatest extent permitted by law, indemnify, defend and hold harmless the Condominium and the Board from and against any loss or damage which the Condominium and/or the Board may incur, or any claim that may be asserted against the Condominium and/or Board, as a result of such violation of this policy, including, without limitation, for reasonable attorneys' fees and costs incurred by the Condominium in connection herewith.

Mortgage of Units by Residential Unit Owners

Each Residential Unit Owner may mortgage such Residential Unit Owner's Unit, provided that the conditions with respect thereto set forth in the By-Laws are complied with by such Residential Unit Owner. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, or such other form customarily used by lenders making loans secured by individual Residential Units, (b) the Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against such Residential Unit Owner's Unit, other than Permitted Mortgages.

In certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Residential Rules and Regulations. The By-Laws provide that no more than 3 Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor or its designee, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Residential Unit Owners and are included in their Common Charges, are allocated among Residential Unit Owners in proportion to their respective Common Interests. Common Charges shall also be deemed to include any Special Assessment imposed by the Board. The respective Common Interests and Residential Common Interests of each Residential Unit, as estimated by Sponsor, are based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements, Residential Common Elements and Residential Limited Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the Maintenance and operation of the Common Elements and Residential Common Elements. Common Expenses payable by Residential Unit Owners may include amounts for certain other items as the Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Board (or its designee) of any Residential Unit. The Board shall not directly or indirectly assess or otherwise charge the Commercial Unit Owners, including but not limited to the Garage Unit Owner, for any costs or expenses attributable to the Residential Common Elements or Residential Limited Common Elements.

Each Agreement will contain a provision whereby the Non-Tenant Purchaser of a Residential Unit occupied by another irrevocably appoints the then Managing Agent of the Building (which Managing Agent may be replaced from time to time by the Board) as his, her or its agent, coupled with an interest, to provide, for the account and at the expense of the Non-Tenant Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has a right to occupy the relevant Residential Unit until such time as said right to occupy terminates. In addition, each Non-Tenant Purchaser of a Residential Unit occupied by another agrees: (a) to deposit with the Managing Agent at the closing of title to the Residential Unit, an amount equal to not less than the greater of (i) 2 months' Common Charges or (ii) 2 months' rent for such Residential Unit to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a 30 day period. In the event such Non-Tenant Purchaser fails to so replenish such fund, the Board will have a lien against the Residential Unit Owner's Residential Unit in accordance with the By-Laws. Sponsor shall guarantee the obligation of the Managing Agent to provide such services and facilities until such time as Sponsor surrenders control of the Board. Each Non-Tenant Purchaser of a Residential Unit occupied by another will be required to indemnify Sponsor for all costs expended by Sponsor on such Non-Tenant Purchaser's behalf. The foregoing obligations of a Non-Tenant Purchaser do not apply to Sponsor.

Common Expenses, which include, among other things, the costs and expenses incurred or projected (including the payment of wages) in connection with the Maintenance and operation of, and any alteration, addition or improvement to, the Common Elements and Residential Common Elements, and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, Managing Agent fees and legal and accounting fees, will be determined by the Board. The Board will allocate such expenses among the Residential Unit Owners in accordance with their respective Common Interests. The Board shall not directly or indirectly assess or otherwise charge the Commercial Unit Owners, including but not limited to the Garage Unit Owner, for any costs or expenses attributable to the Residential Common Elements or Residential Limited Common Elements.

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

Common Charges: Collection and Lien for Non-Payment; Payment of Rent to Board

Under the provisions of the By-Laws, the Board, on behalf of all Residential Unit Owners, will have a lien on each Residential Unit for unpaid Common Charges together with interest thereon, assessed against such Residential Unit. Additionally, under the provisions of the Agreement and the By-Laws, the Board, on behalf of all Residential Unit Owners, will have a lien for unpaid Common Charges and interest on each Residential Unit occupied by a Non-Purchasing Tenant (other than a Residential Unit owned by Sponsor or a Sponsor designee) in the event that 30 days after notice that the deposit of a sum equal to not less than the greater of (i) 2 months' Common Charges or 2 months' rent to be used as working capital to furnish services and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL has not been replenished. All such liens, however, to the extent permitted by applicable Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Residential Unit. Any lien for unpaid Common Charges against a Residential Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until 6 year from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Board (acting on behalf of all Residential Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board to recover unpaid Common Charges without foreclosing such lien.

No Residential Unit Owner may exempt such Residential Unit Owner from liability for such Residential Unit Owner's Common Charges by waiving use of any of Common Elements or Residential Common Elements or by abandonment of such Residential Unit Owner's Unit. Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property or the degree to which the construction in the Building shall have been complete shall not be grounds for a Residential Unit Owner withholding or failure to pay all or any portion of the Common Charges or any other assessments. No Residential Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against such Residential Unit Owner's Residential Unit subsequent to a permissible sale, transfer or other conveyance by such Residential Unit Owner of such Unit. In addition, as more specifically set forth in the By-Laws, a Residential Unit Owner may, by conveying such Residential Unit Owner's Residential Unit without consideration to the Board and complying with certain conditions in connection therewith, exempt such Residential Unit Owner from Common Charges thereafter accruing.

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

RPL §339-z is applicable to all condominiums in the State of New York. RPL §339-z provides a board of managers, on behalf of the unit owners, a lien on each unit for the unpaid common charges thereof, together with interest thereon, prior to all other liens except only (i) liens for taxes on the unit in favor of any assessing unit, (ii) all sums unpaid on a first mortgage of record and (iii) all sums unpaid on a subordinate mortgage of record held by the New York Job Development Authority, the New York State Urban Development Corporation, the Division of Housing and Community Renewal, the Housing Trust Fund Corporation, the New York City Housing Development Corporation, or in a city having a population of 1,000,000 or more, the Department of Housing, Preservation and Development. Upon the sale or conveyance of a unit, such unpaid common charges shall be paid out of the sale proceeds or by the grantee. Any grantor or grantee of a unit shall be entitled to a statement from the manager or board of managers, setting forth the amount of the unpaid common charges accrued against the unit, and neither such grantor nor grantee shall be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid common charges against such unit accrued prior to such conveyance in excess of the amount therein set forth.

RPL §339-kk, a copy of which is set forth in Part II of this Plan, was enacted into law July 22, 1998. RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant Residential Unit Owner of a Residential Unit fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's Residential Units. Please refer to the Section of this Plan entitled "Rights and Obligations of Sponsor" under the subsection entitled "Real Property Law Section 339-kk" for further details.

RPL §339-jj-Borrowing by Condominium

New York State Real Property Law Section 339-jj authorizes the Board to incur debt provided that such debt (a) is incurred no earlier than the 5th anniversary of the First Closing and (b) is approved by Unit Owners owning Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt.

Section 2.2.2.1(k) of the By Laws of the Condominium provides that the Board may borrow money on behalf of the Condominium, when required in connection with the operation and maintenance of the Common Elements; provided, however, that (i) the consent of at least 66 2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$200,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) the consent of the Sponsor and/or its designee(s) shall be required for any borrowing made while Sponsor and/or its designee(s) owns Unsold Units to which are appurtenant 10% or more of the Common Interests, and (iii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements, Residential Common Elements, Residential Limited Common Elements or Commercial Limited Common Elements.

Section 2.2.2.1(l) of the By Laws of the Condominium provides that the Residential Board may borrow money on behalf of the Residential Unit Owners, when required in connection with the operation and maintenance of the Residential Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Residential Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$75,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) the consent of the Declarant and/or its designee(s) shall be required for any borrowing made while Declarant and/or its designee(s) owns Unsold Residential Units to which are appurtenant 10% or more of the Residential Common Interests, (iii) no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common

Elements, Residential Common Elements or Residential Limited Common Elements without consent of the owner of such Residential Unit. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph (l) is not repaid by the Residential Board, a Residential Unit Owner who pays to the creditor such proportion thereof as such Residential Unit Owner's interest in the Residential Common Elements bears to the interest of all the Residential Unit Owners in the Residential Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Residential Unit Owner's Residential Unit.

Repairs to and Maintenance of Residential Units and Common Elements

Generally, all painting, decorating and routine maintenance, (a) in or to any Residential Unit, including any Residential Limited Common Elements and the interior side of entrance doors thereto, will be made by the owner of such Residential Unit at such Residential Unit Owner's sole cost and expense, (b) in or to the Residential Common Elements (including the Superintendent's Apartment) will be made by the Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense, and (c) in or to the Common Elements will be made by the Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

As set forth in the By-Laws, the interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and interior glass surfaces are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. The exterior glass surface of all windows appurtenant to a Residential Unit may, at the option of the Board, be washed and cleaned by the Board and the cost thereof shall be a Residential Common Expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Board at the sole cost and expense of the Residential Unit Owner of such Residential Unit (unless such breakage is caused by the Board or the negligence of any other Residential Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Board or such Residential Unit Owner). No replacement, modification or alteration may be made to or of the windows (other than replacement of the window panes) without the consent of the Board.

The By-Laws provide that each Residential Unit, Residential Limited Common Element and all portions of the Common Elements and Residential Common Elements shall be kept in good condition (and with respect to the roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water which will cause damage to the Building) by the Residential Unit Owner or the Board, whichever is responsible for the Maintenance thereof. In the event any Residential Unit Owner fails to keep such Residential Unit Owner's Residential Unit and/or Residential Limited Common Element in such condition, the Board may, at the expense of such Residential Unit Owner, enter such Residential Unit and/or Residential Limited Common Element and perform such acts as are necessary to cure such default. (See the Section of this Plan entitled "Rights of Access.") A Residential Unit Owner shall not permit excessive noise or vibrations to emanate from the Residential Unit and/or Residential Limited Common Element. In the event that any maintenance, repair and/or replacement to the Property or any part thereof is substantially necessitated by the negligence, misuse or neglect of any Unit Owner, or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner.

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be Maintained by each Residential Unit Owner or the Board, be kept in good appearance by such Residential Unit Owner or the Board.

In addition, the Residential Rules and Regulations require that at least 80% of the floor area of Residential Units (except for kitchens, pantries, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

Alterations and Improvements of Residential Units

No Residential Unit Owner may make any alteration, addition, improvement or repair in or to such Residential Unit Owner's Residential Unit (structural or otherwise) without the prior written approval of the Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Residential Unit. The Board may impose fees upon a Residential Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of the Residential Unit Owner's work.

Prior to, and as a condition of, the granting of its consent to the making of an alteration, addition, improvement or repair in or to a Residential Unit, the Board shall have the right to reasonably approve the Residential Unit Owner's contractors and suppliers and may, at its option, require the Residential Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. In addition, the Board will have the right, as a condition to approving a Residential Unit Owner's request to renovate kitchens and bathrooms or other affected areas, to require such Residential Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Residential Unit or to contribute to the Condominium the sum necessary to enable the Condominium to perform such replacements.

Any contractor performing work shall not employ any personnel or means that may cause labor disturbances or stoppage in the work of Building employees or other contractors or subcontractors employed in the Building.

The Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Board and the Residential Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to a contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. Under the terms of the By-Laws, Sponsor and its designee are authorized on behalf of the Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Building (including, without limitation, the Units and Common Elements and Residential Common Elements and Residential Limited Common Elements) as Sponsor and its designee are entitled to perform in accordance with the terms of the Declaration and the By-Laws and to obtain such certificates of completion as may then be required by Law and the Board, if requested by Sponsor or its designee, is obligated to execute the aforesaid documentation. In addition, the Power of Attorney to be executed by each Residential Unit Owner upon acquisition of the Residential Unit further grants to Sponsor a power of attorney to execute such documentation. "Required Documentation" refers to such applications, permits, certifications, affidavits, forms, agreements, acknowledgments or other documents that may be required to enable Sponsor to exercise its rights or obligations under this Plan or the Declaration and the By-Laws, including, without limitation, Sponsor's right to undertake, perform and complete any work to the Unsold Residential Units and Common Elements and Residential Common Elements and Residential Limited Common Elements and the Commercial Units.

Local Law 1 of 2004

The use of lead paint has been banned since 1960. Any housing built before 1978, however, may contain lead based paint. Per the records of DOB, the Building was completed approximately 1959. A landlord's obligations as they relate to determining the existence and remediation of lead paint in residences classified as multiple dwellings and located in New York City are governed by the New York Childhood Lead Poisoning Prevention Act of 2003, also known as Local Law 1 of 2004. This law replaced Local Law

1 of 1982, as well as Local Law 38 of 1999, which previously had been struck down by the New York State Court of Appeals. Under existing law, landlords must inspect every apartment occupied by a child under the age of 6 for conditions that may cause lead exposure, and if found, correct them. Landlords must verify whether a child under the age of 6 resides in an apartment and if so, conduct an inspection at least annually, and more often if necessary, for lead paint hazards. The landlord is required to investigate the circumstances if any tenant does not respond to the inquiry as to the presence of children. Landlords must look for peeling paint, evidence of friction or chipping, and underlying conditions that may cause paint to peel, and promptly correct any hazard. The landlord has a duty under the law to inspect the apartment as well as all common areas for the presence of lead-based paint hazards, and to remove or cover all lead paint on friction surfaces and to replace window slides and panes on friction surfaces containing lead paint. Landlords must provide written notice to the tenant of the landlord's obligation to inspect for and repair lead-paint hazards and the tenant's obligation to provide access to their apartment.

The obligations under Local Law 1 of 2004 apply to a Residential Unit Owner who purchases an occupied unit, as well as to a Residential Unit which was vacant but becomes occupied by a tenant subsequent to its purchase. Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint or whether Local Law 1 of 2004 will be further modified and enacted or whether the City or State of New York will adopt other laws dealing with lead-based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 1 or any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Residential Unit Owner and the actions a Unit Owner may be required to take thereunder. Residential Unit Owners shall be deemed "owners" of their respective Residential Units with the obligation to comply with the requirements of all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint.

Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Per the records of DOB, the Building was completed in approximately 1959. Based on the age of the Building, there may be lead paint and/or lead based hazards in the Building. However, except as set forth in the Engineer's Report included in Part II of this Plan, Sponsor is not aware of, and has no records or materials pertaining to, any lead-based paint or lead-based hazards in the Building that need to be remedied. Sponsor will comply with applicable Law concerning the use of lead-based paint.

Rights of Access

As more fully set forth in the By-Laws, the Board and any managing agents, managers, superintendents, resident manager (if any) and other persons authorized by the Board, will have a right of access to any Residential Unit and/or Residential Limited Common Element for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements or Residential Common Elements in the Residential Unit and/or Residential Limited Common Element or elsewhere in the Building, to remove violations, cure defaults by a Residential Unit Owner, correct any condition originating in any Residential Unit and/or Residential Limited Common Element and threatening another Unit or any Common Element or any Residential Common Element, and for any other purposes provided in this Plan, the Declaration or as may be required by Law, provided that requests for entry (except in Emergency situations) are made in advance and that any such entry (except in Emergency situations) is at a time reasonably convenient to the Residential Unit Owner and the tenants of any Residential Unit. In case of an Emergency, such right of entry shall be immediate, whether the Residential Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Residential Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Residential Unit for the purpose of performing its obligations under this Plan.

Compliance with Terms of Declaration, By-Laws and Residential Rules and Regulations

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

Examination of Books and Records

Each Residential Unit Owner and each mortgagee of a Residential Unit shall be permitted, upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium. See Section 7.4 of the By-Laws of the Condominium.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board with respect to any damage to or destruction of the Common Elements or Residential Common Elements, will, except as set forth below, arrange for the prompt repair and restoration thereof.

If there is damage or destruction by fire or other casualty to the Common Elements and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on such Unit Owner's Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

Unless the Unit Owners have elected not to restore the Building as provided below, damage or destruction to a Residential Unit or a Residential Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the Owner of the affected Residential Unit(s) where such repair or reconstruction does not involve the Common Elements, for which the repair or reconstruction is the obligation of the Board under the Declaration and By-Laws. If a Residential Unit Owner fails to repair or reconstruct such Residential Unit Owner's Residential Unit or Residential Limited Common Element, the Board may cause the Residential Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be charged to the defaulting Residential Unit Owner as a Special Assessment.

If 75% or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

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

Insurance

The Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Residential Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, all Residential Unit Owners, the Commercial Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) rent insurance in an amount equal to Common Charges for 1 year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Board; (f) water damage insurance to the extent, if any, determined by the Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering the Board and all officers, directors and employees of the Condominium; (i) directors and officers liability coverage; and (j) such other insurance as the Board may determine. Each Residential Unit Owner and the Commercial Unit Owner shall be an additional insured.

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

The amount of fire insurance and all risk extended coverage to be maintained until the first Board meeting following the First Annual Meeting of Residential Unit Owners shall be in at least the sum set forth in Schedule B.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least 10 days' prior written notice to all of the insureds, including all Residential Unit Owners, the Commercial Unit Owners and Permitted Mortgagees.

The Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Board may from time to time determine, covering (1) the Board, the Managing Agent or agents thereof, each Board member and each officer and employee of the Condominium and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Unit's Limited Common Elements, if any. The Board shall review such limits not less than once each year. Until the first meeting of the Board following the First Annual Meeting of Residential Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include coverage for cross-liability claims of 1

insured against another. Any insurance maintained by the Board may provide for such deductible amounts as the Board determines. The premiums for all insurance referred to above shall be a Common Expense.

The Board is not required to obtain or maintain any insurance with respect to the Residential Units or Residential Limited Common Elements or any personal property contained in a Residential Unit or Residential Limited Common Element, including in a Storage Locker. Pursuant to the By-Laws, each Residential Unit Owner shall, at the Residential Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon or from the Residential Unit or Residential Limited Common Element or any part thereof with minimum combined single limits of liability of \$1,000,000 for bodily injury or death arising out of any 1 occurrence, including \$1,000,000 for damage to property, and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon or from the Residential Unit or any part thereof (including, but not limited to, appropriate coverage for additions, alterations, improvements and betterments and loss due to water damage). The policies shall provide that they cannot be canceled without at least 30 days' prior notice to the Board. The limits of liability set forth in (a) and (b) above may be increased by the Board from time to time. In the event a Residential Unit Owner fails to obtain the requisite insurance or deliver evidence of same to the Board, as required, the Board may, in its sole and absolute discretion, (i) obtain such insurance on behalf of said defaulting Residential Unit Owner or (ii) impose such fines and penalties as the Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Residential Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Residential Unit Owner.

Liability of Board of Managers and Unit Owners

Every contract made by the Board or by any managing agent or manager thereof shall state that (a) it is made only as agent for all Residential Unit Owners or all Unit Owners, as the case may be, and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Residential Unit Owners) and (b) the liability of any Residential Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Residential Unit Owner bears to the aggregate Common Interests of all Residential Unit Owners or the aggregate Common Interest of all Unit Owners, as the case may be, and (ii) to the extent permitted by Law, unless otherwise determined by the Board in its sole and absolute discretion, such Residential Unit Owner's interest in such Residential Unit Owner's Residential Unit and its appurtenant Common Interest. To the extent permitted by applicable Law, Board members shall have no liability to Residential Unit Owners except that a Board member shall be liable for such member's own bad faith or willful misconduct. All Residential Unit Owners shall severally, to the extent of their respective interests in their Residential Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with any Board member, any Residential Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least 80% in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from (a) the Mortgage Representatives, if any, and (b) Sponsor, until such time as Sponsor and its designees have conveyed title to all Units, provided

that in no event shall Sponsor's consent be required more than 5 years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Residential Unit Owner to the payment of any liens on such Residential Unit Owner's Residential Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Residential Units Acquired by the Board

All Residential Units acquired by or leased to the Board (or its designee) shall be held by the Board, or its designee, on behalf of all Residential Unit Owners, and the rent or purchase price, closing costs and adjustments payable in connection therewith shall be assessed against all Residential Unit Owners. No Residential Units held by the Board shall carry any voting rights.

The purchase of any Residential Unit by the Board (or its designee), on behalf of the Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Residential Unit Owner, in proportion to such Residential Unit Owner's respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its appurtenant interests in the Common Elements.

Procedure to Review Real Estate Tax Assessments

The Board on behalf of and as agent for all Residential Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Residential Units. All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Residential Unit Owner individually seeks to have the assessed valuation of such Residential Unit Owner's Residential Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Residential Unit Owner in pursuing, such reduction, provided that such Residential Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. The Residential Unit Owners will have the right to commence certiorari proceedings on their own at their sole cost and expense.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements, or Residential Common Elements or Residential Limited Common Elements except with the unanimous consent of all Residential Unit Owners affected thereby. Liens may arise or be created against only the individual Residential Units and their respective Common Interests. Labor performed on, or materials supplied to, a Residential Unit may not be the basis for a mechanic's lien against the Residential Unit of a Residential Unit Owner not expressly consenting to or requesting such work, except in the case of Emergency repairs. No labor performed on, or materials furnished to, the Common Elements, Residential Common Elements or Residential Limited Common Elements shall be the basis for a lien thereon but all Common Charges received by the Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Board or the

Managing Agent for the Common Elements, Residential Common Elements or the Residential Limited Common Elements

Easements and Name of Condominium

In order to facilitate the operation and Maintenance of the Building and the sale or leasing of Units therein, each of the Residential Units and Residential Limited Common Elements will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements and the Residential Common Elements, and an easement in favor of each Unit Owner to use the Common Elements and Residential Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units or with the use of the Units for their permitted purposes. Sponsor shall have an easement, and the right to grant easements to 1 or more third parties, to erect and Maintain lights and lighting fixtures and to erect and Maintain satellite communication equipment and similar equipment, as permitted by Law, on the roofs and Facade of the Property and elsewhere on the Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements which shall entitle Sponsor to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and its designees shall have an easement to Maintain any signs, awnings, canopies, banners, flags, pennants, aerials, antennas or the like permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

As set forth in the Declaration, the Condominium and the Building shall be designated and known as the "The Infinity 8 on Cherry Condominium." Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Building, only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of the Board, any Residential Unit Owner or any Commercial Unit Owner. In addition, Sponsor shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Sponsor as the sponsor of the condominium offering, together with such other information as Sponsor determines in its sole discretion.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of this Plan. A Prospective Purchaser should read this Plan in its entirety including the Declaration and By-Laws.

REAL ESTATE TAXES

Each Residential Unit will be taxed as a separate tax lot for real estate tax purposes, and no Residential Unit Owner will be responsible for payment of, nor will the Residential Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration is recorded. Until the Units are separately assessed and billed, each Residential Unit Owner shall pay to the Board as Common Charges such Residential Unit Owner's pro rata share (in the proportion that such Residential Unit Owner's Unit's Common Interest bears to the aggregate Common Interest of all Residential Units) of all real estate taxes with respect to the Property.

The New York City real estate taxes for the Units for the first year of Condominium operation following the First Closing, which have been estimated by Sponsor to be approximately \$424,500 (Residential Units, Garage Unit and Commercial Units) are based upon (i) an estimated transitional assessed valuation of the Property (inclusive of the Garage and Commercial Units) of \$3,368,250 for the first year of Condominium operation, commencing January 1, 2021 (assuming a transitional assessed valuation of the Property (inclusive of the Garage and Commercial Units) of \$3,342,780 for the 2020/2021 tax year and a transitional assessment of \$3,393,720 for the 2021/2022 tax year, with any increases in the Property's assessed valuation from prior years phased in over 5 years in equal annual increments of 20% and (ii) a tax rate of \$12.6120 per \$100 of assessed valuation for the Units. The estimated tax rate for the first year of operation assuming commencement on or about January 1, 2021 does not assume any increase in the current tax rate.

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Department of the City of New York. Under current Law, increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase or decrease in the assessed value during such 5 year period resulting from a still higher or lower market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation." The amount of assessed value reflecting the phased-in increases or decreases is called the "transitional assessed valuation." Taxes are paid on the lower of the Transitional Assessed Valuation or the Actual Assessed Valuation. The assessed valuations and tax rates for the 2017/18, 2018/19 and 2019/20 tax years and the estimated valuations and tax rates for the 2020/21 and 2021/22 are as follows:

	Actual	Actual	Actual	Estimate	Estimate
Tax Year	2017/18	2018/19	2019/20	2020/21	2021/22
Transitional Assessment	\$2,970,810	\$3,146,040	\$3,292,920	\$3,342,780	\$3,393,720
Actual Assessment	3,352,500	3,388,500	3,409,200	3,409,200	3,409,200
Taxes Based On	2,970,810	3,146,040	3,292,920	3,342,780	3,393,720
Tax Rate Per \$100	12.7190	12.6120	12.6120	12.6120	12.6120
Taxes Payable	377,857	396,779	415,303	421,591	428,016

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the 5 year phase-in period, (ii) an increase in the tax rate, or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership, (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property. A Purchaser purchasing a Residential Unit after the projected first year of Condominium operation should check the public tax records to confirm the then current taxes for the Property.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interests exceed the total valuation of the Property were the Property assessed as 1 parcel.

The New York City tax assessor may allocate taxes between the Residential Units in proportion to each Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements and, if so, Residential Units having the same or similar percentage interest which are determined to have a higher purchase price or market value will pay higher real estate taxes than are reflected on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Residential Units. Until the Residential Units are separately assessed, the Board will pay all real estate taxes with respect to the Property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of this Plan entitled "Real Estate Taxes" for further discussion.

The Property is not subject to J-51 benefits.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE RESIDENTIAL UNITS OR THE TAX RATE APPLICABLE THERETO IS ACCURATE OR WILL NOT BE CHANGED.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method of allocating real estate taxes which will be employed by the New York City tax assessor; (ii) of the assessed value of the Residential Units during the first year of Condominium Operation, or (iii) of the tax rates in effect during the first year of Condominium operation.

Sponsor has filed tax certiorari cases for the following tax years: 2017/18, 2018/19 and 2019/20. Sponsor shall be the beneficiary of any real estate tax reductions for the 2017/18 and 2018/19 tax years and shall pay the expenses for obtaining the real estate tax reductions for such years. If a reduction in real estate taxes is obtained for the tax year in which the closing of the First Unit occurs, Sponsor and Purchaser will apportion the reduction (as well as any cost and/or fees for obtaining the reduction) based on the percentage of time for which the reduction is obtained during which each party owned the Residential Unit.

Article 16.1 of the By-Laws provide that the Condominium is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Residential Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Residential Units by Purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the Attorney's Income Tax Opinion prepared by Pryor Cashman LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

PRYOR CASHMAN LLP IS COUNSEL TO SPONSOR AND NOT THE RESIDENTIAL UNIT OWNERS. EACH PURCHASER SHOULD CONSULT SUCH RESIDENTIAL UNIT OWNER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF RESIDENTIAL UNIT OWNERSHIP UNDER THIS PLAN.

Deductibility of Mortgage Interest and Real Estate Taxes

Each Residential Unit Owner will own such Residential Unit Owner's Residential Unit and its appurtenant interest in the Common Elements in fee simple and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Residential Unit Owner will own such Residential Unit Owner's Residential Unit in fee simple, the owner may mortgage such Residential Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Pryor Cashman LLP that, under current law, a Residential Unit Owner who uses such Residential Unit Owner's Residential Unit as a personal residence and itemizes such Residential Unit Owner's deductions will for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers, or in the year of accrual in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that under current law mortgage interest is deductible generally only with respect to secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of \$750,000 for tax years beginning before January 1, 2026 and \$1,000,000 for tax years beginning after December 31, 2025). Interest on home mortgage debt in excess of the limitation is not deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt. In addition, under current law, a Residential Unit Owner's deduction for state and local income and real estate taxes is generally limited to \$10,000.

Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," under Section 528 of the Internal Revenue Code, which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income in connection with the provision of laundry facilities, if any, and interest earned on any reserve funds (less expenses directly connected with the production of such income). Schedule B – Projected Budget for First Year of Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not budget any amounts for taxes for non-membership or membership income.

Sponsor anticipates that the Condominium will qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the Law is uncertain as to the tax treatment of any income of the

Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the non-membership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax, New York City Business Corporation Tax or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Residential Unit Owners. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification.

The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax Laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Pryor Cashman LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, Pryor Cashman LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid gives any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Residential Units offered under this Plan, and no one has been authorized to give any warranties.

ATTORNEY'S INCOME TAX OPINION

**PRYOR CASHMAN LLP**

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November 6, 2019

Cherry Associates LLC
One Penn Plaza, Suite 4000
New York, New York 10119

Re: The Infinity 8 on Cherry Condominium
136-04 Cherry Avenue, Flushing, New York 11355

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by residents of New York City who purchase the offered Residential Units for their own residential use pursuant to the Condominium Offering Plan (the "Plan") for The Infinity 8 on Cherry Condominium (the "Condominium"), and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of (i) ownership of any Unsold Residential Units or any Residential Unit that is used for commercial or mixed residential/commercial purposes, or (ii) any rebates or other payments that may be made, or benefits provided, to owners of Residential Units. Except where otherwise indicated, the capitalized terms used in this opinion have the same meaning as in the Plan.

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

Cherry Associates LLC
November 6, 2019
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I. Deductibility of Mortgage Interest and Real Estate Taxes

We understand that pursuant to the Plan, the purchaser of a Residential Unit will receive legal title in fee simple to his or her Residential Unit coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Residential Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Residential Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium used as a personal residence may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based on the foregoing, it is our opinion that, under current law, an owner of a Residential Unit who itemizes deductions and who uses his or her Residential Unit as a personal residence will be entitled to deduct from his or her gross income for Federal income tax purposes real estate taxes assessed against his or her Residential Unit and paid to the local tax authority; provided, however, that under current law, the deduction for state and local income and real estate taxes is generally limited to \$10,000, and that no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. The \$10,000 limitation ceases to apply for taxable years beginning after December 31, 2025, but the deduction for state and local income and real estate taxes may then be subject to an overall limitation on itemized deductions under Section 68 of the Code. Owners of the Units should consult their tax advisers regarding the deductibility of real estate taxes.

Purchasers are advised that an exemption from real estate taxes may be available for veterans and other purchasers under the New York State Real Property Tax Law, as amended, and various codes, rules and regulations of the City of New York. Prospective purchasers are advised to consult with their own attorneys or other advisers to determine whether the prospective purchaser qualifies for any exemption from real estate taxes.

Under current law, a taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of \$750,000 for any period (\$375,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his or her Residential Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes interest paid or accrued by him or her on acquisition indebtedness incurred with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$750,000 (\$375,000 in the case of a married individual filing a separate return). For taxable years beginning after December 31, 2025, the limitation is increased to \$1,000,000 (\$500,000 in

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the case of a married individual filing a separate return), but may then be subject to an overall limitation on itemized deductions under Section 68 of the Code. Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans.

Each owner of a Residential Unit who uses his or her Residential Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Residential Units.

II. Taxation of the Condominium

If the Condominium qualifies as a homeowners association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as income in connection with the provision of laundry facilities, if any, interest earned on any reserve funds and any amounts received from persons who are not owners of a Residential Unit (less expenses directly connected with the production of such income).

To qualify as a homeowners association, the Condominium may elect to be treated as a homeowners association for each year that it meets all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing or providing management, maintenance and care of association property, and other than by rebate of excess membership dues, fees or assessments), (3) at least 60% of its gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (4) 90% or more of its expenditures for the taxable year must be made for the acquisition, construction, management, maintenance and care of association property, and (5) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Section 528(c)(1) of the Code and Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 of the Code is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

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Based upon the foregoing and assuming (i) the Plan becomes effective during the taxable year ending December 31, 2021 (the "2021 Taxable Year"), (ii) the actual gross income and expenditures of the Condominium for the 2021 Taxable Year are the same as (or, if such year is a short taxable year, are in the same proportions as) the estimated gross income and expenditures for the Condominium's first full year of operations, as set forth in Schedule B to the Plan, (iii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, (iv) at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes, and (v) there are no changes in the facts or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2021 Taxable Year.

Absent the application of Code Section 528, the present state of Federal income tax law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996, but there is no authority addressing the application of those entity classification regulations to condominium associations. Because the By-Laws of the Condominium provide that the Board will act as the agent of the Residential Unit Owners represented by such Board, the Board may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Residential Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include, among other things, interest or similar income earned from interim investments of the amounts assessed and collected from the Residential Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges should not be considered income earned by the Condominium with respect to the Residential Unit Owners. If, however, the Condominium is considered a separate entity, it may be taxable as a corporation or treated as a partnership for Federal income tax purposes. Under the entity classification regulations, the Condominium would be able to elect to be treated as a corporation for Federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation. If such election is not made, then the Condominium would be treated as a partnership for Federal income tax purposes if it is considered a separate entity. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, under current law the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Residential Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference Federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City Business Corporation Tax. If the Condominium does not elect to be treated as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, the Condominium likely would be subject to the New York City



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Unincorporated Business Tax on its entire income (less expenses properly allocable to such income), unless it were eligible for and elected treatment under Section 528 of the Code as a homeowners association.

We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will Sponsor, Pryor Cashman LLP, the Board, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or IRS rulings on which we have relied which cause the owners of Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

This opinion is intended solely for your benefit in connection with the transactions contemplated hereby and may not be relied upon by any other person or entity or for any other purpose without our prior written consent. We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan. This opinion is given as of the date hereof and we assume no obligation to advise you of changes that may hereafter be brought to our attention.

Very truly yours,


PRYOR CASHMAN LLP

RESERVE FUND

The New York City Council enacted Local Law No. 70 which amends Chapter 51 of the Administrative Code of the City of New York (the “Reserve Fund Law”), the full text of which is set forth in Part II of this Plan. The Reserve Fund Law requires the sponsor of an offering plan for the conversion of a building from rental to condominium status to establish a reserve fund (the “Reserve Fund”) to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such building. “Capital Replacement” is defined as 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) windows; or (6) a major structural replacement to the building; provided however, that replacements made solely to cure code violations of record shall not be included. The Reserve Fund shall be in addition to the Working Capital Fund to be funded at each Closing by Purchasers.

Sponsor shall, within 30 days after the First Closing, establish and transfer to the Board a Reserve Fund in an amount equal to either:

(i) 3% of the sum of the cost of all Residential Units offered for sale pursuant to this Plan at the last price which was offered to tenants in occupancy of the Building prior to the effective date of this Plan regardless of the number of sales made (the “Total Price”), or

(ii) (A) 3% of the actual sales prices of all Residential Units offered for sale pursuant to this Plan which are sold by Sponsor at the effective date of this Plan; provided, however, that if such amount is less than 1% of the Total Price, then the Reserve Fund shall be established as a minimum of 1% of the Total Price; plus

(B) supplemental contributions to be made by Sponsor at a rate of 3% of the actual sales price of Residential Units for each Residential Unit offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the effective date of this Plan and within 5 years of the First Closing notwithstanding that the total amount contributed may exceed 3% of the Total Price; and provided, further, that if 5 years from 30 days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than 3% of the Total Price, Sponsor shall pay the difference between the amount contributed and 3% of the Total Price. The supplemental contributions made under this subparagraph (B) shall be made within 30 days of each sale of a Residential Unit under this Plan.

The Reserve Fund under option (ii) above may be more, and, in some cases substantially more, than it would be under option (i) above because prices of Residential Units, on which the Reserve Fund is based, may be increased over time. Under option (ii), Sponsor will not receive a refund nor allowance at the conclusion of the 5 year period. However, under option (ii), the Condominium may have less funds in the Reserve Fund in the early years after the Condominium is established.

The Reserve Fund may not be reduced by closing adjustments but Sponsor is entitled to take a credit against the Reserve Fund for the actual cost of certain capital replacements commenced in the Building after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. Sponsor may engage one or more contractors to perform the following qualifying work for a possible credit against the Reserve Fund (at the following approximate costs):

- a. Sidewalk Pavement: repair the cracked and spalled sidewalk pavement on Byrd Street (estimated cost is approximately \$10,000);
- b. Fencing: remove tenant installed fencing and repair the roofing at all penetrations

(estimated cost is approximately \$5,000);

- c. FISP Report: correct SWARMP condition cited in FISP Cycle 7 report and file Cycle 8 report (estimated cost is approximately \$15,000);
- d. Parapet Walls: repair cracks on main roof parapet walls (estimated cost is approximately \$45,000);
- e. Bulkhead Interior Wall: repair the deteriorated bulkhead interior wall (estimated cost is approximately \$1,000);
- f. Courtyard Paving: replace the deteriorated concrete paving in the upper level of the courtyard (estimated cost is approximately \$10,000);
- g. Hot and Cold Piping: insulate the exposed hot and cold water piping in the cellar (estimated cost is approximately \$5,000);
- h. Backflow Preventer: provide backflow preventer for the existing sprinkler service (estimated cost is approximately \$25,000);
- i. Replace All Windows: the manufacturer will provide a 10 year warranty after the replacement is completed (estimated cost is approximately \$250,000). For warranty details see Appendix 10 of the Description of Property contained in Part II of this Plan;
- j. Repaint Roof Covering: repaint roof covering with aluminum coating paint (estimated cost is approximately \$15,000);
- k. Repair Cracks on Exterior Brick Walls: repair the cracks on exterior brick walls where steel fire escape brackets are connected into the brick (estimated cost is approximately \$10,000);
- l. Repaint Steel Fire Escapes: paint (estimated cost is approximately \$15,000);
- m. Convert Existing Oil Burner: to work in combination with gas-oil conversion (estimated cost is approximately \$55,000).

Sponsor currently intends to perform the work listed in items a, b, c, e, f, h, i, j, k, l and m above and take credit for such work against the Reserve Fund, if warranted. Residential Unit Owners will be responsible for the cost of work not done by Sponsor (i.e., items d and g). Sponsor is entitled to take a credit against the Reserve Fund for the actual cost of certain capital replacements commenced in the Building after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. In accordance with the Reserve Fund Law, Sponsor's aggregate credit may not exceed the lesser of the actual cost of the capital replacements or 1% of the Total Price.

No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of certain capital items. The exact amount of the Reserve Fund under the Reserve Fund Law cannot be determined until the First Closing since it depends on which option Sponsor chooses under the Reserve Fund Law. Under no circumstances will the Reserve Fund be less than 2% of the Total Price. No Purchaser will be entitled to rescind his or her Agreement solely because the actual amount of the Reserve Fund is

less than the estimated amount. Work that is not done by the Sponsor will be the responsibility of the Condominium and the Unit Owners.

The Reserve Fund Law also requires Sponsor not later than the 30th day following the Filing Date of this Plan and until the First Closing to post and maintain in a prominent place accessible to all tenants in the Building a list of all violations of record against the Building as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours of their issuance.

In the event that at any time prior to the First Closing, the Reserve Fund Law is repealed, Sponsor will not be obligated to comply with its requirements and may not provide a Reserve Fund. In such event, all Purchasers will be given 15 days after receipt of an amendment disclosing such repeal of the Reserve Fund Law to rescind their Agreements and be refunded all monies paid thereunder. In the event that on or after the First Closing, the Reserve Fund Law is repealed, Sponsor agrees to comply with its requirements as set forth in this Plan notwithstanding such repeal.

Section 8.10 of the By-Laws provides that if permitted by Law, the Board shall be entitled to fix by resolution and collect a “flip” tax in connection with sales or leasing in order to create a reserve fund which will provide reserves for the Condominium to use in the future for capital improvements, emergency repairs and working capital. If such a “flip” tax is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charges shall not apply to the lease of a Unit by Sponsor and/or its designee(s), to the sale or lease of Unsold Units by Sponsor and/or its designee(s), or to the sale or lease of Unsold Units by a Permitted Mortgagee of Sponsor and/or its designee(s) that acquires title to Unsold Units.

The Board, pursuant to RPL 339-jj, may incur debt to finance needed capital expenditures, including the renewal or replacement of building components or systems or to remedy major building conditions. RPL 339-jj authorizes the Board to incur debt provided that such debt (a) is incurred no earlier than the 5th anniversary of the First Closing and (b) is approved by Unit Owners owning Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Residential Unit Owners. Based upon estimates received by Sponsor, Sponsor believes that 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 set forth in Part II of this Plan. The Reserve Fund may not be used to reduce Common Charges. No representation can be made, however, that after Sponsor relinquishes control, the Board may not decide to use the Reserve Fund for a purpose other than for which it has been established. The boiler and burner are each approximately 30 years old and each has an estimated useful life of an additional 25 years. See the Description of Property set forth in Part II of this Plan for further details. There are no warranties for capital replacements.

The Residential Units are being sold “as is” in the condition in which they exist at the time a Purchaser signs an Agreement, subject to ordinary wear and tear except as otherwise provided in this Plan.

THE PROPERTY, INCLUDING BUT NOT LIMITED TO ALL COMMON ELEMENTS, RESIDENTIAL COMMON ELEMENTS AND RESIDENTIAL LIMITED COMMON ELEMENTS IS BEING OFFERED IN ITS CURRENT CONDITION "AS IS," AS OF THE DATE OF THIS PLAN, WITH NO REPRESENTATIONS OR UNDERSTANDINGS EXCEPT AS EXPRESSLY SET FORTH HEREIN. SPONSOR AND THE SELLING AGENT WILL HAVE NO OBLIGATION TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS PLAN OR REQUIRED BY LAW. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

WORKING CAPITAL FUND AND APPORTIONMENTS

All Purchasers of Residential Units (other than those designated as Sponsor's Transferee) shall be required to make a contribution at the Closing of such Residential Unit Owner's Unit(s) to the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to 2 months' Common Charges in effect for such Residential Unit(s).

On or about the date of the First Closing, Sponsor will apportion with the Board the following items as of midnight of the date preceding said Closing:

- (1) employees' wages, vacation and severance pay, pension and welfare benefits and accruals, uniforms and all other payments or obligations relative to the employees of the Building;
- (2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;
- (3) charges for electricity and other utilities for the Common Elements and Residential Common Elements;
- (4) cost of fuel on hand (plus sales tax), if any;
- (5) charges and receipts in connection with any service, maintenance and concession contracts;
- (6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Residential Units);
- (7) cost of any Building supplies on hand at Sponsor's cost (including sales tax);
- (8) premiums for transferable insurance policies, if any; and
- (9) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted on or about the date of the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned. Assuming the net closing adjustments are in favor of Sponsor, same shall be paid in 12 equal, consecutive monthly installments, commencing on the first date of the 2nd calendar month subsequent to the closing, pursuant to negotiable serial notes bearing interest at the rate of 1% over Citibank, N.A.'s "base rate" in effect on the First Closing Date. If on the 12 month anniversary of the First Closing, there remains a balance on the promissory note, such balance shall be paid by the Condominium on behalf of all Residential Unit Owners, as a Residential Common Expense.

The Working Capital Fund will be held and used for working capital, including without limitation payment of the promissory note for the closing adjustments in favor of the Sponsor, or for such other appropriate purposes as will be determined by the Board and may be augmented by allocations from the monthly Common Charges collected from each Residential Unit. While Sponsor controls the Board (see the Section entitled "Control by Sponsor"), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Residential Units.

In the event that capital expenditures for renewal or replacement of Building components or systems or to remedy major Building defects are needed, it may be necessary to increase Common Charges or make a Special Assessment payable by Residential Unit Owners who are responsible for the repair and replacement of the Common Element or Residential Common Element in need of such renewal, replacement or remedy. Alternatively, the Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Residential Unit Owner approval. In addition, pursuant to the By-Laws, the Board is entitled to determine amounts for a reserve for replacements in establishing the annual budget. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT

The Condominium will enter into a management agreement (the “Management Agreement”) for an initial term of 3 years with Pinnacle Managing Co., LLC (the “Managing Agent”), having an address at One Penn Plaza, Suite 4000, New York, New York 10119, effective as of the date of the first closing of title to a Residential Unit, at an annual fee of \$29,400.00 payable in equal monthly installments. The Management Agreement will be automatically renewed from year to year unless terminated by the Board upon 90 days’ written notice prior to the expiration of the term, as the same may have been renewed. The Board, at its option, may terminate the Management Agreement at any time, by giving written notice thereof to Managing Agent, for only the following reasons: (i) fraud, misrepresentation, misappropriation of funds, furnishing any statement, report, notice writing or schedule the Managing Agent knows to be untrue or misleading in any material respect on the date as of which the facts set forth therein are state or certified, (ii) the failure of Managing Agent to comply with any term or condition of the Management Agreement, that although not included in subsection (i) above, has a material adverse effect on the Property, (iii) the bankruptcy or insolvency of, the assignment for the benefit of creditors, by or the appointment of a receiver for any property of Managing Agent which is not dismissed in 60 days, and (iv) an intentional or grossly negligent or illegal act committed by Managing Agent against the Board. The Managing Agent shall have the right to terminate the Management Agreement at any time by giving 60 days written notice thereof to the Board. The management fee is comparable to the prevailing rates charged by other management services firms in New York City providing similar services in comparable buildings. The Managing Agent will work in the best interest of the Condominium and the Unit Owners.

In the event a new managing agent is substituted for the Managing Agent, the annual fee will be as mutually agreed upon between the Board and the new managing agent. All expenses incurred by the Managing Agent in performance of its duties to the Condominium will also be reimbursed to the Managing Agent. In the event that the Board requests the Managing Agent to provide additional service(s) not within the scope of the Management Agreement (including, without limitation, brokerage or other similar services in connection with the sale or leasing of any Residential Unit(s) from time to time owned or leased to the Board), the Board shall pay additional fees and/or commissions to be agreed upon by the Board and the Managing Agent. The Managing Agent shall be paid a fee for supervising any capital improvement projects instituted by the Board in an amount equal to 10% of any such project’s total cost. Additionally, in connection with processing, reviewing and coordinating applications for waivers of the Board’s right of first refusal under the By-Laws in connection with proposed sales and/or leasing of Residential Units by Residential Unit Owners, the Managing Agent shall be entitled to receive a reasonable fee from the selling or leasing Residential Unit Owner for such services as well as reimbursement for all out-of-pocket expenses incurred by the Managing Agent in connection therewith. Joel Wiener, a principal in the Managing Agent, is also the President and Chairman of the Board of Zarasai, Ltd. (defined under “Identity of Parties – Sponsor”), the managing member of The Zarasai Group LLC, the sole member of the Sponsor.

The Management Agreement provides that the books and records held by the Managing Agent shall be returned to the Condominium upon its termination. The Management Agreement may be assigned by the Managing Agent without the consent of the Condominium. It may be canceled by either party for cause.

The Managing Agent will, among other things:

(a) hire, pay and supervise, all persons necessary to be employed in order to properly maintain and operate the Common Elements and Residential Common Elements, in accordance with the Declaration and By-Laws;

(b) prepare, obtain and maintain, as appropriate, all required payroll records; all necessary forms for unemployment insurance, withholding and social security taxes; and all other forms, insurance or filings relating to the employment of the Board's employees required by any federal, state or municipal authority;

(c) cause ordinary repairs to be made with respect to the Common Elements and Residential Common Elements, and cause such further work or repair, redecoration or alteration to be performed with respect to the Common Elements and Residential Common Elements so as to Maintain same in good order and repair consistent with similar residential properties, all at the Board's expense and all as may be otherwise authorized, provided that repairs or alterations (either pursuant to contract or purchase order) involving an expenditure of over \$50,000 shall be made only with the prior written authorization of the Board, with the exception only of emergency repairs under circumstances which, in the Managing Agent's reasonable judgment, permit no reasonable opportunity for prior clearance with the Board and require immediate action for the preservation or protection of the Property or the health and safety of Residential Unit Owners or other persons, but the Managing Agent shall notify the Board by the most expeditious means immediately thereafter;

(d) at the Board's expense, use reasonable efforts to comply with, and cause the Common Elements and the Residential Common Elements and the use and operation thereof to comply with any and all laws, rules and orders or cure violations affecting the Common Elements and Residential Common Elements; provided, however, that the Managing Agent shall not take any such action if the cost thereof would exceed \$50,000 except that if failure to comply promptly with any such laws, rules and orders would or might reasonably be expected to expose the Board or the Managing Agent to criminal liability or pose an imminent danger to life or health, the Managing Agent shall cause the same to be complied with at the Board's expense without the necessity for any prior approval, but the Managing Agent shall notify the Board by the most expeditious means immediately thereafter;

(e) enter into contracts for any necessary services and supplies subject to limitations contained in subparagraph (d) above and the By-Laws;

(f) purchase those supplies that shall be required in order to maintain and operate the Common Elements and the Residential Common Elements and provide required services to Residential Unit Owners and occupants;

(g) assist the Board in determining the appropriate insurance to be carried for the Common Elements and the Residential Common Elements; carry out the written directions of and assist the Board respecting the placing and administering of insurance, the seeking of insurance recoveries and the restoration of insured damage;

(h) check and approve all bills received for services, work and supplies ordered in connection with Maintaining and operating the Common Elements and the Residential Common Elements, and until the Units in the Condominium are separately assessed, pay real estate taxes, water and sewer rents, assessments, and other public charges with respect to the Condominium, when provided with funds therefor; with respect to any Residential Units owned by the Board on behalf of the Residential Unit Owners, pay real estate taxes, assessments, other public charges, premiums on insurance, or sums payable on any mortgage which may at any time be a lien on such Residential Units, when provided with funds therefor by the Board;

(i) bill or cause to be billed Common Charges, and, when directed in writing by the Board, send notices of delinquency to the appropriate Unit Owners; take such other action pursuant to the

Condominium Documents for the collection of delinquent Common Charges as may be requested by the Board;

(j) render, or cause to be rendered, a monthly statement to the Treasurer and President of the Condominium, setting forth a summary of receipts and disbursements for the month and a report of the current status of all bank accounts and investments securities of the Condominium;

(k) under the supervision of the accountants retained by the Board, keep the books and records of the Condominium, and maintain files containing records of Common Charges, assessments, rents, insurance policies, mortgages that are liens on Residential Units, contracts, receipted bills and vouchers, and all other documents and papers pertaining to the Common Elements or Residential Common Elements or the operation thereof;

(l) prepare and submit annually to the Board, on or before December 1 of each preceding year, an operating budget;

(m) if requested by the Board, prepare and send notices of all meetings to the members of the Board;

(n) if requested by the Board, prepare and send notices of all meetings of the Residential Unit Owners to the Residential Unit Owners;

(o) if requested by the Board, cause a representative of its organization to attend the annual meeting of the Residential Unit Owners and up to 4 meetings per year of the Board (the Managing Agent shall cause a representative to attend meetings in addition to the number set forth above for a reasonable additional fee);

(p) if requested by the Board, record the minutes of the meetings of the Board attended by the Managing Agent; and

(q) generally, do all things reasonably deemed necessary or desirable by the Board for the proper management of the Condominium.

Pursuant to the Management Agreement, the Board will indemnify the Managing Agent against any liability for damages, penalties, fines, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) brought against the Managing Agent, arising out of or connected with the performance by the Managing Agent of its duties, except for the Managing Agent's gross negligence or willful or intentional default. Such obligations will also be covered by insurance obtained by the Condominium. The Managing Agent shall procure and maintain, at the expense of the Condominium, a fidelity bond in the amount of not less than \$1,000,000 to protect the Condominium against loss caused by acts of the Managing Agent, its directors, officers or employees.

The Managing Agent will work in the best interest of the Condominium and the Residential Unit Owners.

The Managing Agent will provide its services to all Residential Unit Owners and Non-Purchasing Tenants of the Building as required by GBL Section 352-eeee(3). All Residential Units occupied by Non-Purchasing Tenants shall be managed by the same managing agent who manages all other Residential Units in the Building. The Managing Agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis. Sponsor guarantees the obligation of the Managing Agent

to provide such services and facilities until such time as Sponsor surrenders control of the Board, at which time the Condominium shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 11.C.0 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by the sponsor or sponsor affiliate within 2 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 under 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 association in a conversion project, or of property serving the condominium unit owners in such 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 the sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3 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 such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, the sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that the sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by the sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by the unit owners to the sponsor or sponsor affiliate.

IDENTITY OF PARTIES

Sponsor

Sponsor is Cherry Associates LLC, a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119. Sponsor was formed on July 20, 2016. The sole member of Sponsor is The Zarasai Group LLC (“Zarasai Group”), a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119. The managing member of Zarasai Group is The Zarasai Group Ltd. (“Zarasai Ltd”), a British Virgin Islands company having an office c/o Hauteville Trust (BVI) Limited, P.O. Box 3483 Road Town, Tortola, British Virgin Islands and an office at One Penn Plaza, Suite 4000, New York, New York 10119. Joel Wiener (“JW”) and Sherry Wiener each own in excess of 10% of the shares of Zarasai Ltd. JW, the President and Chairman of the Board of Zarasai Ltd., is also the managing member of the Managing Agent.

Affiliates of Sponsor have taken part in the following prior public offerings first offered within the past 5 years:

- The 750 Riverside Drive Condominium, 750 Riverside Drive, New York (filed in 2014)
- The John James Condominium, 775 Riverside Drive and 156-08 Riverside Drive West, New York (filed in 2015)
- The Bennett69 Condominium, 69 Bennett Avenue, New York (filed in 2015)
- The Bennett105 Condominium, 105 Bennett Avenue, New York (filed in 2016)
- The 382E Condominium, 382-390 Eastern Parkway, Brooklyn (filed in 2016)
- The Georgian Condominium, 109-20 Queens Boulevard, Forest Hills (filed in 2016)
- The Convent Gardens Condominium, 441 Convent Avenue, New York (filed in 2017)
- The Crown 601 Condominium, 601 Crown Street, Brooklyn (filed in 2017)
- The Crown 12 Condominium, 12 Crown Street, Brooklyn (filed in 2018)
- The Infinity 8 on Franklin Condominium, 142-20 Franklin Avenue, Flushing (filed in 2018)
- The Infinity 8 on Bowne Condominium, 41-60 Bowne Street (a/k/a) 142-146 Sanford Avenue, Flushing (filed 2019)
- The Dorado at Infinity 8 Condominium, 133-17 Sanford Avenue, Flushing (filed 2019)
- The Summit at Infinity 8 Condominium. 132-40 Sanford Avenue, Flushing (filed 2019)

Affiliates of Sponsor’s principals own 10% or more of the unsold shares or units, as individuals, general partners or principals in the following properties located in New York:

- The 660 Riverside Condominium, 660 Riverside Drive, New York
- 668 Riverside Condominium, 668 Riverside Drive, New York
- The 680 Riverside Condominium, 680 Riverside Drive, New York
- The 690 Riverside Condominium, 690 Riverside Drive, New York
- 700 Riverside Condominium, 700 Riverside Drive, New York
- The 725 Riverside Condominium, 725 Riverside Drive, New York
- The 801 Riverside Condominium, 801 Riverside Drive, New York
- 807 Riverside Condominium, 807 Riverside Drive, New York
- The 812 Riverside Condominium, 812 Riverside Drive, New York
- 835 Riverside Condominium, 835 Riverside Drive, New York
- 76-66 Austin Owners Corp., 76-66 Austin Street, Forest Hills
- 1200 Gravesend Neck Road, 1200 Gravesend Neck Road, Brooklyn
- 57/67 and 69/79 Avenue O, 57/67 and 69/79 Avenue O, Brooklyn
- 8814 Bay Parkway, 8814 Bay Parkway, Brooklyn

- 402 Bay Ridge Parkway, 402 Bay Ridge Parkway, Brooklyn
- 3203 Nostrand Avenue/ Seville, 3203 Nostrand Avenue, Brooklyn
- 3165 Nostrand Avenue/ Brevoort, 3165 Nostrand Avenue, Brooklyn
- 3255 Randall Avenue, 3255 Randall Avenue, Bronx
- 40-66 Ithaca Street, 40-66 Ithaca Street, Elmhurst
- 160 Beach 117th Street, 160 Beach 117th Street, Belle Harbor
- Anita Terrace Condominium, Rego Park
- The Infinity 8 Condominium, 132-35 Sanford Avenue, Flushing
- The Irvin Condominium, 308-312 West 30th Street, New York
- MeadowWood At Gateway Condominium (f/k/a Fairfield Towers Condominium), Brooklyn
- The 750 Riverside Drive Condominium, 750 Riverside Drive, New York
- The John James Condominium, 775 Riverside Drive and 156-08 Riverside Drive West, New York
- The Bennett69 Condominium, 69 Bennett Avenue, New York
- The Bennett105 Condominium, 105 Bennett Avenue, New York
- The 382E Condominium, 382-390 Eastern Parkway, Brooklyn
- The Georgian Condominium, 109-20 Queens Boulevard, Forest Hills
- The Convent Gardens Condominium, 441 Convent Avenue, New York
- The Infinity 8 on Franklin Condominium, 142-20 Franklin Avenue, Flushing
- The Crown 601 Condominium, 601 Crown Street, Brooklyn
- The Crown 12 Condominium, 12 Crown Street, Brooklyn

Offering plans for the above listed buildings are on file with the Department of Law and are available for public inspection.

The affiliates of Sponsor's principals are current in their financial obligations with respect to the foregoing plans.

There have been no prior felony convictions of Sponsor, or any principals of Sponsor; and no prior convictions, injunctions and judgments against Sponsor, or any principals of Sponsor that may be material to this Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

In December 2006, Pinnacle Group NY LLC ("PGNY") entered into an Assurance of Discontinuance ("AOD") with the New York State Office of the Attorney General ("OAG") and the New York State Division of Housing and Community Renewal ("DHCR"), admitting neither wrongdoing nor that it otherwise committed any wrongful or improper act, in order to resolve an investigation by the OAG and DHCR into the practices of PGNY and its affiliates with regard to calculations of rent increases based on major capital improvements ("MCI's"). Under the terms of the AOD, PGNY agreed to comply with the law, including the NY Rent Stabilization Law ("NYRSL"), in calculating the rents charged for the rent-stabilized apartments owned or managed by it, and not to charge rents in excess of the permissible rents as determined pursuant to the NYRSL and applicable rent guidelines. PGNY was also required to hire an independent accounting firm to review certain rents set by PGNY or its affiliates over a 4-year period. The accounting firm prepared a report for the OAG and DHCR, and PGNY or its affiliates were required to make refunds and/or adjustments as appropriate.

On December 20, 2007, because the OAG and DHCR determined that PGNY had submitted incomplete and deficient reports pursuant to the AOD, PGNY entered into a second AOD ("AOD2") which extended the terms of the original AOD for an additional year. Under the terms of AOD2, the accounting firm audited rents set by PGNY or its affiliates between December 15, 2006 and December 31, 2007. The

accounting firm conducted monthly audits of random samples of apartments rented by PGNY from January 1, 2008 to June 30, 2008, and provided reports to the OAG and DHCR.

JW, a principal of Sponsor, indirectly owned less than a 10% interest in various limited liability companies which owned numerous multifamily properties. The owning entities of the multifamily properties entered into a settlement agreement with the note holder of a loan secured by such properties. At the note holder's request, a bankruptcy plan was filed in May 2012. The bankruptcy plan was approved by the Court without objection and an orderly transfer of the properties was made to the note holder.

Selling Agent

The Selling Agent is Keller Williams NYC, having an office at 575 Fifth Avenue, 14th Floor, New York, New York 10017. The Selling Agent is a licensed real estate brokerage firm and is a subsidiary of Keller Williams International, whose principals have been engaged in the real estate business for over 30 years. The Selling Agent has no financial interest in the Property, Sponsor, the Managing Agent or any other parties interested in this transaction, except for its fee for services rendered, and there is no affiliation between Selling Agent and its principals and Sponsor and its principals. There have been no prior felony convictions of Selling Agent, or any principals of Selling Agent and no prior convictions, injunctions or judgments against Selling Agent, or any principals of Selling Agent that may be material to this Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

Managing Agent

The Managing Agent, Pinnacle Managing Co., LLC, having an office at One Penn Plaza, Suite 4000, New York, New York 10119, is a licensed real estate brokerage firm engaged in the real estate business for over 25 years. The Managing Agent will receive a management fee as described above in the section entitled "Management Agreement." The management fee is comparable to the prevailing rates charged by other management services firms in New York City providing similar services in comparable buildings. In the event a new managing agent is substituted for the Managing Agent, the annual fee will be as mutually agreed upon between the Board and the new managing agent. The Managing Agent currently manages over 50 properties in New York City, many of which are cooperative housing corporations or condominiums. Joel Wiener, the managing member of the Managing Agent, is also the President and Chairman of the Board of Zarasai, Ltd. the managing member of Zarasai Group, the sole member of the Sponsor. Accordingly, the Managing Agent has a financial interest in Sponsor, in addition to its fees for services rendered pursuant to the Managing Agent's agreement with the Condominium.

There have been no prior felony convictions of the Managing Agent, or any principals of the Managing Agent; and no prior convictions, injunctions and judgments against the Managing Agent, or any principals of the Managing Agent, that may be material to this Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

A list of properties in New York which are managed by the Managing Agent include without limitation: 880 68th Street, Brooklyn; 25-10 30th Road, Astoria; 63-70 Austin Street, Forest Hills; 109-20 Queens Boulevard, Forest Hills; and 111 Worth Street, New York.

Budget Expert

Sponsor has engaged Nu-Place Realty as Sponsor's Budget Expert. Nu-Place Realty has been engaged in the sale and management of mixed use properties in New York, including condominiums for more than 25 years. Nu-Place Realty reviewed the estimated income and expenses in "Schedule B- First

Year's Budget". Nu-Place Realty rendered the "Certification as to the Adequacy of the First Year's Budget" and the "Certification as to the Adequacy of Common Charges Payable by the Commercial Unit Owners", which may be found in Part II of the Plan. There have been no prior felony convictions of Nu-Place Realty, or any principals of Nu-Place Realty, and no prior convictions, injunctions and judgments against Nu-Place Realty, or any principals of Nu-Place Realty that may be material to this Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

Attorneys for Sponsor

Sponsor has retained the law firm of Pryor Cashman LLP, having an office at 7 Times Square, New York, New York 10036, to represent it in connection with this Plan. Pryor Cashman LLP prepared this Plan, the Declaration, the By-Laws, the form of Agreement, the Residential Unit Deed and Power of Attorney, and has also rendered an opinion with respect to compliance with Section 339-i of the Real Property Law. Ronald B. Kremnitzer, Esq., a partner of Pryor Cashman LLP, had principal responsibility for the preparation of this Plan. Pryor Cashman LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Residential Unit Closings.

Several partners at Pryor Cashman LLP (none of whom has any financial interest in the Sponsor or any of its members), counsel to the Sponsor, have been designated as signatories on the segregated special escrow account at Citibank wherein monies received under this Plan will be deposited.

Sponsor's Engineer

The engineering firm of Jean Lin, PE, Lngineering Consulting, 205 West 95th Street, Suite 5A, New York, New York 10025, has examined the physical condition of the Building and has rendered its reports thereof as set forth in Part II of this Plan. All statements and representations made in this Plan with respect to the "Description of Property" have been made in reliance upon the Engineer and its authority as an expert. The Engineer has no financial interest in the Property, Sponsor, the Selling Agent, the Managing Agent or any other parties interested in this transaction, except for its fee for services rendered. Sponsor's Engineer is an engineer licensed by the State of New York and an accomplished project manager and engineer with almost 20 years of experience, including but not limited to, design and filing of sidewalk and vault repair (133 Second Avenue, New York); structural stability assessment (5512 Fourth Avenue, Brooklyn); design and filing of exterior restoration (565 West 169th Street, New York); design and filing of a new laundry room (135 East 74th Street, New York); structural design to install new windows (255 West 90th Street, New York); structural design for new restaurant renovation (320 St. Nicholas Avenue, New York); assessment of building issues, including structural, waterproofing, mechanical and acoustic (76 Engert Avenue, Brooklyn); and design and filing of new ADA stairs and ramp (668 Riverside Drive, New York). The aforelisted addresses are only examples of an address where the type of work was done by Sponsor's Engineer.

Sponsor's Section 339-i Expert

Keller Williams NYC, having an address at 575 Fifth Avenue, 14th FL, New York, New York 10017, provided the opinion regarding Sponsor's compliance with Section 339-i of the Real Property Law.

SPONSOR'S PROFIT

Sponsor acquired the Property on January 24, 2017. Sponsor estimates its profit from the sale of the Units to be approximately \$14,833,970.00 based on the following assumptions:

Total sale proceeds (to Non-Tenant Purchasers)	\$55,242,600.00	
Apartment renovation		\$3,750,000.00
Reserve fund		\$1,410,620.00
Selling costs		\$5,524,260.00
Purchase price including closing costs		\$29,723,750.00
Total costs	\$40,408,630.00	
Net Profit	\$14,833,970.00	

The above assumes that all of the Residential Units will be sold at the price listed in Schedule A to Non-Tenant Purchasers.

REPORTS TO RESIDENTIAL UNIT OWNERS

It is the obligation of the Board to give Residential Unit Owners annually:

- (1) a financial statement of the Condominium prepared by a certified public accountant within 4 months after the end of each fiscal year, which statement shall be certified while the Sponsor is in control of the Board;
- (2) prior written notice of not less than 10 days, nor more than 40 days, of the Annual Residential Unit Owner's meeting; and
- (3) a copy of the proposed annual budget of the Condominium delivered to Residential Unit Owners at least 10 days prior to the adoption thereof.

DOCUMENTS ON FILE

In accordance with Section 352-e(a) of the GBL, copies of this Plan and Parts A, B, C and D of the Exhibits delivered to the Department of Law containing all exhibits or documents referred to herein shall be available for inspection (without charge) and for copying (at a reasonable charge) by prospective purchasers and by any person who shall have purchased a Residential Unit offered under this Plan, at the office of Sponsor or the Selling Agent during business weekday hours and shall remain available for such inspection and copying for a period of 6 years from the First Closing. In addition, a set of the Floor Plans showing the layout, locations and approximate dimensions within reasonable tolerances of each Residential Unit and its Residential 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 Residential Unit, will be filed with the City Register's Office when the Declaration is recorded, and an additional set will be furnished to the Board.

The Declaration and the By-Laws will be recorded in the City Register's Office. All deeds conveying, and all mortgages covering, individual Residential Units will also be recorded in such Office.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that this Plan contains a fair summary of the material provisions of the documents referred to in this Plan, including those documents contained in Part II of this Plan. Exact copies are contained in Part II of this Plan of the Declaration, By-Laws, form of Agreement, form of Residential Unit Deed, form of Power of Attorney and other documents and Purchasers are urged to read the documents set forth in Part II of this Plan in their entirety. Statements made in Part I of this Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to this Plan, any rider or separate agreement changing or adding provisions to such document.

Under applicable Federal and local Law, leaded paint can no longer be used in the construction of the Building. Local Law 1 of 2004 ("Local Law 1") requires that landlords must inspect every apartment occupied by a child under the age of 6 for conditions that may cause lead exposure, and if found, correct them. Landlords must verify whether a child under the age of 6 resides in an apartment and if so, conduct an inspection at least annually, and more often if necessary, for lead paint hazards. The landlord is required to investigate the circumstances if any tenant does not respond to the inquiry as to the presence of children. Landlords must look for peeling paint, evidence of friction or chipping, and underlying conditions that may cause paint to peel, and promptly correct any hazard. The landlord has a duty under the law to inspect the apartment as well as all common areas for the presence of lead-based paint hazards, and to remove or cover all lead paint on friction surfaces and to replace window slides and panes on friction surfaces containing lead paint. Landlords must provide written notice to the tenant of the landlord's obligation to inspect for and repair lead-paint hazards and the tenant's obligation to provide access to their apartment. The obligations under Local Law 1 of 2004 apply to a Residential Unit owner who purchases an occupied unit, as well as to a Residential Unit which was vacant but becomes occupied by a tenant subsequent to its purchase. Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint, whether Local Law 1 will be further modified and enacted or whether the City or State of New York will adopt other laws dealing with lead-based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 1 and any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Residential Unit Owner and actions a Unit Owner may be required to take thereunder. Residential Unit Owners shall be deemed "owners" of their respective Residential Units with the obligation to comply with the requirements of all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Residential Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

No party other than the respective Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of this Plan.

Sponsor reserves the right, from time to time prior to the First Closing, upon amendment to this Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under this Plan. However, Sponsor

may not unilaterally cancel an Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained in such Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. If there is a material amendment to this Plan as to which rescission is required by the Department of Law, Purchasers will have a right of rescission which may only be exercised within 15 days from the date of presentation of said amendment. Escrow Agent shall promptly return any Deposit to Purchasers who timely rescind, except that Escrow Agent shall pay over to Sponsor the Deposit of any Purchaser who is in default under the Agreement beyond any applicable grace period.

In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Residential Units offered under this Plan or in the leasing of any such Residential Units because of such person's sex, race, creed, color, national origin, marital status, age, disability or any other ground proscribed by Law.

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 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. This Plan may not be changed or modified orally.

To the best of Sponsor's knowledge, neither the Property nor the Building have been the subject of any prior public offerings.

Prior to the submission of the Plan to the Department of Law, no contracts or agreements, written or oral, have been entered into for the sale or transfer of any Residential Units offered in this Plan and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Residential Units.

In the event the projected annual common charges increase by more than 25% prior to the Closing Date, Sponsor agrees to offer all Purchasers the right to rescind their Agreements if they notify Sponsor (in writing, within 15 days after the presentation of the amendment to this Plan disclosing the revised budget) and to be refunded the full deposit within 30 days after notification to Sponsor.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the reports prepared by the engineering firm of Jean Lin, PE, Lngineering Consulting, has examined the physical condition of the Building and has rendered its reports thereof as set forth the "Description of Property Report" (the "Engineer's Report") contained in Part II of this Plan and represents that, to the best of its knowledge, the Description of Property accurately discloses the present Building condition. The firm preparing the Description of Property has no financial interest in the Property, Sponsor, the Condominium, any affiliates thereof or any other party interested in this transaction, except for its fee for services rendered. Sponsor knows of no facts or information inconsistent with the report that follows.

Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Building except as hereinafter set forth in the Description of Property and the violations search annexed to the Engineer's Report. The Building received Certificate of Occupancy No. 148279 in 1962. A copy of the Certificate of Occupancy for the Building is contained in Part II of this Plan in the Description of Property in Appendix 1. The Certificate of Occupancy has not been revoked by DOB.

The Residential Units are being sold "as is" in the condition in which they exist at the time a Purchaser signs an Agreement, subject to ordinary wear and tear. Notwithstanding the foregoing, Sponsor reserves the right to undertake substantial construction work in Common Elements, Residential Common Elements, Commercial Units and vacant Residential Units in the Building, including the installation of new electric wiring, sheetrock, kitchens and baths. A Purchaser may request and Sponsor may agree, in Sponsor's discretion, that a vacant Residential Unit be delivered at Closing in its "as is" condition. Construction workers and related personnel may be at the Building from time to time performing various tasks relating to such construction, which will occur between the hours of 7:00 A.M. and 6:00 P.M Monday through Friday. Access to the Building will be provided to the construction workers by the Superintendent. Debris from the construction will be removed in most instances through the elevators and outside doors on the Sub-Cellar and/or Lobby/Cellar Level and hauled away. The foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Sponsor will use reasonable commercial efforts to minimize any dust and/or debris from affecting surrounding Residential Units. Various systems, including but not limited to water supply and heating, may need to be shut down temporarily. Said work may be undertaken any time that Sponsor has Unsold Units. When Sponsor is doing substantial construction work to the Building, Sponsor will amend the Plan accordingly and perform such work in accordance with a Tenant Protection Plan filed with DOB.

Except as described in the Engineer's Report, Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building. However, the Building was built in approximately 1959 and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. In particular, certain portions of the plumbing date from the initial construction of the Building. While some repair and replacement of the plumbing lines and fixtures have been performed by Sponsor and others, there is no guarantee that the plumbing does not leak. Purchasers should be aware that replacement of certain of the old pipes in the Building could cause pipes and fixtures that have not been repaired or replaced to burst.

As set forth in the Engineer's Report, certain conditions exist at the Property that may need repair and remediation. Sponsor may engage one or more contractors to perform the following qualifying work for a possible credit against the Reserve Fund (at the following approximate costs):

- a. Sidewalk Pavement: repair the cracked and spalled sidewalk pavement on Byrd Street

(estimated cost is approximately \$10,000);

- b. Fencing: remove tenant installed fencing and repair the roofing at all penetrations (estimated cost is approximately \$5,000);
- c. FISP Report: correct SWARMP condition cited in FISP Cycle 7 report and file Cycle 8 report (estimated cost is approximately \$15,000);
- d. Parapet Walls: repair cracks on main roof parapet walls (estimated cost is approximately \$45,000);
- e. Bulkhead Interior Wall: repair the deteriorated bulkhead interior wall (estimated cost is approximately \$1,000);
- f. Courtyard Paving: replace the deteriorated concrete paving in the upper level of the courtyard (estimated cost is approximately \$10,000);
- g. Hot and Cold Piping: insulate the exposed hot and cold water piping in the cellar (estimated cost is approximately \$5,000);
- h. Backflow Preventer: provide backflow preventer for the existing sprinkler service (estimated cost is approximately \$25,000);
- i. Replace All Windows: the manufacturer will provide a 10 year warranty after the replacement is completed (estimated cost is approximately \$250,000). For warranty details see Appendix 10 of the Description of Property contained in Part II of this Plan;
- j. Repaint Roof Covering: repaint roof covering with aluminum coating paint (estimated cost is approximately \$15,000);
- k. Repair Cracks on Exterior Brick Walls: repair the cracks on exterior brick walls where steel fire escape brackets are connected into the brick (estimated cost is approximately \$10,000);
- l. Repaint Steel Fire Escapes: paint (estimated cost is approximately \$15,000);
- m. Convert Existing Oil Burner: to work in combination with gas-oil conversion (estimated cost is approximately \$55,000).

Sponsor currently intends to perform the work listed in items a, b, c, e, f, h, i, j, k, l and m above and take credit for such work against the Reserve Fund, if warranted. Residential Unit Owners will be responsible for the cost of work not done by Sponsor (i.e., items d and g). Sponsor is entitled to take a credit against the Reserve Fund for the actual cost of certain capital replacements commenced in the Building after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. In accordance with the Reserve Fund Law, Sponsor's aggregate credit may not exceed the lesser of the actual cost of the capital replacements or 1% of the Total Price.

The New York City Façade Inspection Safety Program ("FISP") formerly known as Local Law 11 of 1998, requires property owners of buildings greater than 6 stories to have the facades of their buildings

periodically inspected and perform remedial work as determined by the licensed engineer performing the required inspections. Sponsor makes no representations regarding future expenditures which may be required to comply with FISP or the costs of the inspections therefore.

In accordance with the provisions of 13 NYCRR 23.7(cc) (the “Asbestos Regulations”), a copy of the most recent Asbestos Report, as prepared by Singer Environmental Group, Ltd. for the Property, is set forth in Part II of this Plan. Sponsor requested Singer Environmental Group Ltd. to perform such tests as are necessary to determine whether asbestos containing material (“ACM”) is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM on the Building (the “Asbestos Report”) which indicates that in the Lobby/Cellar Level there may be ACM in the piping above the drop ceiling which may contain ACM, which is enclosed in its current state and poses no health hazard; it is suspected that the hallways on floors 2 through 6 may contain ACM non friable 9”x9” floor tile in good condition.

The Building received Certificate of Occupancy No. 148279 in 1962. 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 set forth in Part II of this Plan. Purchasers for investment are advised that there are certain occupancy and turnover requirements contained in Local Law 1. Purchasers of a Residential Unit 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 following DOB permits are currently open: A1# 421206395 (filed by prior owner of the Building) to amend the Certificate of Occupancy from multiple dwelling plus 2 doctor’s offices on Sub-Cellar Level to retail stores on Sub-Cellar Level; and A2 # 421931707 - renovation plans for Residential Units 2J, 3D, 5D, 6I, 6L.

Residential Units SA and LA were restored to legal condition, as illegal partition wall was removed. No DOB violations exist with respect to Residential Units SA and LA and Sponsor has no knowledge of any other violating conditions remaining in said Units. If Residential Units which become vacant have DOB violations, Sponsor will either amend this Plan to disclose such violations, remove such violations prior to offering such Residential Units for sale or disclose such violations in the applicable Agreement with a Non-Tenant Purchaser.

Except as otherwise expressly provided in this Plan, Sponsor’s obligation to make repairs in any Residential Unit shall cease upon the closing of title to such Residential Unit. Sponsor will, however, Maintain and operate the Building until the First Closing in substantially the same manner and condition as on the Filing Date of this Plan (subject to ordinary wear and tear), except to the extent that Sponsor is precluded from so doing by Acts of God, fire or other casualty, storm, strikes, lockouts, labor difficulties, 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 for any of the reasons set forth in the preceding sentence, other than fire or other casualty, Sponsor is prevented from so Maintaining the Building and the Common Elements (or causing the same to be Maintained), Sponsor shall make or cause to be made, within a reasonable period of time after such act ceases to exist, any repairs subsequent to the First Closing that it was obligated and agreed to make prior to the First Closing.

Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Based upon the age of the Building, it is possible that there is lead-based paint or lead-based paint hazards in the Building, however,

except as may be set forth in the Engineer's Report, Sponsor is not aware of, and has no records or materials pertaining to, any lead-based paint or lead-based paint hazards in the Building that need to be remedied. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of this Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. In accordance with the terms of the rider annexed to the Agreement, Purchasers have the right to inspect their Residential Units for the presence of lead-based paint. Please refer to the Agreement set forth in Part II of this Plan for further details.

PART II

**THE INFINITY 8 ON CHERRY CONDOMINIUM
136-04 CHERRY AVENUE
FLUSHING, NEW YORK 11355**

EXHIBIT 1

PURCHASE AGREEMENT

**PURCHASE AGREEMENT
THE SUMMIT AT INFINITY 8 CONDOMINIUM
136-04 CHERRY AVENUE
FLUSHING, NEW YORK 11355**

Residential Unit: _____ Interest in Common Elements: _____

Sponsor: Cherry Associates LLC, One Penn Plaza, Suite 4000, New York, New York 10119
Telephone: 212-564-2111

Attorney for Sponsor and Escrow Agent: Pryor Cashman LLP / Attn: Ronald B. Kremnitzer, Esq. and
Barry C. Landsman, Esq., 7 Times Square, New York, NY 10036-6569 Telephone: 212-421-0254

Purchaser(s): _____ and _____

Social Security Number(s): _____ and _____

Purchaser(s) Address: _____

Attorney for Purchaser: _____

Firm: _____

Address: _____

Telephone: _____ Fax: _____

Email: _____

Selling Agent: Keller Williams NYC, 1155 Avenue Of The Americas, 6th Fl, New York, New York /
212-838-3700

Co-Broker: _____

TENANT – PURCHASER: Yes (☐) No (☐)

PURCHASE PRICE: \$ _____

DOWN PAYMENT: \$ _____

BALANCE DUE AT CLOSING: \$ _____

PURCHASER INITIALS: _____

RESIDENTIAL UNIT NUMBER

OF
PURCHASE AGREEMENT
THE INFINITY 8 ON CHERRY CONDOMINIUM
136-04 CHERRY AVENUE
FLUSHING, NEW YORK 11355

(to be executed in quintuplicate)

This agreement (this "Agreement"), is made as of the date on the signature page of this Agreement, between Cherry Associates LLC, a New York limited liability company, having an office c/o Pinnacle Managing Co., LLC, One Penn Plaza, Suite 4000, New York, New York 10119 ("Sponsor"), and _____ and _____ having an address at _____ (collectively, "Purchaser").

W I T N E S S E T H:

1. THE PLAN. Purchaser acknowledges having received and read the Offering Plan for The Infinity 8 on Cherry Condominium and all amendments thereto, if any, filed with the Department of Law of the State of New York (collectively, the "Plan") at least three (3) business days prior to Purchaser's signing this Agreement, unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. If Purchaser is not a Tenant Purchaser, Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Plan and all filed amendments prior to Purchaser's signing this Agreement, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Deposit (as hereinafter defined) to rescind this Agreement and have the Deposit refunded promptly by either personally delivering a written notice of rescission to Sponsor or the Selling Agent within the seven (7) day period or mailing the notice of rescission to Sponsor or the Selling Agent and having the mailing postmarked within the seven (7) day period. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding.

2. DEFINITIONS. Capitalized terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

3. THE RESIDENTIAL UNIT. Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Residential Unit (the "Residential Unit") designated as Residential Unit _____ in the Declaration, together with the percentage undivided interest in the Common Elements of the Condominium appurtenant thereto.

4. PURCHASE PRICE.

4.1 The purchase price for the Residential Unit (the "Purchase Price") is \$_____.

The Purchase Price is payable as follows:

(a) \$1,000.00 (for a Tenant-Purchaser) or \$_____, which is 10% of the Purchase Price (for all others) (the “Deposit”), due upon Purchaser’s signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged.

(b) \$_____, constituting the balance of the Purchase Price (the “Balance”), by good certified check of Purchaser or unendorsed official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association. Checks for the Deposit shall be made payable to “Pryor Cashman LLP, Escrow Agent.” Checks for the Balance shall be made payable to the direct order of “132-40 Sanford LLC” or such other party as Sponsor may designate upon not less than two (2) days’ prior notice. If any check is returned for insufficient funds or any other reason, Sponsor, at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Deposit, as liquidated damages, or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 14 hereof.

5. CLOSING OF TITLE.

5.1 The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on notice served not less than thirty (30) days prior to the scheduled date for closing. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor’s attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser. In the event of such adjournment, a closing may be rescheduled by Sponsor upon written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing. In the event this Agreement is executed after the First Closing, the closing of title shall occur thirty (30) days after the date this Agreement is executed.

5.2 The closing of title shall occur only after or concurrently with compliance with the prerequisites as set forth under “Terms of Sale” in Part I of the Plan.

5.3 The term “Closing Date” or “closing of title” or words of similar import whenever used herein shall mean the date designated by Sponsor on which the deed to the Residential Unit is delivered to Purchaser, or any adjourned date fixed by Sponsor pursuant to subsection 5.1 hereof.

6. DELIVERY OF THE DEED AND POWER OF ATTORNEY.

6.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor’s acts conveying title to the Residential Unit to Purchaser. The deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes and, if applicable, the New York State Additional Tax pursuant to Article 31 of the Tax Law (commonly referred to as the “Mansion Tax”), and Sponsor and Purchaser shall duly execute New York State and New York City Real Property Transfer Tax returns and any other forms then required by Law, all of which shall be prepared by Sponsor.

6.2 At the closing of title and simultaneously with the delivery of the deed conveying the Residential Unit to Purchaser, Purchaser shall execute and acknowledge the Power of Attorney to the Board and Sponsor substantially in the form set forth as Exhibit E to the Declaration in Part II of the Plan.

6.3 The deed and Power of Attorney to the Board and Sponsor shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the deed shall be returned to Purchaser and the Power of Attorney shall be sent to the Managing Agent.

6.4 Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the relevant section of the Internal Revenue Code and each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRC §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

7. FEE TITLE. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Residential Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any other title encumbrance shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) Commonwealth Land Title Insurance Company, having an office at 2 Grand Central Tower, 140 East 45th Street, 22nd Floor, New York, New York 10017, Tel: 212-949-0100, Fax: 212-983-8430 (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance will not be collected out of the Residential Unit if it is a lien, or will not be enforced against the Residential Unit if it is not a lien.

8. CLOSING ADJUSTMENTS AND REAL ESTATE TAXES.

8.1 Subject to Paragraph 14.3 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Residential Unit:

- (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;
- (b) Common Charges for the month in which title closes; and
- (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Residential Unit.

8.2 If closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Residential Unit has not been separately assessed as of the Closing Date, the adjustments and collection of taxes under subsection 8.1(a) hereof and future tax payments shall be as described in the Section of the Plan entitled "Closing Costs and Adjustments."

8.3 Sponsor and Purchaser hereby agree that, if Sponsor or Purchaser obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on the Residential Unit, Purchaser

and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Residential Unit. The provisions of this subsection shall survive the closing of title.

8.4 The “Customs in Respect of Title Closings” recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

8.5 Any errors or omissions in computing apportionments at the Closing shall be corrected and payment made to the proper party promptly after discovery. The provisions of this subsection shall survive the Closing.

9. CLOSING COSTS. In addition to those costs and adjustments described in Article 8 herein, Purchaser shall be required to pay the other closing costs which are Purchaser’s responsibility as more particularly described in Part I of the Plan entitled “Closing Costs and Adjustments.”

10. ESCROW AND ESCROW PROVISIONS .

10.1 Any Deposit received from Purchaser will be held in accordance with the provisions of this Article 10 and the Subsection entitled “Escrow and Trust Fund Requirements” under the Section entitled “Procedure to Purchase” set forth in Part I of the Plan. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. Sponsor is required by Law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser’s Deposit, if any. Purchaser will be taxed accordingly on any such interest.

10.2 The law firm of Pryor Cashman LLP, with an address at 7 Times Square, New York, New York 10036-6569, telephone number (212) 421-4100, shall serve as escrow agent (“Escrow Agent”) for Sponsor and Purchaser. The individuals set forth in the “Procedure to Purchase” Section of the Plan have been designated by Escrow Agent to serve as signatories, none of whom has any interest in Sponsor. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent or any principal thereof, or have any beneficial interest in any of the foregoing.

10.3 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 release of the Deposit from escrow.

10.4 Escrow Agent has established a master escrow account at Citibank, N.A., located at 666 Fifth Avenue, 5th Floor, New York, New York 10103, in the State of New York (the “Bank”), a bank authorized to do business in the State of New York. The escrow account is entitled Pryor Cashman LLP, Attorney Trust Account (the “Master Escrow Account”). All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in the form set forth in Part II of this Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and this Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8BEN, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8BEN, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow

savings account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Bank is covered by federal bank deposit insurance to a maximum of \$250,000.00 and while a Deposit is in the checking portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed \$250,000.00. No representation or guaranty is made by Sponsor that the Federal Deposit Insurance Corporation will insure any depositor's funds, if and when called upon to do so.

10.5 The interest rate for all deposits made into a sub-escrow savings account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into its designated sub-escrow savings account. All interest earned thereon shall be paid to or credited to Purchaser at Closing. No fees of any kind may be deducted from the Master Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Master Escrow Account. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

10.6 Sponsor agrees that Sponsor and its agents, including Selling Agent, shall deliver the Deposit received by them prior to Closing of the Residential Unit or a designated attorney who is a member of or employed by Escrow Agent, within 2 business days of tender of the Deposit by Purchaser. Within 5 business days after this Agreement has been tendered to Escrow Agent along with the Deposit, Escrow Agent shall sign this Agreement and place the Deposit into the Master Escrow Account. Within 10 business days of the placing the deposit in the Master Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. If Purchaser does not receive notice of such deposit within 15 business days after tender of the Deposit, he or she may cancel this Agreement within 90 days after tender of this 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, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Master Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to Purchaser.

10.7 All deposits, including the Deposit, but specifically excluding any deposits made in connection with advances made for upgrades, extras or custom work received in connection with this Agreement, are and shall continue to be Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h. Any deposits made for upgrades, extras or custom work shall be initially deposited into the Master Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

10.8 Escrow Agent shall release the Deposit if so directed: (a) pursuant to the terms and conditions set forth in this Article 10 upon the closing of title to the Residential Unit ; (b) in a subsequent writing signed by both Sponsor and Purchaser or (c) by a final, non-appealable order or judgment of a court. Additionally, Sponsor shall not object to the release of the Deposit to: (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan or (ii) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

10.9 If Escrow Agent is not directed to release the Deposit pursuant to Section 10.8 paragraphs (a) through (c) above, and Escrow Agent receives a request by either party to release the Deposit, then Escrow Agent must give both Purchaser and Sponsor prior written notice of not fewer than 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 parties informing them of said release. If Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to Section 10.8 (a) through (c) above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Master Escrow Account with the clerk of the county where the Residential Unit is located and shall give written notice to both parties of such deposit. Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing Amendment by the New York State Department of Law. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

10.10 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). 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.

10.11 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.

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

10.13 Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this 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 the obligations set forth in 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.

10.14 Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless the same is in writing and signed by all parties hereto. In no event, however, shall any modification of this Agreement that shall affect the rights or duties of Escrow Agent be binding on Escrow Agent unless Escrow Agent shall have given its prior written consent.

10.15 Seller and Purchaser agree that Escrow Agent shall not be restricted in any manner whatsoever from acting as attorney for Seller with respect to any matter and consent to Escrow Agent so acting as attorney for Seller with respect to any matter, including, but not limited to, any litigation or matter related to this Agreement, the Deposit or the transaction contemplated by this Agreement, and whether or not there is a controversy between Seller and Purchaser with respect thereto.

11. BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

12. AGREEMENT SUBJECT TO BUILDING MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Residential Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property or portions thereof, other than the Residential Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. RENT SECURITY DEPOSIT. If Purchaser is or hereafter becomes a tenant of the Residential Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within forty-five (45) days following the Closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Residential Unit is occupied by anyone other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at the Closing to Purchaser, who will upon receipt, sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest-bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

14. DEFAULT BY PURCHASER.

14.1 The following shall constitute an "Event of Default" hereunder:

- (i) If Purchaser fails to pay the Balance on the Closing Date designated by Sponsor; or
- (ii) If Purchaser fails to duly complete and sign before a notary public and deliver at the Closing the Power of Attorney and/or the New York State and City transfer tax returns; or
- (iii) If Purchaser is or becomes the tenant of record of the Residential Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(iv) If Purchaser is or becomes the tenant of record of the Residential Unit and Purchaser vacates or abandons the Residential Unit ; or

(v) If Purchaser assigns any of Purchaser's property for the benefit of creditors, or Purchaser files a voluntary petition in bankruptcy; or

(vi) If a bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or

(viii) If Purchaser fails to pay any closing costs set forth in this Agreement or the Plan on the Closing Date designated by Sponsor; or

(ix) If Purchaser fails to pay, perform or observe any of Purchaser's other obligations hereunder.

14.2 TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the Balance and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided, or fails to perform any of Purchaser's other obligations hereunder, Sponsor may give notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser hereunder (including any amounts paid by Purchaser for additional work in the Residential Unit) as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan, and (b) Sponsor may sell the Residential Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

14.3 If Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date, (a) the closing apportionments described in Section 8.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Residential Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.04% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Residential Unit on the rescheduled Closing Date.

15. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE.

15.1 The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan (see the Section of the Plan

entitled "Effective Date" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

15.2 If the Plan is abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan is not consummated for any reason, this Agreement will be deemed canceled and the Deposit paid by Purchaser hereunder will be disbursed to Purchaser, subject to Sponsor's rights to retain certain funds deposited by Purchaser for any special work in the Residential Unit, as more particularly described in the Section of the Plan entitled "Effective Date." After the monies are so disbursed, Purchaser and Sponsor will have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and the parties hereto will be released and discharged from all liabilities and obligations hereunder and under the Plan.

16. SPONSOR'S INABILITY TO CONVEY THE RESIDENTIAL UNIT. If Sponsor is unable to deliver title to the Residential Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy will be to either (a) take title to the Residential Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor will, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser the Deposit paid by Purchaser hereunder, subject to Sponsor's rights to retain certain funds deposited by Purchaser for any special work in the Residential Unit, as more particularly described in the Section of the Plan entitled "Terms of Sale," and, upon making such payment, this Agreement will be terminated and neither party hereto will have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it will be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

17. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. At closing, the Residential Unit will contain only those appliances, countertop, cabinets, sinks, air conditioning units (if any), hardware and other fixtures, equipment and appliances currently installed therein that are owned by Sponsor. The Residential Unit is being sold unfurnished. Any appliances, air conditioning units, furnishings, equipment, fixtures and other personal property owned by any tenant of the Residential Unit are not included in this sale. However, if the Residential Unit is presently occupied by other than Purchaser and the existing tenant removes a stove, dishwasher and/or refrigerator belonging to him, then Sponsor agrees to supply a replacement, which may not be new, but will be in working order and similar in size and quality to the stoves, dishwashers and refrigerators owned by Sponsor that are contained in comparable Residential Unit s in the Building on the Filing Date of the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model unit are for display purposes only and are not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are only approximations of the Residential Unit's dimensions and arrangement, and Purchaser should not rely thereon.

18. ACCEPTANCE OF CONDITION OF PROPERTY. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including the Building, the Common Elements, the Residential Unit and all fixtures, machinery, equipment, furnishings, installations and other personal property contained therein (collectively,

“Installations”), in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Description of Property, which sets forth a description of the physical condition of the Building, set forth in Part II of the Plan. Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Residential Unit or the Installations, except as may otherwise be expressly set forth in the Plan. Sponsor has agreed in the Plan to Maintain the Building and the Common Elements in substantially the same condition they were in on the Filing Date, until the First Closing (subject to ordinary wear and tear between the Filing Date and the First Closing), unless prevented from so doing by reason of acts or events beyond Sponsor’s control, as more particularly set forth in the Plan. To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character are specifically disclaimed. Unless caused by a violation of the Sound Transmission Code or other applicable code, there is no warranty as to sound transmission. Unless caused by a violation of an applicable code with regard to the ventilation system or other applicable code, there is no warranty as to odors. Unless caused by a code violation, there is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. Sponsor has not given and Purchaser has not relied on or bargained for any of the foregoing warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise). Purchaser shall be given a reasonable opportunity to examine the Residential Unit prior to closing and it is recommended that Purchaser make a careful examination at such time. If Purchaser fails to examine the Residential Unit as aforesaid, Purchaser shall be deemed to have accepted the Residential Unit in good condition and in accordance with the terms of the Plan or Sponsor reserves the right to postpone the scheduled Closing, in its sole discretion. If Purchaser is not the existing tenant or occupant of the Residential Unit, Purchaser acknowledges that Purchaser must make arrangements to move into the Residential Unit following the Closing and Purchaser agrees to follow the move-in procedures established by Sponsor or the Condominium Board. The provisions of this paragraph shall survive Closing.

19. DAMAGE TO THE RESIDENTIAL UNIT.. If the Residential Unit is damaged by fire or other casualty between the date of this Agreement and the closing of title, the following shall apply:

19.1 If Purchaser is the existing tenant or occupant of the Residential Unit, or if Purchaser is given possession of the Residential Unit prior to closing under an Interim Lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Residential Unit resulting from Purchaser’s use or occupancy, and Sponsor shall not be obligated to make any repairs to the Residential Unit or its Installations. However, until closing, Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Interim Lease and, after closing, the Board will be responsible to make those repairs required of it under the Condominium Declaration and By-Laws.

19.2 If during Purchaser’s occupancy the Residential Unit is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Residential Unit and did not result from the acts of Purchaser or other occupants of the Residential Unit or Purchaser’s guests, invitees or workmen. If Purchaser is obligated to repair the damage then Purchaser’s failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

19.3 Except as provided in the preceding paragraph, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the

damage or restore the Residential Unit. If Sponsor elects to repair or replace the loss or damage, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Residential Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete, or to permit the Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until: (i) the Residential Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Board or other Residential Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

19.4 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Residential Unit or if the Board does not do so and Purchaser declines to accept the Residential Unit without such repairs, this Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall be entitled to retain the Deposit in accordance with the terms of this Agreement.

20. NO REPRESENTATIONS. All prior understandings and agreements are hereby superseded and merged into this Agreement, which contains the final and entire understanding and agreement between Purchaser and Sponsor. Neither Purchaser nor Sponsor shall be bound by any terms, conditions, statements or representations, oral or written, not set forth in this Agreement or in the Plan. This Agreement may only be changed by a written document signed by both Purchaser and Sponsor. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Residential Unit, the Common Elements or any other part of the Property, other than as expressly set forth herein or in the Plan.

21. PROHIBITION AGAINST ADVERTISING. Prior to the closing of title, Purchaser (except if a Tenant Purchaser) agrees not to list the Residential Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Residential Unit for sale or lease, without Sponsor's prior written consent.

22. BROKER. Purchaser represents to Sponsor that Selling Agent and [] is [are] the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by said broker(s) pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned broker(s), on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article 22 shall survive the closing of title.

23. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of this Agreement

and shall be subject to the provisions, prohibitions and terms of this paragraph concerning assignment of this Agreement. [For purposes of this Agreement, it is the intent of the parties that the individuals controlling Purchaser shall be deemed to be _____.] Any purported assignment by Purchaser in violation of this Agreement will constitute a default hereunder and will be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser will be required to pay Sponsor's attorneys a fee of \$750, in advance, for the preparation of an assignment agreement.

Notwithstanding the foregoing paragraph, if Purchaser is a Tenant Purchaser, Purchaser shall have the right to assign his or her executed Agreement one time to any individual, provided that:

- (1) Quintuplicate copies of this Agreement are executed by the Tenant Purchaser and the Deposit is paid by the Tenant Purchaser to Sponsor;
- (2) The Tenant Purchaser shall not be in default under his or her Agreement;
- (3) Quintuplicate copies of the Assignment and Assumption Agreement, in the form annexed hereto and made a part hereof as Exhibit A, are executed by the Tenant Purchaser and the assignee and are delivered to the Selling Agent no later than thirty (30) days prior to the Closing Date;
- (4) Quintuplicate copies of the Affidavit, in the form annexed hereto as Exhibit B, are executed by the assignee and are delivered to the Selling Agent no later than thirty (30) days prior to the Closing Date;
- (5) The Tenant Purchaser's existing lease is in good standing and not in default;
- (6) The assignor pays \$750 to Pryor Cashman LLP, counsel to the Sponsor, for legal services rendered in connection with the assignment; and
- (7) If an assignment of this Agreement is made prior to the time the Plan is declared effective, such assignment will only become effective after the Plan is declared effective.

24. SALE SUBJECT TO EXISTING TENANCY.

Unit: 24.1 Complete the following only if Purchaser is not the tenant of the Residential

Residential Unit is Vacant: Yes () No ()

If Residential Unit is Occupied: Monthly Rent: \$ _____

Current Lease Term Expires: _____
or month-to-month ()

Rent Security \$ _____

Residential Unit is Occupied by a Non-Purchasing Tenant: Yes () No ()

24.2 Purchaser understands and agrees that (i) the Residential Unit being sold hereunder is subject to the lease or tenancy of the present tenant and the rights afforded under Section 352-eeee of the New York State General Business Law (the “GBL”), as explained more fully in the Plan under the Section entitled “Rights of Existing Tenants” and (ii) Purchaser and Purchaser’s successors and assigns shall continue to be bound by such Law and regulations so long as such occupancy continues.

24.3 Purchaser further understands, as explained in the Plan, that if a Non-Purchasing Tenant is in possession of the Residential Unit on the Closing Date hereunder, Purchaser must notify the Non-Purchasing Tenant of the change in ownership of the Residential Unit promptly after the Closing Date and Purchaser will assume the rights and obligations of Sponsor as the landlord of such tenant, including the right to collect rent (whether the same be greater or less than the Common Charges established from time to time by the Board) and the obligation to Maintain the Residential Unit (including its equipment and appliances) for the benefit of the existing tenant. From and after delivery of the deed, Purchaser alone will bear the entire costs and expenses of owning the Residential Unit (including, but not limited to, any legal fees and litigation expenses for enforcing the lease and obtaining possession of the Residential Unit).

24.4 Purchaser understands that if the tenant of the Residential Unit exercises any right granted under the Plan (or any amendment thereto) or under the Rent Laws or the GBL or other applicable Law, which may or may not exist as of the date of this Agreement, or any administrative or judicial interpretation thereof, to purchase the Residential Unit, then upon the closing of such purchase, this Agreement shall be deemed canceled and within thirty (30) days after the occurrence of such event all monies paid by Purchaser hereunder shall be refunded. Upon such repayment, Purchaser, Sponsor, the Selling Agent and any other party hereto shall be (and hereby are) released and discharged of all liability or obligations hereunder and under the Plan.

24.5 Purchaser hereby irrevocably appoints the then managing agent of the Building (which managing agent may be replaced from time to time by the Board) as his agent, coupled with an interest, to provide, for the account and at the expense of Purchaser, all services and facilities required by Law on a non-discriminatory basis to the Non-Purchasing Tenant who has the right to occupy the Residential Unit Purchaser is purchasing until such time as such right of occupancy terminates. Purchaser agrees to deposit with the managing agent at the closing hereunder a sum not less than an amount equal to the greater of (i) two (2) months’ Common Charges or (ii) two (2) months’ rent to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant’s lease and those required by the GBL. Purchaser agrees that upon written notice by the then managing agent that such deposit has been diminished, that Purchaser shall replenish such fund within thirty (30) days thereafter. Purchaser further understands that Sponsor will guarantee the obligation of the then managing agent to provide all such services and facilities until such time as Sponsor surrenders control of the Board and Purchaser will indemnify Sponsor for all costs expended by Sponsor on Purchaser’s behalf. The provisions of this paragraph shall survive the closing.

25. TENANT PURCHASER’S RIGHT TO BENEFIT FROM IMPROVED TERMS. If, prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of the Plan to be more favorable to Tenant Purchasers, then if Purchaser is a Tenant Purchaser who executed and submitted this Agreement and the Deposit before Sponsor amended the terms of the Plan, Purchaser shall benefit from the more favorable terms and conditions.

26. PURCHASER'S REPRESENTATIONS.

26.1 If Purchaser was a tenant in occupancy of the Residential Unit on the Filing Date, Purchaser hereby represents that this Agreement was executed and delivered by Purchaser pursuant to an offering made without a discriminatory repurchase agreement or other discriminatory inducement.

26.2 If the Residential Unit to which this Agreement relates is not occupied by Purchaser, Purchaser shall duly complete and sign before a notary public the Bona Fide Purchaser Statement of Purchase set forth as Schedule B hereto and deliver same to the Selling Agent together with this Agreement.

26.3 If Purchaser is not a Tenant Purchaser, Purchaser acknowledges and agrees that Sponsor may desire to obtain certain information about Purchaser's (or Purchaser's principals) character, general reputation, finances, personal characteristics and mode of living prior to counter-executing this Agreement and in order to permit Sponsor to comply with the requirements of the Fair Credit Reporting Act, Purchaser hereby authorizes Sponsor, if Sponsor elects in its sole discretion, to obtain such information and to retain a credit reporting agency to obtain such information.

27. BINDING EFFECT. If Purchaser was a Tenant Purchaser of the Residential Unit on the Filing Date, this Agreement shall be accepted by Sponsor, provided Purchaser signs and returns this Agreement, together with the Deposit, during the time within which Purchaser has the exclusive right to purchase the Residential Unit as set forth in the Plan. If Purchaser was a Tenant Purchaser of the Residential Unit on the Filing Date, and signs and returns this Agreement, together with the requisite Deposit, after the period during which Purchaser has the exclusive right to purchase the Residential Unit, or if Purchaser is not the tenant of record of the Residential Unit, this Agreement shall not be binding upon Sponsor until a duplicate hereof, executed by Sponsor or its duly authorized agent, is delivered to Purchaser or Purchaser's attorney. In any such case, unless this Agreement, executed as aforesaid, is delivered to Purchaser within thirty (30) days after same is received by Sponsor or the Selling Agent, it shall be deemed rejected and neither party shall have any further rights or obligations hereunder with respect to the other, except that Sponsor shall be obligated to refund all monies paid by Purchaser within fifteen (15) days after such cancellation. Sponsor shall have the right to reject this Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, race, creed, color, national origin, ancestry or other ground proscribed by Law.

28. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan (other than amendments to the Plan, which shall be served in accordance with the Plan or documents for which the method of notice and/or delivery is otherwise set forth in the Plan) shall be in writing and delivered by regular mail as well as hand-delivered or sent, postage prepaid, by registered or certified mail, or by Fedex or other reputable overnight courier, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Pryor Cashman LLP, 7 Times Square, New York, New York 10036-6569, Attn.: Ronald B. Kremnitzer, Esq. and Barry C. Landsman, Esq. in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery, mailing or delivery to an overnight courier 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. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself (including, without limitation, any notices of closing or default which Sponsor's counsel is hereby expressly designated and empowered to issue). A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in any way invalidate such communication. Notwithstanding anything to the contrary, notices regarding closing costs or ministerial matters, the rescheduling of

Closing Dates or the scheduling or rescheduling of inspections, may be made by facsimile to each party's attorney.

29. JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

30. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Residential Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 23 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and GBL §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

31. FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

32. AGREEMENT NOT CONTINGENT UPON FINANCING. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance Purchaser's purchase of the Residential Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination or such commitment, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement.

33. COSTS OF ENFORCING AND DEFENDING AGREEMENT. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement (where Sponsor is the prevailing party) or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

34. SEVERABILITY. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

35. STRICT COMPLIANCE. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

36. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

37. WAIVER OF JURY. EXCEPT AS PROHIBITED BY LAW, THE PARTIES SHALL, AND THEY HEREBY DO, EXPRESSLY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN, THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE CLOSING OF TITLE.

38. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

39. CERTAIN REFERENCES. Any reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms “herein,” “hereof” or “hereunder” or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Paragraphs, Sections, subsections or other provisions are references to Paragraphs, Sections, subsections or other provisions of this Agreement.

40. CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

41. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

42. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser’s heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

43. NO ORAL CHANGES. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES HERETO OR BY AN AMENDMENT TO THE PLAN.

44. LEAD-BASED PAINT DISCLOSURE. Annexed hereto and incorporated herein as Schedule C is the “Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards” required to be executed pursuant to the provisions of Federal regulation.

45. COUNTERPARTS. This Agreement may be executed in any number of counterparts, including counterparts transmitted by facsimile or pdf, any one of which shall constitute an original of the Agreement and this Rider. When counterparts or facsimiles or pdf’s have been executed by all parties, they shall have the same effect as if the signatures to each counterpart or copy were upon the same documents and shall be deemed valid as originals. The parties agree that all such signatures may be transferred to a single document upon the request of any party. The Agreement shall not be binding unless and until it shall be fully executed and delivered by all parties hereto. In the event that the Agreement is executed and delivered by way of facsimile or pdf transmission, each party delivering a facsimile or pdf counterpart shall promptly deliver an ink-signed original counterpart of the Agreement to the other party by overnight courier service; provided however, that the failure of a party to deliver an ink-signed original counterpart shall not in any way effect the validity, enforceability or binding effect of a counterpart executed and delivered by facsimile or pdf transmission.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

Date: _____

(To be inserted after
execution by Sponsor)

SPONSOR:

CHERRY ASSOCIATES LLC

By: _____

Name:

Title: Authorized Signatory

PURCHASER:

(Social Security or Federal I.D. Number) _____
Telephone No. _____

(Social Security or Federal I.D. Number) _____
Telephone No. _____

ESCROW AGENT:

PRYOR CASHMAN LLP

(only with respect to its obligations under Section 10)

By: _____

, Partner

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any state of facts which an accurate survey of the Building and the Residential Unit would show, provided such state of facts would not make title to the Residential Unit uninsurable, except as otherwise permitted herein.
3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Purchaser to the Board, and the Floor Plans; as all of the same may be amended from time to time.
4. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.
5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under or across the Property.
6. Revocability of licenses for vault space, if any, under the sidewalks and streets.
7. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Residential Units or portions of the Common Elements.
9. The lien of any unpaid Common Charge, real estate tax, water charge, sewer rent or vault charge, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and Purchaser shall pay all assessments due from and after the Closing Date.
11. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.
12. Any encumbrance as to which Commonwealth Land Title Insurance Company (or such other New York Board of Title Underwriters member title insurance company which insures Purchaser's title to the Residential Unit) would be willing, in a fee policy issued by it to Purchaser, to insure

Purchaser that such encumbrance (1) will not be collected out of the Residential Unit if it is a lien or (2) will not be enforced against the Residential Unit if it is not a lien.

13. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Residential Unit for residential purposes.

14. Any lease covering the Residential Unit made from Sponsor to Purchaser, or if applicable, any lease covering, or tenancy or occupancy of, the Residential Unit and the rights of such tenant(s) and occupant(s), if any, under the Rent Laws, GBL or other applicable Law.

15. Any violation against the Property (other than the Residential Unit) which is the obligation of the Board or another Residential Unit Owner to correct.

16. Any other liens, encumbrances and title conditions set forth in the Residential Unit Owner's Specimen Title Policy set forth in Part II of the Plan.

17. Telephone Easement in recorded in Liber 3844 Page 25.

18. The most easterly 5 feet more or less of the premises lies within the bed of Byrd Street as shown on the Final Sections Maps. This portion of the premises is subject to the restrictive use imposed by Section 35, as amended by Section 53A of the General City Law.

SCHEDULE BBONA FIDE PURCHASER
STATEMENT OF PURCHASE

STATE OF NEW YORK)
) ss.:
COUNTY OF)

Re: Residential Unit ____
 The Infinity 8 on Cherry Condominium
 136-04 Cherry Avenue
 Flushing New York 11355

The undersigned Purchaser(s) represent that Purchaser(s) intend that Purchaser(s) or one or more specified members of Purchaser's(s') immediate family intend to occupy the above referenced Residential Unit when it becomes vacant.

PURCHASER(S):

Signature_____
Signature

Subscribed and sworn to
before me this ____ day of
_____, 20 ____

Notary Public

INTENDED OCCUPANT(S)

Print Name_____
Print Name

SCHEDULE CDISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

SALES

Lead Warning Statement

Every purchase of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below*):
- (i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (*explain*).
 - (ii) ☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing
- (b) Records and reports available to the seller (*Check (i) or (ii) below*):
- (i) ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (*list documents below*).
 - (ii) ☐ Seller has no reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) _____ Purchaser has received copies of all information listed above.
- (d) _____ Purchaser has received the pamphlet **Protect Your Family from Lead in Your Home**.
- (e) Purchaser has (*Check (i) or (ii) below*):
- (i) ☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - (ii) ☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

(f) _____ Agent has informed Seller of Seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller

Date

Purchaser

Date

Purchaser

Date

Agent

Date

EXHIBIT A**ASSIGNMENT AND ASSUMPTION AGREEMENT**

(to be executed in quintuplicate)

KNOW ALL MEN that _____ residing at Residential Unit No.____, 136-04 Cherry Avenue, Flushing, New York 11355 ("Assignor"), for Ten (\$10.00) Dollars and other good and valuable consideration in hand paid by _____ residing at _____ ("Assignee"), the receipt and sufficiency of which are hereby acknowledged, does hereby assign, transfer and set over unto Assignee:

1. all of Assignor's right, title and interest in, to and under that certain Purchase Agreement dated _____, 201__ (the "Agreement") made by and between Cherry Associates LLC (the "Sponsor"), and Assignor, as purchaser, for Residential Unit No.____, located at 136-04 Cherry Avenue, Flushing, New York 11355;
2. (the "Premises"); and
3. the \$1,000.00 Deposit given in connection with such Agreement, and interest earned thereon, if any.

TO HAVE AND TO HOLD SAME unto Assignee, and Assignee's heirs, personal representatives, successors and permitted assigns, from and after the date hereof, forever, subject to all the terms, provisions and conditions contained in the Agreement.

Assignor represents to Assignee and to the Sponsor that (i) there are no claims, security interests or liens against the Agreement or the Deposit given thereunder, (ii) Assignor has not previously assigned, transferred or otherwise disposed of Assignor's interest in the Agreement or said Deposit, (iii) Assignor has full right and authority to assign the Agreement and said Deposit and (iv) Assignor is in good standing under his or her lease or tenancy, with all rent paid through the effective date of this Assignment.

Assignee represents to Assignor and to the Sponsor and agrees that:

1. Assignee or _____, a member of Assignee's immediate family, intends to occupy the Premises as soon as it is vacated by Assignor;
2. Assignee was not procured by Sponsor, the Selling Agent or the Managing Agent; and
3. Assignee has possessed for at least three (3) days and read the Offering Plan, as amended to date.

Assignee, by executing this Assignment, does hereby assume the payment and the performance of all obligations and duties of Assignor under and pursuant to the terms of the Agreement as if same had originally been executed by Assignee as the purchaser thereunder.

If more than one Tenant Purchaser executed the Agreement, then all such signatories to the Agreement must execute this Assignment.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment and Assumption Agreement this ____ day of _____, 20 ____.

Assignor

Assignor

Assignee

Assignee

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

EXHIBIT B**AFFIDAVIT**

(to be executed in quintuplicate)

STATE OF NEW YORK)
) ss:
 COUNTY OF _____)

_____ (“Assignee”), being duly sworn, deposes and says:

1. _____ residing at Residential Unit No. _____, 136-04 Cherry Avenue, Flushing, New York 11355 (“Assignor”) assigned, transferred and set over unto Assignee all of Assignor’s right, title and interest in, to and under that certain Purchase Agreement dated _____, 201____ (the “Agreement”) made by and between Cherry Associates LLC, and Assignor, as purchaser, for Residential Unit No. _____, located at 136-04 Cherry Avenue, Flushing, New York 11355 (the “Premises”);
2. Assignee or a member of Assignee’s immediate family, will personally occupy the Premises; and
3. Assignee was not procured by Sponsor, the Selling Agent, or the Managing Agent.

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 20____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/ they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

RIDER TO AGREEMENT RE: STORAGE LOCKER LICENSE

**RIDER ATTACHED TO AND FORMING PART OF AGREEMENT BETWEEN SPONSOR
AND PURCHASER RE RESIDENTIAL UNIT ____ AT
136-04 CHERRY AVENUE, FLUSHING, NEW YORK 11355**

R-1. LICENSE.

(a) Sponsor agrees to sell and grant, and Purchaser agrees to purchase the right to use a Storage Locker for a purchase price of _____ Dollars (\$_____). At closing, Sponsor shall designate in its sole discretion, the Storage Locker which will be subject to such License. The License to use the Storage Locker shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan.

(b) Upon execution of this Rider, Purchaser has delivered a check to Sponsor (subject to collection) in the amount of \$_____ representing the Deposit due in connection with the purchase of the Storage Locker License.

(c) Upon execution of the License, Purchaser shall pay to Sponsor the balance of the Purchase Price allocable to the License in the amount of \$_____.

R-2. ACCESS.

Purchaser may be required to place into escrow the balance of the purchase price for the Storage Locker License even though at Closing access may not be available for the area of the Building designated for such use.

R-3. DAMAGE TO THE STORAGE SPACE.

If there is a fire or other casualty to the Storage Space and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Agreement shall be deemed modified to provide for the closing of title with respect to the Residential Unit and any other unaffected License(s) only. In such event, the Purchase Price shall be reduced by the amount of the Purchase Price allocated to the affected License(s).

R-4. DEFINITIONS.

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Agreement to which this Rider is annexed or in the Plan.

R-5. CONFLICTS.

In the event of any inconsistency between the provisions of this Rider and those contained in the Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

SPONSOR:

CHERRY ASSOCIATES LLC

By: _____

Name:

Title: Authorized Signatory

PURCHASER(S):

STORAGE LOCKER LICENSE

LICENSE made this ____ day of _____, 20__ (this "License") by and between **The Board of Managers of The Infinity 8 on Cherry Condominium**, acting on behalf of all Residential Unit Owners, having an address at 136-04 Cherry Avenue, Flushing, New York 11355 (the "Condominium Board" or "Licensor"), and _____, having an address at _____ ("Licensee").

WHEREAS, The Infinity 8 on Cherry Condominium (the "Condominium") is governed by a certain Declaration of Condominium dated _____, 20__, recorded in the Queens County Office of the Register of the City of New York on _____, 20__ under CRFN _____ (as the same has been or may be amended from time to time, the "Declaration"), the by-laws of the Condominium (as the same has been or may be amended from time to time, the "By-laws") and the rules and regulations of the Condominium (as the same has been or may be amended from time to time, the "Rules and Regulations"); the "Declaration", the "By-laws" and the "Rules and Regulations" are hereinafter collectively referred to as the "Condominium Documents"); and

WHEREAS, in a portion of the cellar of the Condominium there are Common Elements designated for use as Storage Lockers (such portion of the cellar being the "Storage Space"); and

WHEREAS, in this Storage Space, storage lockers (collectively, "Storage Lockers") have been installed for use by permitted Residential Unit Owners; and

WHEREAS, Licensee owns or simultaneously herewith is acquiring Residential Unit ____ in the Condominium (the "Residential Unit"); and

WHEREAS, Licensee desires the right to the exclusive use of a Storage Locker for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, and its permitted successors and assigns, a license for the exclusive use (the "License") of Storage Locker _____ (the "Designated Storage Locker") and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof.
2. A Storage Locker may be used for the storage of personal effects of the Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any material which will pose a health or safety threat or which will result in the cancellation of insurance on the Building, or the contents thereof, or which would otherwise create a nuisance, be stored therein.
3. Licensee shall not (a) store any property in the Storage Space outside of their designated Storage Locker; or (b) allow any other person to use the License.
4. This License may be assigned by Licensee at any time provided the assignee (i) is a Residential Unit Owner at the Condominium, (ii) assumes the obligations pursuant to the form prepared by the Condominium, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee. This License shall

automatically terminate at such time as the Licensee no longer owns a Residential Unit in the Condominium unless this License has been assigned to and assumed by another Residential Unit Owner.

5. The Licensee represents that it has made a thorough inspection of the Storage Locker and agrees to take same in its "as is" condition as of the date of this License. Licensee shall, throughout the term of this License, take good care of and maintain the Designated Storage Locker. All replacements and repairs to the Designated Storage Locker shall be made by the Licensee at Licensee's sole cost and expense. All repairs and maintenance of the Storage Space shall be performed by the Condominium Board and the cost thereof shall be a Common Expense, unless the repair or maintenance is caused by the Licensee, in which case the Board shall charge the Licensee for the cost of the repair or maintenance.

6. Neither Licensors nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Space and/or the Designated Storage Locker.

7. The terms of this License are subject to the terms of the Condominium Documents.

8. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Designated Storage Locker until Licensee cures such default or (ii) terminate this License upon written notice to the Licensee.

9. The Condominium Board and/or its agents shall have the right (but not the obligation) to open the Storage Locker in an emergency at any time, and, at other reasonable times upon prior notice to Residential Unit Owner, to inspect and examine the Storage Locker and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

10. The Designated Storage Locker, until the termination of this License, is deemed to be, and treated as, for all intents and purposes, a Limited Common Element as it will, upon the purchase of a Storage Locker License, exist for the use and enjoyment of Licensee to the exclusion of all other Residential Unit Owners.

11. This License shall not be construed under any circumstances to be a sale of the Designated Storage Locker or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licensors and the Licensee with respect to this Agreement.

12. Licensee shall indemnify and hold the Licensors and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission or negligence of the Licensee or the Licensee's family, servants, employees, agents, guests and/or invitees in connection with this License.

13. Licensee shall be obligated to reimburse the Licensors for any legal fees and disbursements reasonably incurred by the Licensors in defending the rights of the Licensors under this License or, in the event Licensee defaults under this License, enforcing the Licensee's obligations hereunder.

14. Neither this License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

15. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this License, which alone fully and completely express their agreement and

that this License supersedes any and all such understandings and agreements with respect to the subject matter hereof.

16. If any provision of this License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this License, except as otherwise herein provided, shall be valid and enforced to the fullest extent permitted by Law.

17. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this License shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and the Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by the Licensee of any and all of the provisions of this License to be performed by the Licensee.

IN WITNESS WHEREOF, the undersigned have executed this License as of the day and year first above written.

Agreed to and Acknowledged by

LICENSOR:

**The Board of Managers of
The Infinity 8 on Cherry Condominium**

By: _____
Name: _____
Title: _____

LICENSEE(S):

Name:

Name:

**Affidavit of Bona Fide Tenant Purchaser
For Purposes of Declaring Offering Plan Effective**

Name of Purchaser: _____
Residential Unit No.: _____
Purchase Price: \$ _____
Down Payment: \$ _____
Address of Condominium Property: The Infinity 8 on Cherry Condominium, 136-04 Cherry Avenue,
Flushing, New York, 11355
File No.: _____

STATE OF NEW YORK)
) SS.:
 COUNTY OF _____)

I/We, a purchaser[s] under the offering plan for the above-referenced [condominium/cooperative] hereby affirm, under the penalty of perjury, the following information:

1. I/We [am/are] [a] bona fide purchaser[s] as defined by the New York General Business Law Section 352-eeee (the "Martin Act") because I/we am/are: [a] tenant[s] in occupancy at the above-referenced property;
2. I/we represent that I/we am/are not purchasing the unit as an accommodation to, or for the account or benefit of the sponsor or principals of sponsor;
3. I/we have duly executed a purchase agreement and have paid the down payment as required in the plan and any amendment thereto;
4. The purchase agreement I/we have executed for the above-referenced unit does not contain any right of rescission that has not yet expired or been waived;
5. The purchase agreement I/we have executed for the above-referenced unit does not permit the assignment or transfer of the rights afforded therein; *[If a tenant in occupancy has assigned the purchase agreement, include the following, and distinguish between an assignment that is for purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the purchaser, if applicable:*
 - a. The purchase agreement has been signed by purchaser as a bona fide tenant in occupancy in the above-referenced property; and
 - b. The assignment was not procured by the sponsor, selling agent, or the managing agent of the property, and I/we represent that I/we or a specified member of his or her immediate family will personally occupy the dwelling unit; and
 - c. I/we have obtained an assignee affidavit.]

6. I/We signed the purchase agreement for the above-referenced unit in good faith, without fraud and with no discriminatory repurchase agreements or other discriminatory inducements;

7. I/We am/are not the sponsor, selling agent, or a principal of the sponsor, the selling agent or the managing agent nor am/are I/we related to the sponsor, the selling agent or the managing agent or any principal of the sponsor, the selling agent or the managing agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner, or member thereof.

[Tenant Purchaser]

Print Name: _____

[Tenant Purchaser]

Print Name: _____

Sworn to before me this

_____ day of _____, 20__

NOTARY PUBLIC

Affidavit of Bona Fide Non-Tenant Purchaser
For Purposes of Declaring Offering Plan Effective

Name of Purchaser: _____
Residential Unit No.: _____
Purchase Price: \$ _____
Down Payment: \$ _____
Address of Condominium Property: The Infinity 8 on Cherry Condominium, 136-04 Cherry Avenue,
Flushing, New York, 11355 _____
File No.: _____

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

I/We, a purchaser[s] under the offering plan for the above-referenced [condominium/cooperative] hereby affirm, under the penalty of perjury, the following information:

1. I/We [am/are] [a] bona fide purchaser[s] as defined by the New York General Business Law Section 352-eeee (the "Martin Act") because I/we am/are: [a] purchaser[s] who intends that I/we or one or more members of my immediate family members intends to occupy the unit when it becomes vacant;
2. I/we represent that I/we am/are not purchasing the unit as an accommodation to, or for the account or benefit of the sponsor or principals of sponsor;
3. I/we have duly executed a purchase agreement and have paid the down payment as required in the plan and any amendment thereto;
4. The purchase agreement I/we have executed for the above-referenced unit does not contain any right of rescission that has not yet expired or been waived;
5. The purchase agreement I/we have executed for the above-referenced unit does not permit the assignment or transfer of the rights afforded therein, *[unless the assignment is for purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the purchaser. In such cases, state so];*
6. I/We signed the purchase agreement for the above-referenced unit in good faith, without fraud and with no discriminatory repurchase agreements or other discriminatory inducements;

7. I/We am/are not the sponsor, selling agent, or a principal of the sponsor, the selling agent or the managing agent nor am/are I/we related to the sponsor, the selling agent or the managing agent or any principal of the sponsor, the selling agent or the managing agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner, or member thereof.

[Non-Tenant Purchaser or Authorized Signatory]

Print Name: _____

[Non-Tenant Purchaser or Authorized Signatory]

Print Name: _____

Sworn to before me this

_____ day of _____, 20__

NOTARY PUBLIC

EXHIBIT 2

WAIVER OF NOTICE OF CLOSING

WAIVER OF NOTICE OF CLOSING

_____, being duly sworn depose and state:

1. I am / We are the Purchaser(s) of Unit # _____ at The Infinity 8 On Cherry Condominium, 136-04 Cherry Avenue, Flushing, New York 11355 ("Unit").
2. Pursuant to an Agreement dated _____, 20__ I am / we are entitled to 30 days written notice of the closing of the Unit.
3. I / We hereby waive the applicable notice provision contained in the Agreement and request to close on _____, 20__.

PURCHASER(S):

(print name)

(print name)

Sworn to before me this
____ day of _____, 20__.

Notary Public

EXHIBIT 3

CONDOMINIUM UNIT DEED

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the ____ day of _____, 20__ between Cherry Associates LLC, a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119 ("Grantor") and _____ ("Grantee"), having an address at _____.

W I T N E S S E T H:

That Grantor, in consideration of Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration paid by Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of Grantee, forever:

The Condominium Unit (the "Unit") in the premises known as The Infinity 8 On Cherry Condominium, 136-04 Cherry Avenue, Flushing, New York 11355, Borough and County of Queens, City, and State of New York, said Unit being designated and described as Unit No. _____ in the declaration (the "Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, 201_, and recorded in the New York County office of the Register of the City of New York (the "City Register's Office") on _____ under CRFN _____, and also designated as Tax Lot _____ in Block 5140 of the Borough of Queens on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of said building, certified by _____, on _____, and filed in the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____ also filed in the City Register's Office on _____ as Condominium Map No. _____. The premises within which the Unit is located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the by-laws of The Infinity 8 On Cherry Condominium (as the same may be amended from time to time, the "By-Laws")

Together with an undivided _____ percentage interest in the Common Elements and an undivided _____ percentage interest in the Residential Common Elements (as such term is defined in the Declaration);

Together with the appurtenances and all the estate and rights of Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto Grantee and the heirs or successors and assigns of Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the

Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

Grantor covenants that Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as aforesaid.

Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, Grantor and Grantee have duly executed this indenture as of the day and year first above written.

Cherry Associates LLC

By: _____
 Name:
 Title:

 Grantee

 Grantee

State of New York)
) ss.:
 County of)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

SCHEDULE A

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Queens, City and State of New York, bounded and described as follows:

SCHEDULE B

PERMITTED ENCUMBRANCES

REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO
THE PURCHASE AGREEMENT AND IN THE SPECIMEN TITLE POLICY

TO BE INSERTED PRIOR TO CLOSING

EXHIBIT 4

DESCRIPTION OF PROPERTY

**DESCRIPTION OF PROPERTY
AND BUILDING CONDITION
at
136-04 CHERRY AVENUE
Queens, NY 11355**

Revised – November 8, 2019

Prepared for:
The Pinnacle Group
One Penn Plaza
New York, NY 10001

Prepared by:



Lngineering Consulting

SECTION 23.7 Description of Property and Building Condition.

PREFACE

This Report was prepared for the Sponsor for inclusion in an offering plan for said building in compliance with the requirements of the Department of Law of the State of New York. I hereby authorize reproduction of this Report for the purpose exclusively. Reproduction for any other purpose is not authorized.

The intent is to provide a description of the materials, finishes equipment and structure which comprise this Building, as outlined in the guidelines of the office of the Attorney General of the State of New York.

The content of this Report are based on:

- a) An inspection of the existing records and applications on file with the Department of Buildings of the City of New York which were made available for review;
- b) A visual inspection of some, but not all areas of the Building, including cellar, lobby, public halls, roof bulkheads, exterior walls, yards and courts, some but not all apartments, and related equipment contained therein;
- c) Information on open violations on record provided by the governing New York City agencies;

and

- d) Information provided by the Sponsor and/or his representatives.

Inspections were made on November 20th, November 29th, and December 15th of 2017, July 12th of 2018, April 11th and November 8th, 2019; and the conditions described then existed. Visual examination was made of a sufficiently large representative sampling of the spaces and equipment as deemed necessary in our professional opinion/but not, unless stated herein, any tests or penetrations into walls, ceilings, floors, etc. or removal of any structural or mechanical elements.

Except as noted in this Report, no representation is made as to the condition or legality of the various elements of the Building. This Report is not to be construed as a guarantee or warranty. It is not intended or prepared for the purpose of fixing a value to the property or as an opinion as the advisability or inadvisability to purchase condominium units being offered pursuant to the Sponsor's offering plan.

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CONDITION**(a) *Location and Use of Property***

- (1) Address: 136-04 Cherry Avenue, Queens, NY 11355. A.K.A 43-01 – 43-15 Main Street/43-17 Main Street.
- (2) Block and Lot Number: Block 5140, Lot 6, Mixed Residential & Commercial Building
- (3) Zoning: R6 with C2-2 overlay
- (4) Permissible Use:

The R6 zone is a General Residential District.

These districts are designed to provide for all types of residential buildings, in order to permit a broad range of housing types, with appropriate standards for each district on density, open space, and spacing of buildings.

These districts also include community facilities and open uses which serve the residents of these districts or are benefited by a residential environment.

The C2 zone is a Local Service District.

These districts are designed to provide for a wide range of essential local services not involving regular local shopping. Since these establishments are less frequently visited by customers, they tend to break the continuity of prime retail frontage and, therefore, hamper the development of convenient shopping. The permitted services create relatively few objectionable influences for nearby residential areas.

(b) *Status of construction*

- (1) Year Built: Approximately in 1959
- (2) Class of Construction:

Non-Fireproof. There are NO drawings, documents nor non-invasive analysis that can determine the fire-rating of each original building element.

- (3) Certificate of Occupancy (C of O), Type and Number:

In accordance to C of O No. 148279 of 1962, the use of the Building conforms to the current C of O. The current C of O specifies 25 parking

spaces in the garage, which is more than the 11 current parking spaces. See Appendix 1.

(4) Alteration Permit Numbers and Description of Work done:

The following records of alteration were found at the New York City Department of Buildings as of 11/05/2019:

Job Number	Date Filed	Description of work
400372468	04/19/1993	Interior renovation and equipment installation
401103630	05/31/2000	Legalize existing eating and drinking place installed by others.
401122156	08/18/2012	Install range hood fire suppression system.
420984821	03/19/2014	Renovation of existing restaurant space on cellar
420987775	06/02/2014	Installation of fire suppression system
421206910	08/24/2015	Minor plumbing & partition work at first floor
421206395	08/26/2015	Obtain amend certificate of occupancy of existing 6-story residential
421354616	10/05/2016	Install new sprinkler heads with piping work at 2 retail stores on sub-cellar
440393058	03/27/2017	Proposed installation of pipe scaffold for remedial repairs.

440426022	08/10/2017	Activate gas portion of existing gas/oil burner on NYC boiler No. MD15304
421931707	01/24/2019	Interior renovation as per plans
421741681	04/18/2019	Interior renovation as per plans
421922272	06/11/2019	Interior renovation as per plans

The anticipated substantial construction completion date for the interior renovation projects is approximately October 2019.

Renovations performed by the Sponsor will include demolition of apartment walls, kitchen and bathroom. Installation of new sheetrock walls, kitchen, bathroom, branch electrical wiring, branch plumbing, lighting, electrical switches and outlets, wood flooring, moldings and doors.

Job #400372468 was withdrawn by the prior owner. Sponsor purchased the building on 1/24/2017 and has no information on the reason of withdrawal.

(c) *Site*

The property is located at the southeast corner of the intersection of Cherry Avenue and Main Street in the Borough of Queens, City of New York.

It is bounded on the north by Cherry Avenue; on the west by Main Street; on the south by a one-Mixed Residential & Commercial Building and a one-story 1 & 2 Family Building; and on the east by Byrd Street.

(1) *Size:*

The irregular lot is 117.25 feet long along Cherry Avenue and 208.28 feet long along Main Street. The main building is six story in height and Building 43-17 Main Street is one story in height. Both buildings have partial cellar above the street level. The floor to ceiling heights for the main building and 43-17 Main Street are approximately 9'. The floor to ceiling height for the garage is approximately 14'.

(2) *Number of Buildings and Use*

136-04 Cherry Avenue is a six-story plus cellar and sub-cellar building with apartments on all floors and stores on the sub-cellar level. 43-17 Main

Street is a one-story building with stores. The two buildings share all utilities and are referred as “the Building” in this report.

(3) Streets Owned or Maintained by the Project:

All streets are owned and maintained by the City of New York.

(4) Drives, Sidewalks and Ramp:

(i) Paving

The concrete sidewalk in front of the Building at Main Street and Cherry Avenue are generally in acceptable condition. Minor to moderate cracks were observed. The concrete sidewalk in front of 136-04 Cherry Avenue Building and the driveway to the garage at Byrd Street is in poor condition. Major deterioration, including large cracks and spalling over a section approximately 10'x8', was observed. Sponsor intends to repair the deteriorated pavements within 12-18 months.

(ii) Curbing

Concrete curbing in front of the Building is in acceptable condition. Minor cracks and spalling were observed.

(iii) Catch Basins, Drainage

Cherry Avenue slopes down from east to west and Main Street and Byrd Street slope down from north to south. One (1) drain is located directly in front of the Building on Cherry Avenue.

The driveway slopes down from the street to the garage. One (1) infinity drain is located in front of the garage door.

All drains are in acceptable condition.

(iv) Street Lighting

One (1) street lighting is located directly in front of the Building on Main Street and another street lighting is location directly in front of the Building on Byrd Street. Both lightings are in fair condition.

(v) All items are in conformity with New York City Department of Transportation Highway Rules.

(d) Utilities

- (1) Water: Provided by New York City as part of its services via a metered line and metered collectively
- (2) Sanitary Sewer: Provided by local municipality and metered collectively.
- (3) Storm Drainage: Provided by local municipality.
- (4) Gas: Provided by Consolidated Edison Company of New York, a regulated public utility company and metered collectively.

- (5) Electricity: Provided by Consolidated Edison Company of New York, a regulated public utility company and metered individually.
- (6) Telephone: Provided by Verizon, a regulated public utility company and metered individually.

- (7) Fire Hydrant:

There is one (1) fire hydrant located directly in front of the Building on Byrd Street.

- (8) Mail Box:

The nearest U.S. mail box to the Building is located on Kissena Boulevard between Kalmia Avenue and Laburnum Avenue.

- (9) Public Telephone:

No public telephone is located near the Building.

- (10) Transit:

The entrances of subway 7 line are at the corners of Roosevelt Avenue and Main Street. Buses Q20A, Q20B, and Q44SBS stop along Main Street.

(e) Subsoil conditions

- (1) Detailed architectural/engineering plans for the Building foundations were not reviewed. Foundation walls consist of concrete blocks, coarse rubbles, and bricks. Visual inspection of the cellar floors and the exterior façades

showed no evidence of cracking, mortar joint decay that may indicate uneven foundation movement and settling.

- (2) The cellar and sub-cellar are dry and shows no evidence of moisture or seepage or ground water infiltration.
- (3) The U.S. Geological Survey maps show this area has very low risk of flooding, earthquake, mudslide, and erosion. Flooding may only occur in the event of a water main break in the street. No practical preventative action is suggested. Any goods stored in the cellar should be removed in the event of a flood.

(f) *Landscaping and Enclosures*

- (1) Grass Cover:

There is no grass cover on the premises.

- (2) Plantings:

Various plants in the one (1) ground-level planting area are located along the east end of the front façade on Cherry Avenue.

- (3) Trees:

Four (4) trees are located directly in front of the Building on Main Street. The trees are in acceptable condition.

- (4) Fencing:

Metal chain link fences located along the lot line at the southeast corner of the lot are in acceptable condition. The fences are approximately 6' in height.

Metal chain link fences located along the parapet wall of the garage roof are in acceptable condition. The fences are approximately 6' in height.

- (5) Gates:

One (1) metal gate is in the courtyard accessing the two levels of the courtyard. The gate is in acceptable condition.

- (6) Garden Walls:

There are no garden walls on the premises.

(7) Retaining Walls:

Concrete retaining wall along the southeast corner of the Building is in acceptable condition. The wall is 12" in thickness. The metal railing along the retaining wall is also in acceptable condition.

(8) Display Pools and fountains:

There are no display pools and fountains on the premises.

(g) *Building size*

(1) Total Height:

The Building is approximately sixty-two feet (62') above curb. Cherry Avenue slopes down from east to west, and Main Street and Byrd Street slope down from north to south create variances in height.

(2) Crawl Spaces:

There are no crawl spaces in the Building.

(3) Number of Sub-cellars and Cellars:

The Building contains one (1) cellar level and one (1) sub-cellar level.

The cellar level contains lobby, two (2) apartments, offices, stores, laundry room, garage, electric room, utility points of entry, support systems, and storage room.

The sub-cellar level contains two (2) apartments, two (2) stores, boiler room, and compactor room.

All dwelling units are specified in the C of O and are code-complaint at the time of construction.

(4) Number of Floors

The Building contains six (6) stories. Cherry Avenue slopes down from east to west, and Main Street and Byrd Street slope down from north to south creating variances in height. The cellar level is partially above street level on Byrd Street and Cherry Avenue. The cellar level is mostly above street level on Main Street.

(5) Equipment Rooms

All equipment rooms are located in the cellar and sub-cellar levels. See Section (g)(3) for detail.

(6) Parapet

The heights of parapet walls on the main roof vary from forty-two inches (42") to forty-four inches (46"). The parapet walls on the Main Street lower roof and the roof at 43-17 Main Street building are approximately twenty-four inches (24"). The building was built prior to Local Law 40 of 1960, which requires minimum height of parapet walls to be 42". Hence the 24" parapet walls are grand-fathered in and are exempted from this requirement.

(h) *Structural System*

(1) Exterior of the Building:

(i) Walls

The structure of the Building is wood frame with masonry façades. No intrusive testing was performed hence the insulation material, type, size, and R-value are unknown. Judging by the vintage of the building and the contractor's observations during lintel repair work, the exterior walls are solid masonry walls with 3-wythe bricks.

The exterior walls of all façades were made of red bricks arranged in Common Bond. All façade walls are in acceptable condition. Minor deteriorated bricks and loose mortar joints were observed in various locations. The garage walls were made of painted concrete and brick and are in acceptable condition. No active leaks through the exterior walls have been reported recently.

New York City Local Law 11/98 applies to the Building. Cycle 7 was filed "SWARMP". Corrective work should be completed prior to current cycle (Cycle 8) filing. Work includes repairing minor cracks on exterior walls and is expected to be completed in Fall of 2019. The current cycle is due in February 2018. The previous owner did not complete the repair work cited in Cycle 7 Report. The Sponsor purchased the Building in January 2017 and is working on completing the necessary repair work before filing Cycle 8 Report.

The foundation is made of coarse rubbles, bricks, and CMU blocks. No underpinning was observed. No sub-grade drainage system was observed. No information on any additions can be found. The foundation is assumed to be original with repairs throughout the years. The method of waterproofing for the foundation walls and floor slabs is unknown. The foundation is in acceptable condition.

(ii) Windows

Most windows in the Building are in fair condition. No active leaks through the windows have been reported recently. The aluminum windows replaced in the past are double-pane/double hung windows with steel lintels, concrete sills, anti-drift latches, tilt sash latches, spiral balances, and cam locks. No thermal breaks were observed. Original windows were observed at the roof, cellar and sub-cellar levels with metal frames and frosted wire glass. The original windows are in acceptable condition. All windows in the cellar and sub-cellar dwelling units are compliant to code at the time of construction. Various types of child guards were observed at some of the windows inside the apartments. The owner is responsible for providing and maintaining the child guards when an apartment is occupied by children, as per the NYC code. Only New York City Fire Department approved gates are allowed on fire escape windows. All other types should be removed. Air conditioning units may not be installed at these windows. There are no lot line windows on the premises. The closest windows from the lot lines are B line windows with a minimum of 12' distance. All windows from B, C, and D lines have code-compliant light and ventilation.

The Sponsor is in contract to replace all windows. See Appendix 10 for detail. New 10-year manufacturer's warranty will be provided after replacement is completed.

(iii) Landmark Status

The Building does not have a landmark status.

(2) Parapets and Copings:

The parapet walls at all façades are 3-wythe brick walls with camel-back copings. The parapets are not coated except for the flashing, which is coated with aluminum paint. Vertical cracks were observed on various locations. Generally, the parapet walls are in poor to acceptable condition. The Sponsor will repair the crack in 2019.

(3) Chimneys and Caps:

One (1) chimney is located at the northeast corner of the bulkhead. The chimney is constructed of red bricks. Remaining roofing tar was observed on the surface of selective bricks that have not been replaced. The chimney appears to be in acceptable condition. No leaks have been reported.

(4) Balconies and Terraces:

One (1) line of balconies is located at the west façade. Each balcony serves two (2) apartments and two (2) fire escapes.

The balconies are constructed with concrete slabs. The top side of the slabs are covered with exterior grade carpets. No water damage was observed. The underside was coated with paint and no soffits can be seen.

Internal drains are located near the building wall and the slabs are sloped towards to the drains. All drains are in acceptable condition.

There are no ladders on the balconies. The connected fire escapes are described in Section (h)(8).

The steel railings are located along the outside perimeters of the balconies. The painted steel handrails, balusters, and posts are in acceptable condition.

All balconies have one metal in-swing door and one wooden out-swing fly-screen door. No thermal breaks were observed. All doors are in acceptable condition. Some broken fly-screens were observed.

(5) Exterior Entrances:

The front entrance is located on Cherry Avenue. There is a garage vehicle entrance and a garage pedestrian entrance located on Byrd Street.

(i) Exterior Doors and Frames

The front entrance has two (2) aluminum single-lite out-swing doors. Both doors are equipped with automatic overhead door closer. The doors have a full mortise lock and pull handles without thermal break. There are one (1) side transom at each side of the doors and three (3) top transoms. The doors and metal frames are in fair condition.

The garage vehicle entrance has one roller garage door. The garage pedestrian entrance has one (1) metal door. Both doors and frames are in acceptable condition.

(ii) Vestibule Doors and Frames

The vestibule at the front entrance has one (1) aluminum single-lite out-swing door. The door is equipped with automatic overhead door closer. The doors have a full mortise lock and pull handles without thermal break. There are two (2) side transoms at each side of the door and three (3) top transoms. The doors and metal frames are in fair condition.

(iii) Exterior Stairs

There is one (1) set of two-riser stairs located in front of the Building's front entrance. The stairs are made of concrete and bricks and are in fair condition.

There is one (1) set of fourteen-riser stairs located in front of the garage pedestrian entrance. The stairs are made of painted concrete and are in acceptable condition.

(iv) Railings

One (1) steel bar stock handrail is located on the south side of the front entrance stairs and is in fair condition.

One (1) steel bar stock handrail is located on the east side of the garage pedestrian entrance stairs and is in fair condition.

(v) Mail Boxes

There are four (3) aluminum mail box panels located at each of the west and south walls inside the mail box area. The mail boxes are the approved type by the U.S. Postmaster General. They are individually keyed and hinged on the right. All boxes and the panel are in fair condition.

(vi) Lighting

Three (3) ceiling-mounted light fixtures are located at the front entrance and one (1) ceiling-mounted light fixture is located at the vestibule. All lightings and are in fair condition.

One (1) wall-mounted light fixture is located at the garage vehicle entrance and is in fair condition.

(6) Service Entrances:

The service entrance is located at the north building wall in the courtyard, accessing the Cellar to the courtyard.

(i) Doors and Frames

The service entrance has one (1) metal out-swing door with automatic door closer. The door and metal frames are in fair condition.

(ii) Gates

There are no gates at the service entrance.

(iii) Exterior Stairs

There is a one-riser concrete stair at the service entrance. A concrete ramp connects the service entrance to the upper level of the courtyard. Both the stair and the ramp are in acceptable condition.

(iv) Railings

One (1) steel bar stock railing is located on the south side of the service entrance stair/ramp and is in fair condition.

(v) Hallway

N/A

(7) Roof and Roof Structures:

(i) Type Roofs for All Areas

(a) Material

The modified bitumen roofs at all roofs appear to be in acceptable condition. All seams are in acceptable condition. The Superintendent states that no leaks have been reported recently. The roof deck is concealed with roofing and the condition cannot be determined. No significant flexion of the deck was observed. The anticipated remaining useful life of the roof is approximately 20 years.

(b) Insulation

Unknown. Further investigation should be conducted to understand the material and the condition of the insulation.

(c) Surface Finish

The roofs are coated with aluminum paint. The paint is in poor to acceptable condition. The Sponsor will repaint within 12-18 months.

(d) Bond or Guarantee

Unknown

(e) Flashing Materials, including Counter Flashing

Flashing materials along the perimeters and around the penetrations are covered by roofing membrane and aluminum coating. The roofing membrane appears to be in acceptable

condition. The aluminum paint is in poor to acceptable condition. The Sponsor will repaint within 12-18 months.

(ii) Drains

(a) Location, materials and Type

There are two (2) drains on the main roof, three (3) drains on the Main Street lower roof, one (1) drain on the garage roof, and one (1) drain on the 43-17 Main Street building roof. All drains are cast iron internal type and appear to be in acceptable condition.

(b) Gutters and Leaders

Roof drains are connected interior storm system. No gutter or leaders were observed on the exterior facades.

(iii) Skylights

There are no skylights at the roof level.

(iv) Bulkheads

(a) Stairs

There is one (1) bulkhead at the roof level. The bulkhead includes both stairs and the elevator. The bulkhead is made of same bricks as the facades. Remaining roofing tar was observed on the surface of selective bricks that have not been replaced. The interior wall finishes are cracked/spalled. It is possibly caused by previous leaks, which are no longer active. The Sponsor will repair the deteriorated condition within 12-18 months. The bulkhead appears to be in acceptable condition.

(b) Elevator

There elevator/stair bulkhead is described in the previous paragraph.

(c) Other

There are no other bulkheads in the Building.

(v) Metal Work at Roof Levels

(a) Exterior, Metal Stairs

One (1) set of seven-riser stairs is located on the main roof accessing the elevator motor room. The steel stringer, slat-treads and landing, railing, and anchors are coated with exterior grade paint and are in fair condition. The penetrations where the stairs are attached to the roof are coated with roofing membrane and aluminum paint.

One (1) set of six-riser stairs is located next to the garage door accessing Byrd Street to the garage roof. The steel stringer, slat-treads and landing, railing, and anchors are coated with exterior grade paint and are in acceptable condition. The penetrations where the stairs are attached to the roof are coated with roofing membrane and aluminum paint.

(b) Vertical ladders, including Gooseneck

One (1) set of vertical ladders is located on the east side of the bulkhead and is in acceptable condition.

(c) Railings

Steel railings are located along the perimeter of the elevator motor room stairs and the garage roof stairs. The railings are in fair condition.

Steel railings/gates are installed on Main Street lower roof. The railings/gates are in acceptable condition but should be removed and the roofing should be repaired at the penetrations.

(d) Hatches to Roof

There are no hatches to roof.

(e) Other

Numerous steel plumbing ventilation pipes penetrate to the roof at many locations and are in acceptable condition.

(vi) Rooftop Facilities

There are no rooftop facilities at the Building.

(8) Fire Escapes:

(i) Location

There are seven (7) fire escapes at the Building at all façades. The two (2) fire escapes at the west façade were built in the balconies. There are no unusual access situation observed.

(ii) Floors Covered

The fire escapes at the north façade extend from the street level to the sixth level. The fire escapes at the east and west façades extend from the first/garage roof level to the sixth level. The fire escapes at the south façade extend from the courtyard/first roof level to the roof level.

(iii) Drop Ladder

Standard vertical steel drop ladders are engaged to extend to the 1st level and cellar levels. All drop ladders are in acceptable condition.

(iv) Type

The fire escapes are cantilever steel type with steel-slat landings and treads, open-riser stairs, bar stock handrails, and wrought stock balustrades. The fire escapes are firmly attached and supported.

(v) Materials

The fire escapes are made of painted steel. The fire escapes are in fair condition. The paint is in acceptable condition. Sponsor will repaint in three years. At various locations cracks were observed at the exterior walls where the steel attachments are connected to the walls. Sponsor will repair within 12-18 months.

(9) Yard and Courts:

There is one (1) courtyard located at the south end of the premises, accessing from the service entrances and the street.

(i) Paving

Concrete paving in the upper level of the courtyard is in poor condition. Moderate to severe cracks and spalls on the center flag were observed. The Sponsor will repair within 12-18 months. The concrete paving in the lower level of the courtyard is in acceptable condition.

(ii) Drainage

There are two (2) drains located at the courtyard. The drains are cast-iron internal type are in acceptable condition.

(iii) Railings

The railings are discussed in previous sections.

(iv) Stairs

There are no stairs others than what have been discussed in the previous sections in this Report.

(v) Fencing

The fencings are discussed in Section (f)(4).

(vi) Walls

The yard is bounded by the walls of the Building, lot lines, and the streets.

(10) Interior Stairs:

(i) Number of Stairs of each type

There are two (2) central stairwells in the Building.

(ii) Enclosure

All stairs are enclosed by painted Building walls and open to the hallways they serve.

(iii) Stair Construction

All stairs at the central stairwells are constructed of iron stringers, concrete treads/landings/risers, painted wood guardrails, steel posts and spindles. All components are painted.

(iv) Stringers

The painted iron stringers at the central stairwells are generally in acceptable to fair condition.

(v) Treads

The painted concrete treads of all stairs are generally in acceptable condition.

(vi) Risers

The painted concrete risers are generally in fair condition

(vii) Guardrails

The wooden guardrails are generally in acceptable condition.

(viii) Balustrade

The steel balustrades of the stairs are generally in fair condition.

(11) Interior Doors and Frames:

(i) Unit Entrance and Interior Doors and Frames

Unit entrances have metal doors and frames with key dead bolts, peek holes, and self-closing springs with 1 ½ hour fire rating.

Interior bedroom and bathroom entrances have wood doors and frames.

Most of the doors are in acceptable condition.

All doors are only to be replaced on an as-needed basis when units are undergoing renovation.

(ii) Corridor doors and Frames

There are no corridor doors in the Building.

(iii) Stair Hall Doors and Frames

Stair halls have metal doors and frames with self-closing springs and wire-glass vision panels. All stair hall doors and frames are 1 ½ hour fire rating and are in fair condition.

(iv) Roof Door, Basement Doors and Frames

The roof has metal doors and frames with self-closing springs. The stair bulkhead door is Class B 1 ½ hour fire rating and is in acceptable condition.

The cellar has both metal and wooden doors and frames. All metal doors and frames are rated Class B 1 ½ hour fire rating and are in acceptable condition. All wooden doors and frames are in acceptable condition.

(12) Elevators:

(i) Number of passenger and service elevators

There is one (1) passenger elevator in the Building and is in acceptable condition.

(ii) Manufacturer, age of each and capacity

The elevators are manufactured by Kone Corporation, device no. 4P3286, with a capacity of 2,000 lbs. The approximate age of the elevator is 21 years (1997). The anticipated useful life of the elevator, including all parts, is 20 years.

(iii) Type of operation for each elevator by elevator number or location in Building

The elevators are automatically operated.

(iv) Automatic

The elevators have a call button at each floor and a call button panel in the cab.

(v) Floors served

The elevators travel from the cellar floor level to the sixth floor level.

(vi) Type

The elevators are a geared traction elevator and is roof drum type.

(vii) Doors

The elevator has a single horizontal sliding cab door. The cab door has a safety return when touched and is in acceptable condition.

(viii) Location of machine rooms

The motors of the elevators are located on the roof.

(ix) DC motor

There are no DC motors in the elevator room.

(x) AC motor-generator set

The manufacturer of the AC motor is unknown. The motor is in acceptable condition.

(13) Elevator Cabs:

(i) Kind

The original manufacturer of the elevator cabs is unknown. The elevator cab was refurbished in 2018 and is in fair condition.

(ii) Floor

The elevator cab has vinyl flooring which is in fair condition.

(iii) Walls

The elevator cab has stainless steel and laminated wood wall panels that are in fair condition.

(iv) Ceiling

The elevator cab ceiling has stainless steel panels and are in fair condition.

(v) Lighting

The elevator cab has fluorescent lighting.

(vi) Alarm, safety system

Each elevator has a fireman's key override switch, a call button, a call cancel button, an alarm button, and an emergency stop button in the cab.

(i) *Auxiliary Facilities*

(1) Laundry Rooms

(i) Location and Number of Rooms

One (1) laundry room is located on the cellar level.

(ii) Clothes Washers

There are four (4) card operated washers. One (1) washer is Hercules Wascomat and the rest are Maytag Commercial Washers. All washers are in acceptable condition.

(iii) Clothes Dryer

There are three (3) card operated commercial dryers. The dryers are Hercules Dryers and are in acceptable condition.

(iv) Room Ventilation

A window is located at the south end of the laundry room ventilate the area to the south yard.

(v) Dryer Ventilation

There is one (1) round dryer duct exhausting into the south yard.

(2) Refuse Disposal

(i) Incinerator

There are no incinerators in the Building.

(ii) Compactor

There is one (1) compactor in the cellar level. The manufacturer's plate was not found. The compactor is stationary type with a hydraulic oil plunger. The compactor is in good working order.

(iii) Approvals by Authority having Jurisdiction

None.

(iv) Initial Storage Location

The initial storage is located in the compactor room through trash chutes at each floor and is collected by the Superintendent to the street level. Recycles are brought to the Cellar by residents.

(v) Pick-up Schedule, and whether public or private provider

Regular refuse disposals are picked up every Tuesday and Friday. Recycled and organic disposals are picked up every Friday. Pick-up is performed by New York City Department of Sanitation.

(3) Other Auxiliary Facilities

(i) Storage Lockers

There will be a total of 8 Bargold Storage Lockers with corrugated steel walls with 18 gauge steel studs; fire-retardant, $\frac{3}{4}$ " plywood floor

raised off basement floor by 18 gauge steel studs; and solid steel doors with sliding steel bolts for padlocking. The lockers are located on the Cellar Floor of the Building and security cameras are installed outside the storage room.

(j) *Plumbing and Drainage*

(1) Water Supply:

The building is provided with one (1) metered domestic water service. The service is 4" and enters the Cellar Level from Byrd Street. The location of the main shut-off valve is at the Cellar Level adjacent to the foundation wall. Cold water service is partially insulated, in good condition. Backflow prevention is provided. Cold water piping from the water service supplies the domestic water system.

Risers are provided for hot water supply, cold water, waste and vent piping. Piping in Cellar is partially insulated. A portion of existing Cellar horizontal cold water piping was replaced with copper. Hot water piping is copper and brass. The majority of hot/cold water piping is insulated. Approximately, 100-200 linear feet of piping should be re-installed. Cold water supply is distributed to copper and brass water supply risers, which are in fair condition. A domestic water circulating pump is provided. The expected remaining life of the plumbing piping system is approximately 30 years. Leaks do not occur frequently.

Domestic hot water is generated by a coil in the boiler. The capacity of the coil is adequate for the current hot water load. A motorized tempering valve is provided to maintain domestic hot water temperatures. Domestic hot water is adequate. Domestic hot water also serves professional spaces.

A mixture of brass and copper, hot/cold water supply pipes from risers extend to fixtures in the bathrooms, kitchens and professional spaces. Water pressure and flow was observed to be adequate.

(2) Fire Protection System

(i) Standpipes

There are no standpipes in the Building.

(ii) Hose Racks, Hoses and Nozzles

There are no hose racks, hoses or nozzles in the Building.

(iii) Sprinkler Heads

A 4" sprinkler service is provided for the Garage and Cellar Level retail spaces. The Building's compactor is provided with a sprinkler system. All sprinkler systems are wet systems. The sprinkler service is provided with backflow prevention. A Siamese connection is provided at the Byrd Street façade. Sprinklers are not provided in residential units or public stairs or public corridors.

(iv) Siamese Connection

Siamese connection is provided for sprinkler system.

(3) Water Storage Tank and Enclosures

There are no water storage tanks in the Building.

(i) Number, Type, Location of each

N/A

(ii) Material

N/A

(iii) Access to Tank

N/A

(iv) Total Capacity

N/A

(v) Fire Reserve Capacity

N/A

(4) Water Pressure and how Maintained

Water pressure is provided from street pressure at Byrd Street.

(5) Sanitary Sewage System

There are combined sanitary and storm drainage systems for the Building.

(i) Sewage Piping

The stacks and mains piping for the waste system are cast iron piping. Floor drains are provided in the Garage and Mechanical areas. Leaks

do not occur frequently. The joints are in fair condition. The branch waste and vent piping at fixtures are in fair condition.

The system serves plumbing fixtures and equipment throughout the Building. Drainage and vent piping extends up the Building in chases. The majority of piping is from the original building installation and in fair condition. Some other piping is new and is in good condition. Piping can continue to function for an additional 30 years. Leaks do not occur frequently.

(ii) Sewage Pumps

There are no sewage pumps in the Building.

(iii) Sewage Disposal

The combined house sewer connects to the street sewer. The sanitary drainage and vent system is conventional gravity drainage system which flows from the vertical stacks to a house sewer at Sub-Cellar level and then piped to the street sewers after being combined with the Building storm drainage system.

(6) Permit(s) required

All permits are to current date.

(7) Storm Drainage System

The combined sanitary and storm drainage system is described in section (j)(5).

(i) Catch Basins

There are no catch basins in the system.

(ii) Yard and Roof Drains

Yard drains are provided. Roof drains are provided to drain the roof. The drains connect to the interior storm systems. The storm piping connects to the sewer lines and exits the Building as a combined system.

(iii) Piping

Existing storm piping is cast iron and is in fair condition.

(iv) Eject or Sump Pumps

A series of small sump pumps are provided in the Compactor Room and Boiler Room. The sump pumps are in fair condition and can remain in use. The pumps can remain in use for an additional 15 years.

(k) *Heating*

- (1) The heating system consists of one (1) dual fuel oil/gas fired steam boiler with steel convectors. The boiler is coupled with a tankless domestic hot water heating coil. The boiler and domestic hot water heating coil is adequate to maintain requirements of the building during anticipated outdoor temperatures of 15°F and indoor temperature of 68°F.

- (2) Number of Boilers and Description

There is one (1) oil/gas fired steam boiler.

- (3) Manufacturer and age of boiler

The heating system is comprised of one (1) oil/gas fired steam boiler, as manufactured by Federal, Model FST-150. The boiler has a heating output capacity of 8,300 MBH and is in good condition. The boiler has an operating efficiency of approximately 75%. The boiler is approximately 30 years old, and can remain in use with adequate maintenance (flushing and cleaning) for an additional 25 years. The system is not out of service frequently. The heating system is adequate. The boiler is provided with all required safety devices to maintain proper operation including low water cutout, emergency on/off switch, and pressure relief. A tankless coil is installed inside the boiler to generate domestic hot water. Combustion air is drawn into the Cellar Boiler Room through a louver that derives air from the yard. Condensate is returned to the boiler by gravity.

- (4) Manufacturer and age of burners

The burner is oil/gas type and integral to the boiler. The burner is Industrial Combustion, Model No. MMG-63. The burner is approximately 30 years old and can remain in use with adequate maintenance for an additional 25 years.

- (5) Type of controls

A Heat Timer control panel is provided to cycle boiler operation.

- (6) Radiators, piping, insulation, valves, pumps

Convectors typically are located beneath windows. Each convector is coupled with a shut-off valve and a steam vent. The units themselves are in

fair condition and can remain in use. Steam from the boiler is supplied to convectors and risers by means of one pipe distribution system. Steel piping extends vertically throughout the building. A small portion of steam supply piping within the Boiler Room is not provided with insulation. Steam distribution piping can remain in service with periodic repairs warranted. Steam unit heaters are provided in the Garage.

(7) Fuel

Oil/gas.

(8) Location of Oil Tank, materials, enclosure

The oil tank is underground type. The oil tank is not accessible to inspect material type and condition.

(9) Capacity of oil tank

5,000 gallon with one (1) oil pump.

(10) For gas

N/A.

(l) *Gas Supply*

(1) Type

Consolidated Edison provides gas supply through one (1) gas service. A 2" shut-off valve is provided for the gas service. Gas services enter the building from Byrd Street.

(2) Meters

Gas meters are provided for the apartments, laundry, boiler and Restaurant. Common gas meters are provided for apartments' cooking. A separate gas meter is provided for the Restaurant.

(3) Piping

Metered gas piping extends to the kitchens and laundry of the Building. Exposed black steel gas piping is in fair condition and can remain in use.

(m) Air Conditioning**(1) Type of system**

Air conditioning for apartments is provided on an as need basis by individual tenants who purchase their own through-wall type units.

(2) Central System

There is no central air conditioning system.

(3) Cooling Towers, Condensers

There are no cooling towers or condensers in the Building.

(4) Individual Units Covered by the offer

N/A

(n) Ventilation

(1) Exhaust fan type ventilation is provided for interior corridors, kitchens and toilets. Exhaust grills are provided in interior kitchens, corridors and toilets. The fans are in fair-good condition and can remain in use.

(2) The dryers are provided with exhaust ductwork which extends to the courtyard. Boiler Room and cellar ventilation is adequate.

(3) The Garage is provided with a roof mounted mushroom type exhaust fan. The exhaust fan shall be tested to determine air quantity. The fan is in fair condition and can remain in use.

(o) Electrical System**(1) Service from main service switchgear**

The existing electric service consists of Consolidation Edison Company cables entering from Byrd Street and terminating in a service cable end line box. The utility company service cables are rated at 120/208 volt, 3 phases, 4 wire and provides power to the Building.

Distribution equipment for the building is as follows:

(i) End box.

(ii) Two (2) 600 amp disconnect switches are provided for the meterbanks.

- (iii) Meter banks.
- (iv) 400 amp CT and 200 amp disconnect switch with meter for the retail.
- (v) House panels.
- (vi) An emergency generator is not provided for the building

(2) Service to individual units

Service to individual units is provided with dedicated risers.

(3) Compartment switchgear

From the service end line box, cables are connected to the Building distribution equipment which consists of the following:

- (i) Typically, a 3 pole, 600 amp disconnect switch for each meterbank.
- (ii) Each apartment is provided with two (2) 40 amp fuses. The electric service to each apartment is rated for 40 amps 208 volts, 1 phase with copper material.
- (iii) House panels. :
- (iv) Tenant meters.
- (v) Feeders up to apartments.
- (vi) A 400 amp disconnect switch and meter is provided for the retail meterbank. A fuse holder box is provided with meters.

(4) Unit Service

- (i) The Building consists of multiple apartments. The apartments' main electric services consist of a load center with utility meters for each apartment. Apartment feeders are connected from the Cellar Level to the circuit breaker panels. Wire material observed is copper.
- (ii) Apartments

Original circuit breaker panels have not been replaced. Separate circuits for A/C units have not been provided. Approximately 3-6 circuits are provided per apartment.
- (iii) Branch circuit wiring

It appears that all apartments still have the original branch circuit wiring which should be replaced when units are under renovation.

Apartments do not have separate outlets and circuit breakers for kitchen appliances. It appears that all apartments; appliances are connected to convenience outlets and/or light circuits. This type of circuitry arrangement was frequently installed at the time of original installation.

- (iv) A ceiling mounted smoke detector has been provided in each apartment.
- (v) The majority of Kitchens and Bathrooms are not provided with GFCI outlets. Receptacles are provided in Living Room, Bedroom and Kitchen areas. The amperage and grounding conditions was not available at the time of inspection.

(5) Adequacy

(i) Service

The apartment electric service feeder and circuit breakers are adequate for today's modern electrical requirements. Separate circuits have not been provided for dishwashers and kitchen appliances.

(ii) Lighting and Fixtures

The Building lighting consists of fluorescent lighting in stairs and corridors. Emergency lighting is provided in corridors.

(iii) Convenience outlets, appliance outlets

Convenience outlets are scattered throughout the apartments. Dedicated air conditioning outlets have not been provided.

(p) *Intercommunication and/or door signal systems, security closed circuit TV*

There is a simple closed circuit push button buzzing system with one (1) buzzer panel at the front entrance and buzzers in all apartments. The buzzer panel and the buzzers in the inspected apartments are in acceptable to fair condition.

(q) *Public Area Lighting*

The Building lighting consists of fluorescent lighting in stairs and corridors. All lightings appear to be adequate. Emergency lighting is provided in corridors. Garage and exterior yard lighting are adequate.

(r) *Garages and Parking Areas*

(1) Location of garages

The garage is located in the cellar level occupying the southeast corner of the Building.

(2) Number of Parking Spaces

The garage has eleven (11) parking spaces. All parking spaces are for residential. There are no ADA parking spaces.

The current C of O specifies twenty- five (25) parking spaces. The actual number of parking spaces on site are less than the number stated in the current C of O. C of O only specifies maximum number of parking spaces and since the building is utilizing less than what is specified in the C of O, the current C of O is not required to be amended to match the actual number of parking spaces.

(3) Surfaces

The garage has concrete floor and ceiling and painted walls. All surfaces are in acceptable condition.

(4) Parking

Parking in the garage is not being attended.

(5) Garage ventilation

The garage is provided with an exhaust fan.

(6) Garage fire protection

A 4" sprinkler service is provided for the Garage.

(7) Drainage

There are two (2) drains in the garage. The drains are cast-iron internal type and are in acceptable condition. No ponding condition has been reported.

(s) *Swimming Pools*

There are no swimming pools on the premises.

(t) *Tennis Courts, Playgrounds and Recreation Facilities*

There are no tennis courts, playgrounds, or recreation facilities on the premises.

(u) *Permits and Certificates*

Permit	Issued by	Date Issued	Exp. Date
Certificate of Occupancy	Department of Buildings, City of New York	11/07/1962	-
Certificate to Operate - Boiler	Department of Environmental Protection	09/12/2015	11/01/2018
Petroleum Bulk Storage Certificate	Department of Environmental Conservation	10/31/2017	01/24/2022

Inspections:

- Low pressure boiler annual inspection
- Oil Tank annual inspection
- Backflow prevention annual inspection
- Sprinkler/Compactor quinquennial inspection
- Elevator Cat 1 annual inspection
- Elevator Cat 5 quinquennial inspection
- FISP quinquennial inspection

Updated boiler inspection certificates and permits will be provided at the time of closing.

(v) *Violations*

The following open violations were found as of 11/05/2018:

Department of Buildings: 1 open violation, 1 open complaint.

Environment Control Board: 0 open

Department of Housing Preservation and Development (HPD): 0 open violations.

(w) Unit Information

There are eighty-six (86) units in the Building. Unit LC is an office. Units 43-01 to 43-17 Main Street are stores. Unit 1J, SA and LA are studio apartments. Units in A, B, C, D, I, J and L Lines are one-bedroom apartments. Unit 1K is a three-bedroom apartment. The rest of the units are two-bedroom apartment. Six (6) apartments were vacant at the time of inspection. Thirty-five (35) units were inspected. All apartments are rent stabilized.

(1) Type and grade of finish material used in each type of unit.

The table contains only the materials observed in the inspected units. The condition of the finishes varies, based on the age and the use by the tenants. No unacceptable conditions of the finishes were observed.

Room	Floor	Walls	Ceiling
Corridor	VCT Flooring/2 ½" Strip Oak Flooring/Carpet	Painted Plaster/Painted Drywalls	Painted Plaster
Kitchen	VCT Flooring/Ceramic Tiles	Painted Plaster/Painted Drywalls	Painted Plaster
Bathroom	Ceramic Tiles/Mosaic Tiles	Ceramic Tiles/Painted Plaster/Painted Drywalls	Painted Plaster
Living room	Laminated Wood Flooring/2 ½" Strip Oak Flooring VCT Flooring/	Painted Plaster/Painted Drywalls	Painted Plaster
Bedroom	Laminated Wood Flooring/2 ½" Strip Oak Flooring/Carpet/ VCT Flooring/	Painted Plaster/Painted Drywalls	Painted Plaster

(2) Presence, type and condition of all bathroom fixtures

Bathroom fixtures in the inspected apartments include combination of gel-coated fiberglass or porcelain enamel tubs, single molded lavatory counters set on top of plywood vanities or porcelain lavatory basins, flushometer or dual-flush toilets. The condition of the fixtures varies based on the age and the use by the tenants. No unacceptable conditions of the fixtures were observed.

(3) Presence, type and condition of kitchen and laundry equipment

Kitchen equipment in the inspected apartments include plywood or fiberboard over-counter cabinets, under-counter cabinets, stainless steel kitchen sinks, plastic laminate/wood/stone counters, 4-burner gas stoves/ovens, and 5-foot top freezer. Some units are equipped with dish washers. Laundry equipment was observed in one of the inspected units. The condition of the equipment varies based on the age and the use by the tenants. No unacceptable conditions of the kitchen equipment were observed.

(x) *Finish Schedule of Spaces Other Than Units*

Room	Floor	Walls	Ceiling	Condition
Storage/ Office	Painted Concrete	Painted Blocks/Painted Bricks	Painted Plaster	Acceptable
Meter Room	Concrete	Concrete Blocks	Concrete	Acceptable
Boiler Room	Concrete	Painted Blocks/Painted Bricks	Concrete	Acceptable
Compactor Room	Concrete	Painted Blocks	Concrete	Acceptable
Cellar Corridor	Painted Concrete	Painted Plaster	Painted Plaster	Acceptable
Laundry Room	Painted Concrete	Painted Plaster	Painted Plaster	Acceptable

Elevator Motor Room	Concrete	Painted Bricks	Painted Concrete	Acceptable
Lobby	Vinyl Tiles/Stone Tiles	Painted Plaster	Painted Plaster	Fair
Stairwell	Painted Concrete	Painted Plaster	Painted Plaster	*Poor to Fair
Hallways	Vinyl Tiles	Painted Plaster	Painted Plaster	Acceptable to Fair
Mail Room	Stone Tiles	Painted Plaster	Painted Plaster	Fair

* Cracks and spalling of plasters at the bulkhead were observed. This is related to the leak described in the previous section. The leak is no longer active. Sponsor will repair the interior.

(y) *Safety and Warning Devices*

New smoke/carbon monoxide (CO) detectors that are required by the new regulation have been installed in all apartments and hallways.

(z) *Additional Information Required*

(1) Site Plan

See Appendix 2.

(2) Area Map

N/A. It is only required if the buildings are not located in highly urban areas.

(3) Floor plan

See Appendix 3

(4) Floor to ceiling heights of units

Units at Cellar Level are approximately 9' and units all other levels are approximately 8' high.

(5) Approximate total area of each unit

The total area of each unit was calculated from the center line of the unit's exterior walls.

Apartment	Approximate Total Area (SF)
A Line	860
C Line	695
E Line	1080
G Line	960
I Line	685
J Line	725
K Line	1045
LA	685
LC	575
SB	1010
43-03	580

Apartment	Approximate Total Area (SF)
B Line	935
D Line	660
F Line	990
H Line	1115
1J	525
1K	1240
L Line	835
LB	1050
SA	655
43-01	755
43-05	540

43-07	530	43-09	535
43-11	565	43-13	525
43-15	850	43-17	1700

(1) Master floor plan

See Appendix 4.

(aa) *Further investigation*

Further investigation should be conducted to understand the material and the condition of the roof flashing and insulation.

(bb) *Further development*

The Sponsor has reserved future development rights.

(cc) *Asbestos*

Asbestos containing materials (ACM) were found in various locations. For asbestos "Summary of Findings", "Recommendations" and other related issues see "Asbestos Study" prepared by Singer Environmental Group, LTD on December 18, 2017. The asbestos found in the hallway floor tiles and believed to be present on the roof in tars, felts and papers used in roof coatings are non-friable and are not required to be removed.

(dd) *Lead-based paint*

In our visual inspection we found no evidence of lead-based paint. No lead-based paint testing has been done and we have no knowledge of the presence of lead-based paint. The Property was constructed prior to 1978 and therefore either the Property or the Units may contain lead-based paint and lead-based hazards.

(ee) *Recommended repair work*

(1) Sidewalk Pavement:

To repair the cracked and spalled sidewalk pavement on Byrd Street, estimated cost is approximately \$10,000. Work to be completed within 12-18 months.

(2) Fencing:

To repair the roofing and penetrations at the garage roof, estimated cost is approximately \$5,000. Work to be completed.

(3) Exterior Walls:

The size and insulation value of the exterior walls are unknown.

(4) Local Law 11 Report:

To correct SWARMP condition cited in LL11 Cycle 7 report and file Cycle 8 report, estimated cost is approximately \$15,000. Work to be completed within 12-18 months.

(5) Parapet Walls:

To repair cracks on main roof parapet walls, estimated cost is approximately \$45,000. Work to be completed within 12-18 months.

(6) Roof:

The insulation size, type and value of the existing roofing are unknown. There are no roof warranties that are currently valid.

(7) Bulkhead Interior Wall:

To repair the deteriorated bulkhead interior wall, estimated cost is approximately \$1,000. Work to be completed within 12-18 months.

(8) Courtyard Paving:

To replace the deteriorated concrete paving in the upper level of the courtyard, estimated cost is approximately \$10,000. Work to be completed within 12-18 months.

(9) Hot and Cold Piping:

To insulate the exposed hot and cold water piping in the cellar, estimated cost is approximately \$5,000.

(10) Tenant Protection Plan:

The building will be occupied during renovation or alteration. Tenant Protection Code as enacted by NYCDOB. A Tenant Protection Plan is included in this Offering Plan.

(ff) *Reserve fund*

Base on today's pricing, the reserve fund is sufficient to pay for the major capital improvements and replacements which are reasonably foreseeable within three years.

Note:

The term "fair" used in the Report refers to the moderately good, satisfactory, and above average conditions with minor deteriorations that are mostly aesthetic and do not require repair.

The term "acceptable" used in the Report refers to the conditions that meet the minimum requirement of the performance and are judged to be in conformity with approved usage. The item may contain moderate deteriorations that require proper and continuous maintenance or minimal repair.

The term "poor" used in the Report refers to the under-satisfactory and inadequate conditions with deteriorations that require repair or replacement.

APPENDIX 1

CERTIFICATE OF OCCUPANCY

No. 54-71M 702854(38) 114

DEPARTMENT OF BUILDINGS

BOROUGH OF

QUEENS

, THE CITY OF NEW YORK

No. 148279

Date

11/7/62

CERTIFICATE OF OCCUPANCY

This certificate is adopted by the Board of Standards and Appeals and issued pursuant to Section 646 of the New York Charter, and Sections C26-181.0 to C26-187.0 inclusive Administrative Code 2.1.3.1. to 2.1.3.7. Building Code.)

This certificate supersedes C. O. No.

of the owner or owners of the building or premises:

THIS CERTIFIES that the new—altered—existing—building—premises located at

136-04 Cherry Ave., S.E. Cor. Main St.

Block

Lot

conforms substantially to the approved plans and specifications, and to the requirements of the building code and all other laws and ordinances, and of the rules and regulations of the Board of Standards and Appeals, applicable to a building of its class and kind at the time the permit was issued; and

CERTIFIES FURTHER that, any provisions of Section 646F of the New York Charter have been complied with as certified by a report of the Fire Commissioner to the Borough Superintendent.

B. or Alt. No.

Alt. 1379/60

Construction classification—

Non-Fire

Occupancy classification—

Res.

Height

6

stories,

feet

Date of completion—

9/20/62

Located in

Rest. Ret., Res.

Use District

Area

Height Zone at time of issuance of permit

This certificate is issued subject to the limitations hereinafter specified and to the following resolutions of the Board of Standards and Appeals:

(Calendar numbers to be inserted here)

PERMISSIBLE USE AND OCCUPANCY

STORY	LIVE LOADS Lbs. per Sq. Ft.	PERSONS ACCOMMODATED			USE
		MALE	FEMALE	TOTAL	
Sub-Curb fl.	On gr.			5	Multiple Dwelling "A", Boiler rm. & 2 Doctor's off.
Cellar	On gr.			2	Multiple Dwelling "A", Offices, Stores, Meter, Laundry, Storage rms., 25 car garage.
1	40			12	Multiple Dwelling "A"
2	40			12	Multiple Dwelling "A"
3	40			12	Multiple Dwelling "A"
4	40			12	Multiple Dwelling "A"
5	40			12	Multiple Dwelling "A"
6	40			12	Multiple Dwelling "A"

THIS CERTIFICATE SHALL ALSO BE CONSIDERED A CERTIFICATE OF OCCUPANCY UNDER SECTION 601 OF THE MULTIPLE DWELLING LAW.

W. Irving Sigman

Borough Superintendent

CERTIFICATE WILL BE NULL AND VOID IF ALTERED IN ANY MANNER OR ADDITIONS ARE MADE THERETO.

(Page 1)

NO CHANGES OF USE OR OCCUPANCY NOT CONSISTENT WITH THIS CERTIFICATE SHALL BE MADE UNLESS FIRST APPROVED BY THE BOROUGH SUPERINTENDENT

Unless an approval for the same has been obtained from the Borough Superintendent, no change or rearrangement in the structural parts of the building, or affecting the light and ventilation of any part thereof or in the exit facilities, shall be made; no enlargement, whether by extending on any side or by increasing height shall be made; nor shall the building be moved from one location or position to another; nor shall there be any reduction or diminution of the area of the lot or plot on which the building is located.

The building or any part thereof shall not be used for any purpose other than that for which it is certified.

The superimposed, uniformly distributed loads, or concentrated loads producing the same stresses in construction in any story shall not exceed the live loads specified on reverse side; the number of persons of either sex in any story shall not exceed that specified when sex is indicated, nor shall the aggregate number of persons in any story exceed the specified total; and the use to which any story may be put shall be restricted to that fixed by this certificate except as specifically stated.

This certificate does not in any way relieve the owner or owners or any other person or persons in possession or control of the building, or any part thereof from obtaining such other permits, licenses or approvals as may be prescribed by law for the uses or purposes for which the building is designed or intended; nor from obtaining the special certificates required for the use and operation of elevators; nor from the installation of fire alarm systems where required by law; nor from complying with any lawful order for additional fire extinguishing appliances under the discretionary powers of the fire commissioner; nor from complying with any lawful order issued with the object of maintaining the building in a safe or lawful condition; nor from complying with an authorized direction to remove encroachments into a public highway or other public place, whether attached to or part of the building or not.

If this certificate is marked "Temporary", it is applicable only to those parts of the building indicated on its face, and certifies to the legal use and occupancy of only such parts of the building; it is subject to all provisions and conditions applying to a final or permanent certificate; it is not applicable to any building under the jurisdiction of the Housing Division unless it is also approved and endorsed by them, and it must be replaced by a full certificate at the date of expiration.

If this certificate is for an existing building, erected prior to March 14, 1916, it has been duly inspected and it has been found to have been occupied or arranged to be occupied prior to March 14, 1916, as noted on the reverse side, and that on information and belief, since that date there has been no alteration or conversion to a use that changed its classification as defined in the Building Code, or that would necessitate compliance with some special requirement or with the State Labor Law or any other law or ordinance; that there are no notices of violations or orders pending in the Department of Buildings at this time; that Section 646F of the New York City Charter has been complied with as certified by a report of the Fire Commissioner to the Borough Superintendent and that, so long as the building is not altered, except by permission of the Borough Superintendent, the existing use and occupancy may be continued.

"§ 646 F. No certificate of occupancy shall be issued for any building, structure, enclosure, place or premises wherein containers for combustibles, chemicals, explosives, inflammables and other dangerous substances, articles, compounds or mixtures are stored, or wherein automatic or other fire alarm systems or fire extinguishing equipment are required by law to be or are installed, until the fire commissioner has tested and inspected and has certified his approval in writing of the installation of such containers, systems or equipment to the Borough Superintendent of the borough in which the installation has been made. Such approval shall be recorded on the certificate of occupancy."

Additional copies of this certificate will be furnished to persons having an interest in the building or premises, upon payment of a fee of fifty cents per copy.

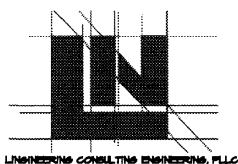
APPENDIX 2

SITE PLAN

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.

LEGEND

LOT LINE	---
FIRE HYDRANT	•••
STREET LIGHT	□
DRAINS	○
TREES	⊗
RAILING	—
FENCE	—+—+—+—
RETAINING WALL	▨
REFRIGERATOR	□
TOILET	⊖
SINK	□
STOVE	⊗
BATH TUB	⊞



DESCRIPTION OF PROPERTY

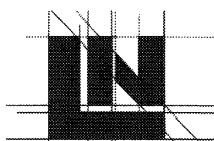
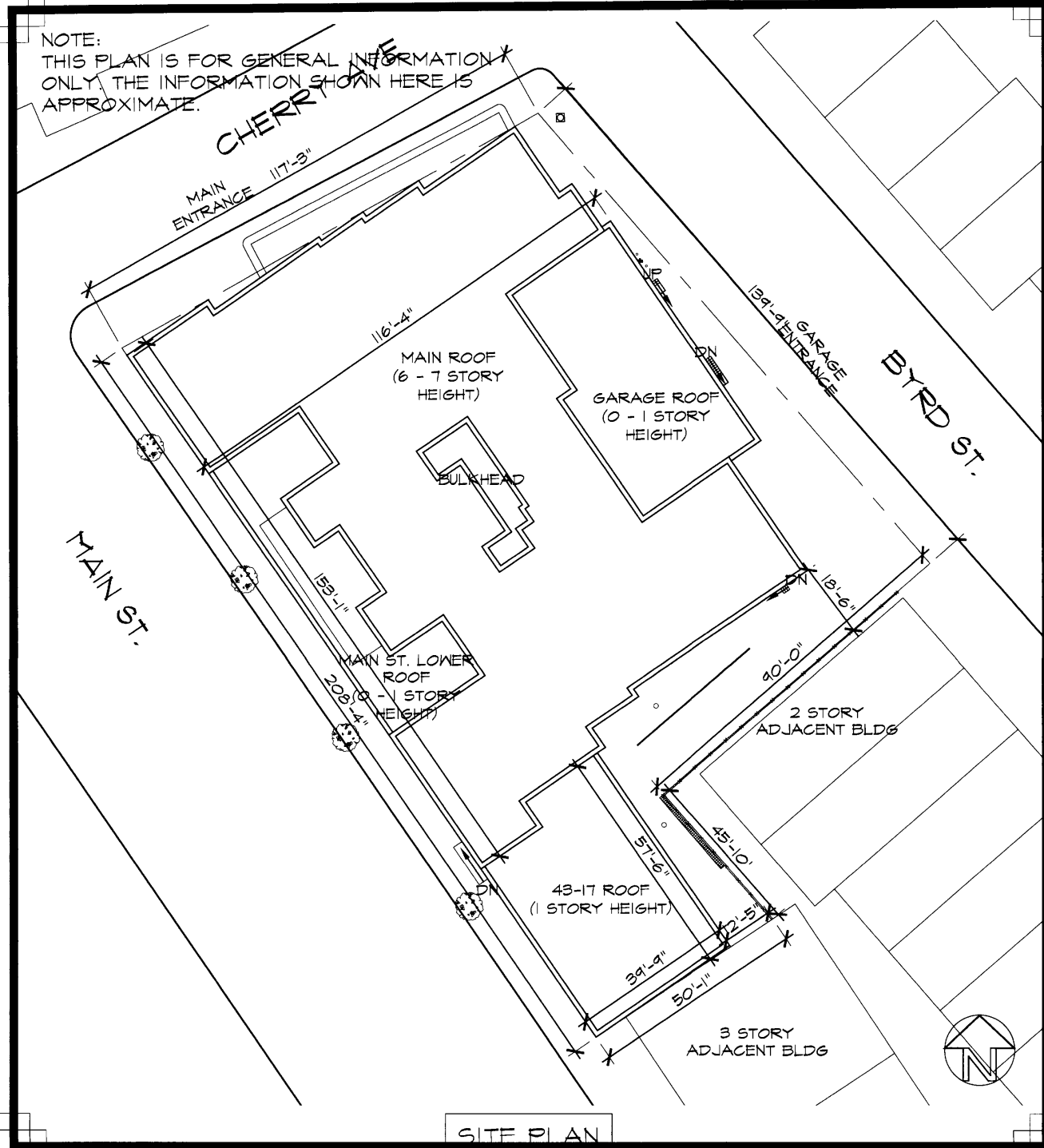
136-04 CHERRY AVENUE
QUEENS, NY 11355

THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1120	N.T.S.	04/15/2014
DRAWN BY:	CHECKED BY:	PAGE NO.
JL	AC	1 OF 54
SHEET TITLE:		
LEGEND		
SHEET NUMBER:		
A1-01		

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



LINNEBERG CONSULTING ENGINEERS, PLLC

DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY:	CHECKED BY:	DATE
JL	AC	3 OF 54

SHEET TITLE

SITE PLAN

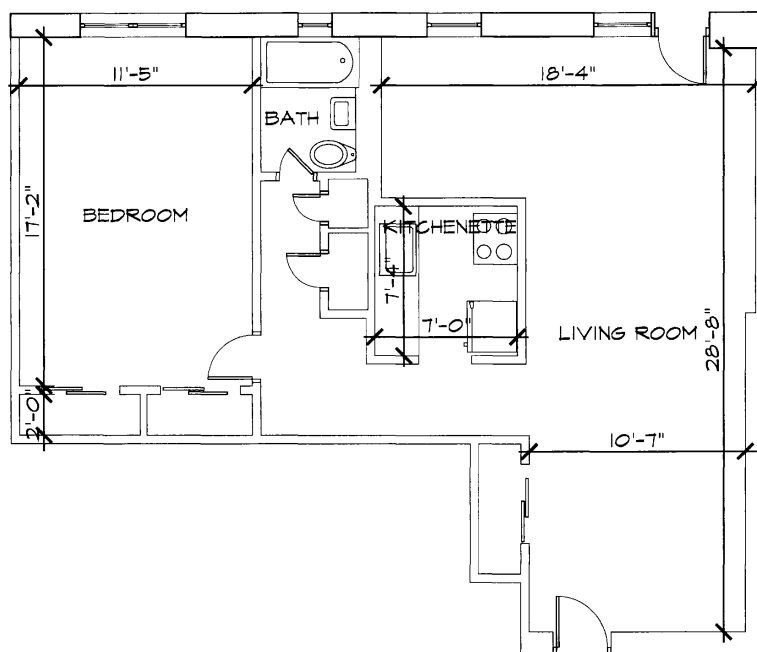
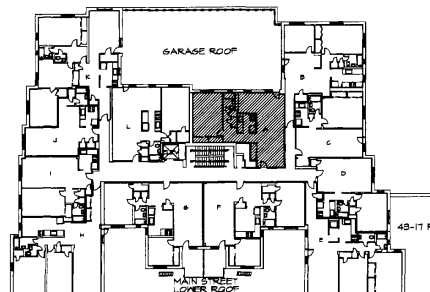
SHEET NUMBER

A1-02

APPENDIX 3

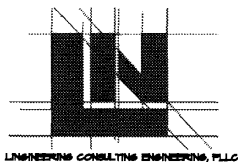
FLOOR PLANS

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



1A

APPROXIMATE AREA = 860 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

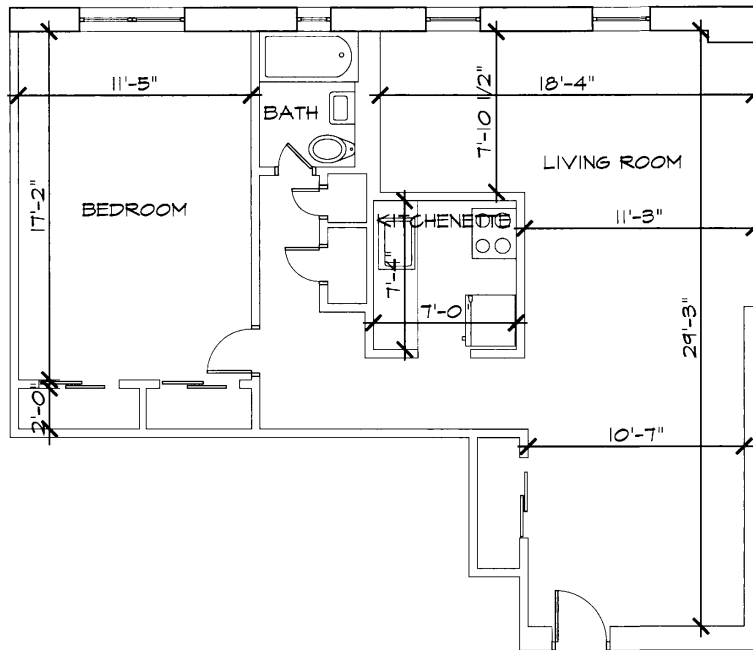
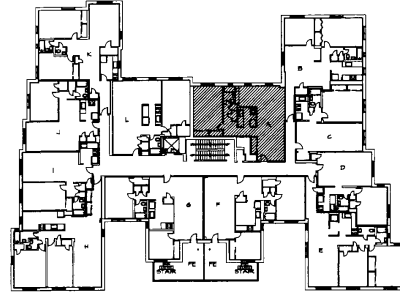
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY	CHECKED BY	DATE
AC		5 OF 34
DATE TOLD		
DATE REVISION		

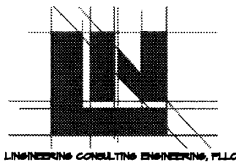
A2-01

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



A LINE

APPROXIMATE AREA = 860 SF



DESCRIPTION OF PROPERTY

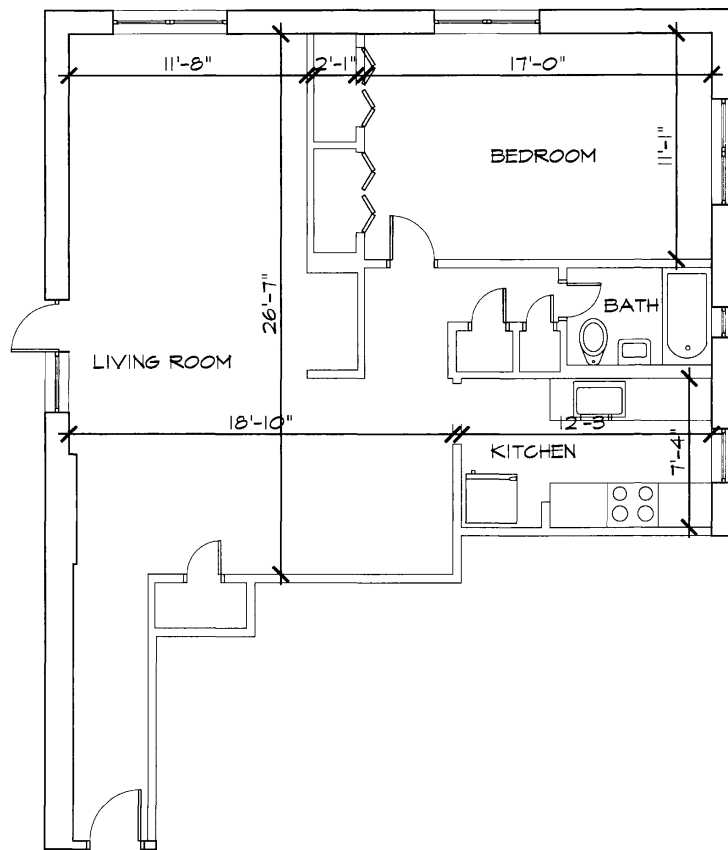
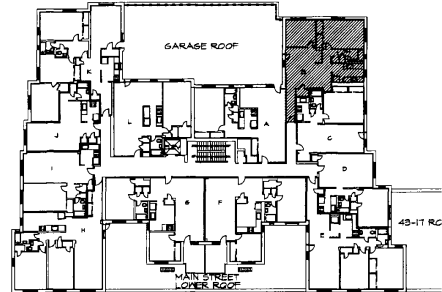
THE PINNACLE GROUP

136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

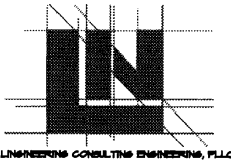
JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	01/15/2019
DRAWN BY	DATE BY	FILE NO.
AC		4 OF 54
SHEET TITLE		
A LINE		
SHEET NUMBER		
A2-02		

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



IB

APPROXIMATE AREA = 935 SF



DESCRIPTION OF PROPERTY

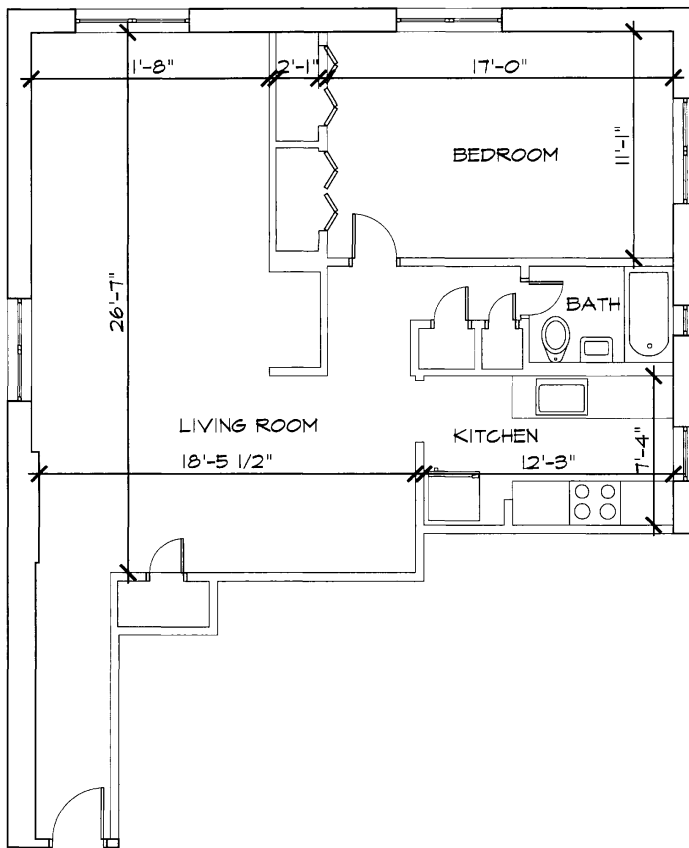
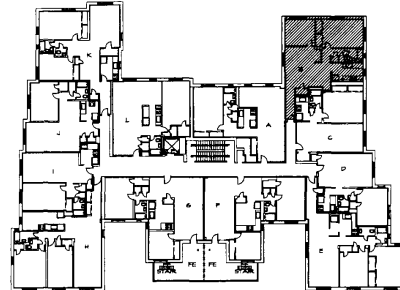
THE PINNACLE GROUP

136-04 CHERRY AVENUE
QUEENS, NY 113551 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2014
DESIGNED BY	DRAWN BY	TRACED BY
JL	AC	5 OF 54
SHEET TITLE		
IB		
SHEET NUMBER		

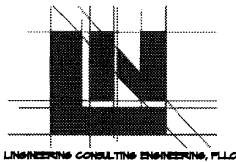
A2-03

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



B LINE

APPROXIMATE AREA = 935 SF



DESCRIPTION OF PROPERTY

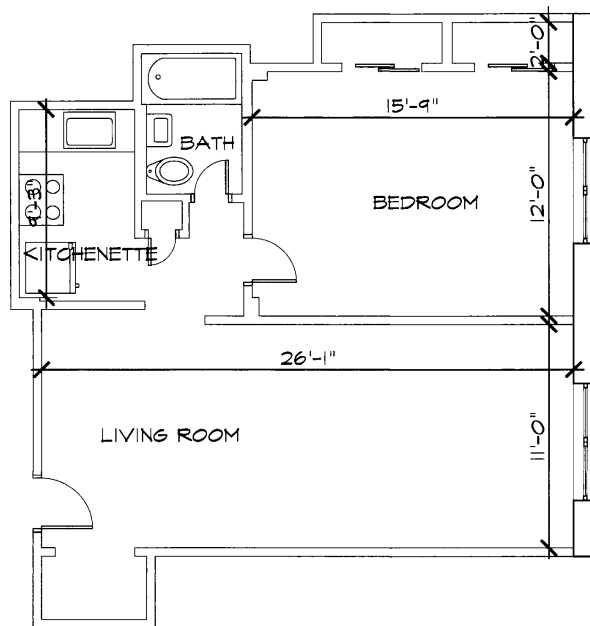
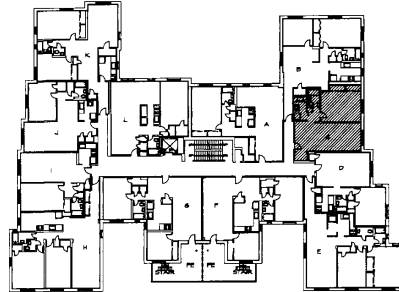
THE PINNACLE GROUP

136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

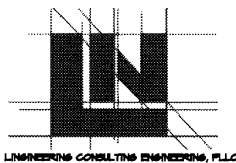
JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2014
DRAWN BY	CHECKED BY	DATE
JL	AC	5 OF 34
B LINE		
A2-04		

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



C LINE

APPROXIMATE AREA = 695 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

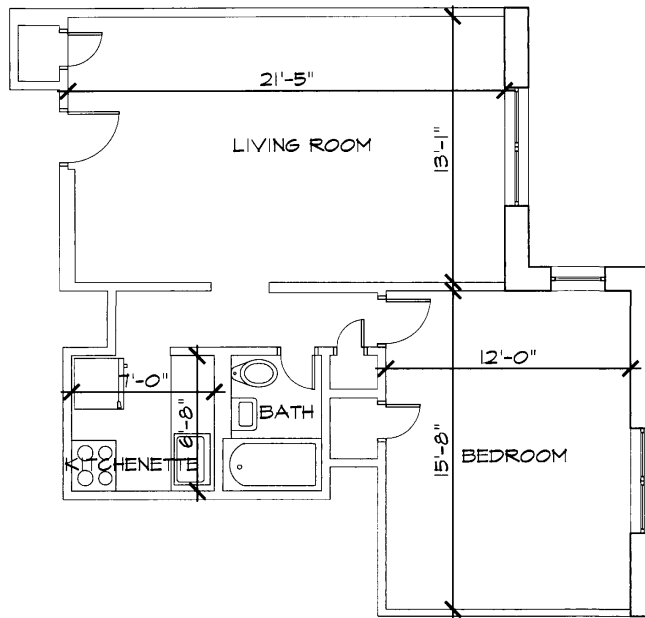
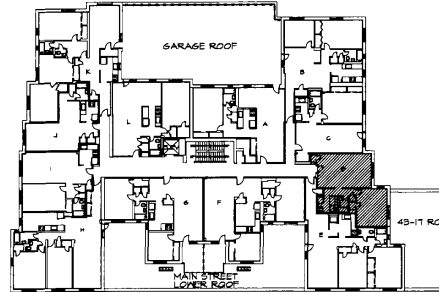
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2019
DRAWN BY:	DATE	
JL	AC	7 OF 34
SHEET TITLE		
C LINE		
SHEET NUMBER		

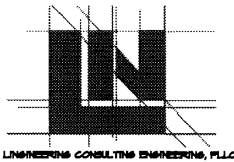
A2-05

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



D LINE

APPROXIMATE AREA = 660 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

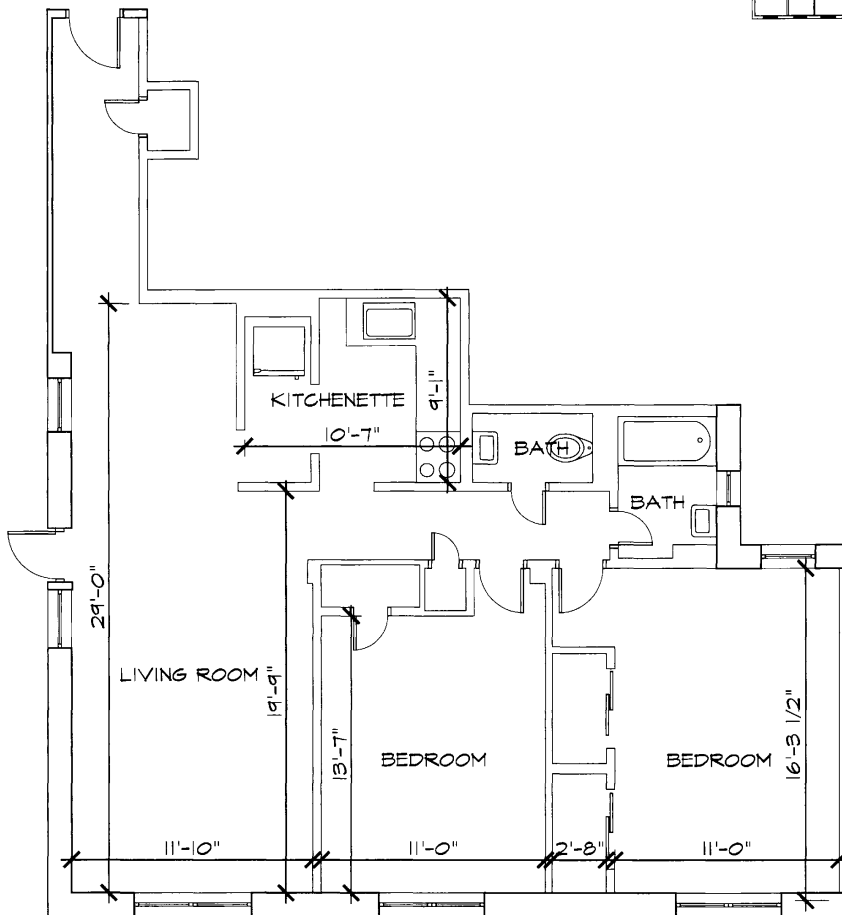
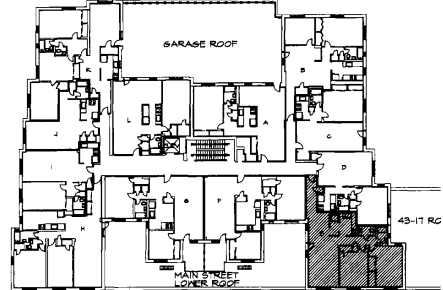
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8" = 1'-0"	01.15.2019
DRAWN BY:	CHECKED BY:	DATE
AC		8 OF 34
SHEET TITLE		
D LINE		
SHEET NUMBER		

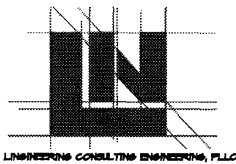
A2-06

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



IE

APPROXIMATE AREA = 1080 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

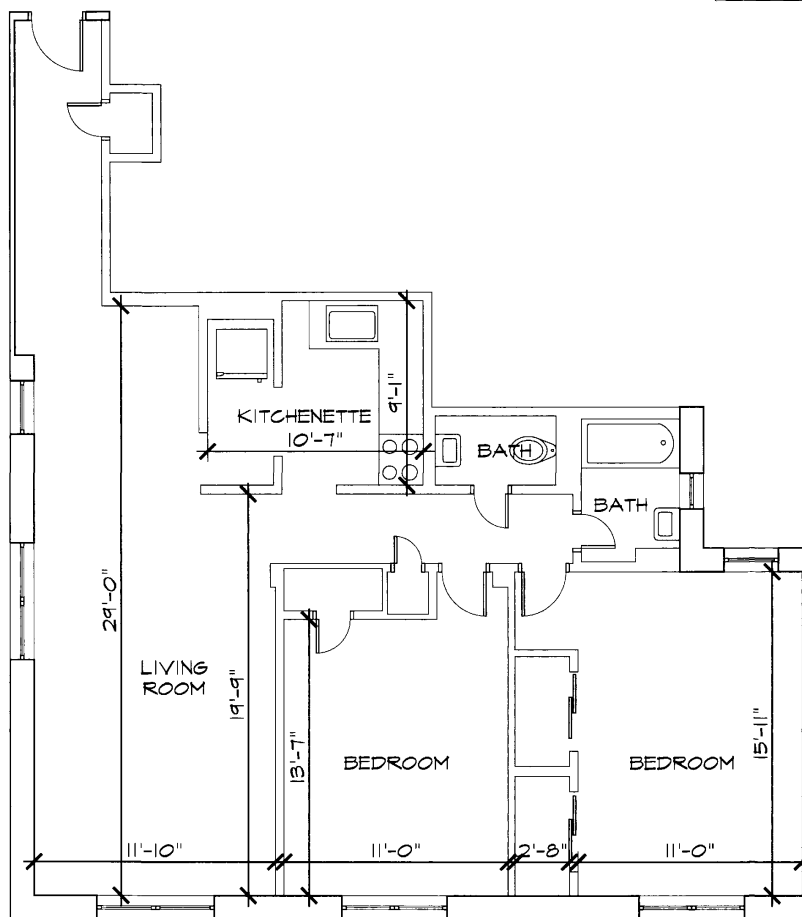
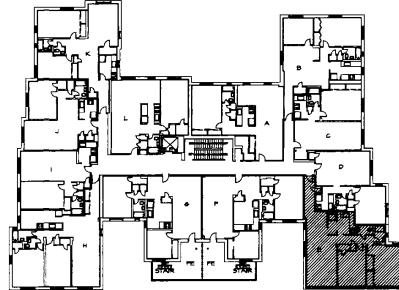
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1120	1/8"=1'-0"	04.15.2019
DESIGNED BY:	DRAWN BY:	PLotted BY:
JL	AC	9 OF 94
DATE TOL:		
IE		

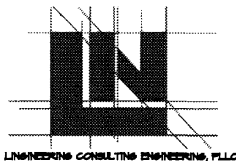
A2-07

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



E LINE

APPROXIMATE AREA = 1080 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

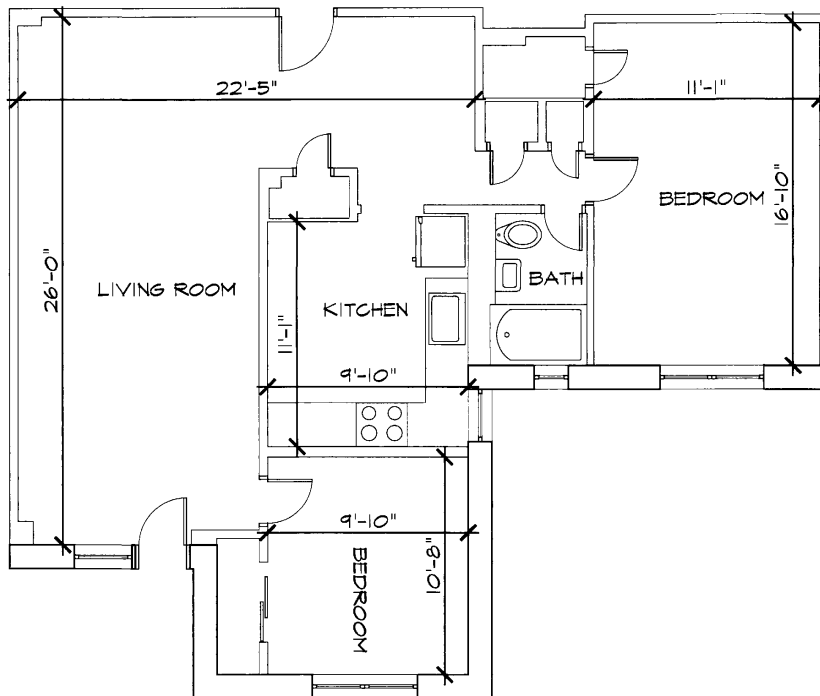
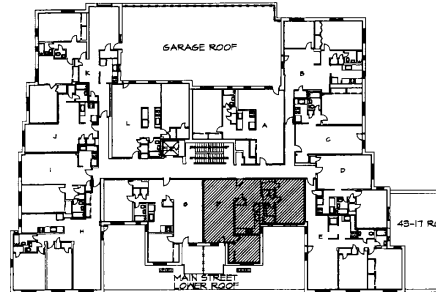
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY:	CHECKED BY:	DATE
AC		10/07/19
E LINE		

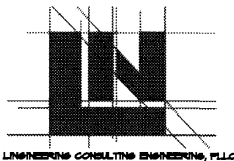
A2-08

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



F LINE

APPROXIMATE AREA = 990 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

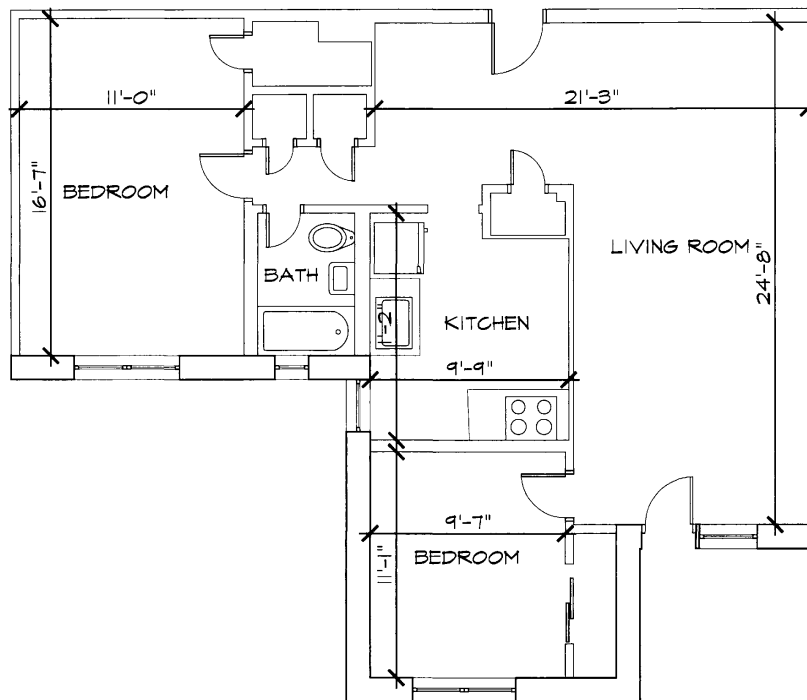
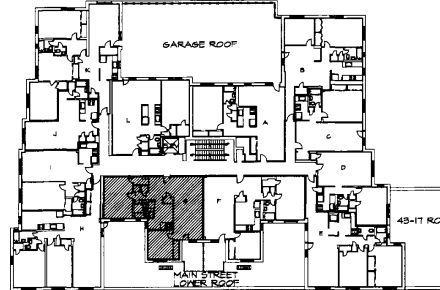
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8" = 1'-0"	07/15/2019
DESIGNED BY:	DRAWN BY:	TIME BY:
	AC	11 OF 54
SHEET TITLE:		
F LINE		
SHEET NUMBER:		

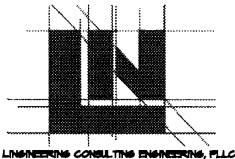
A2-09

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



G LINE

APPROXIMATE AREA = 960 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

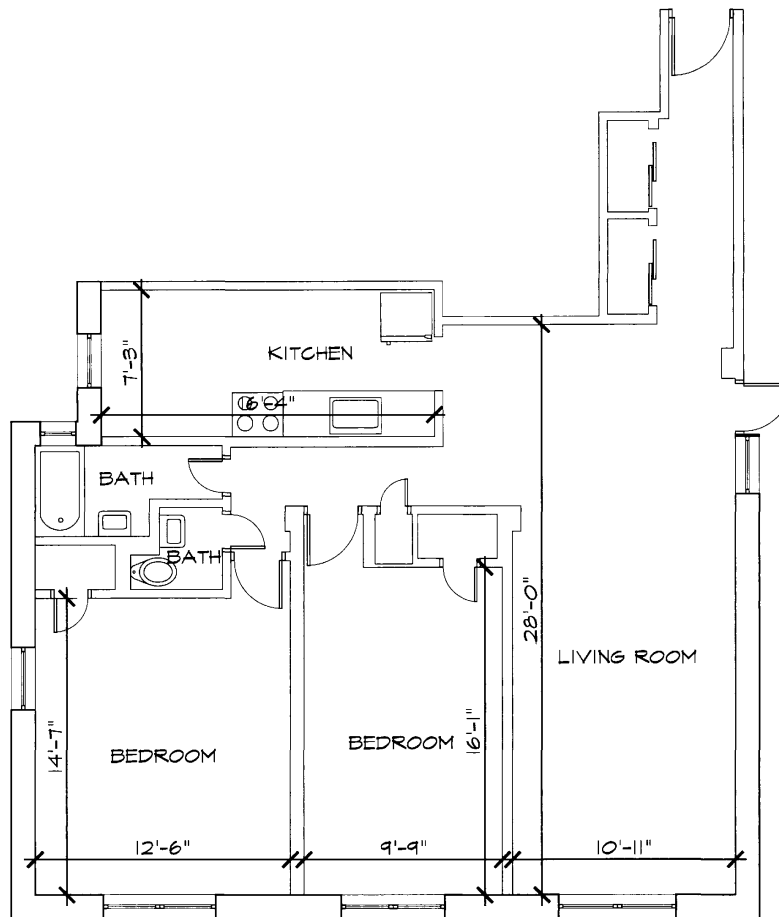
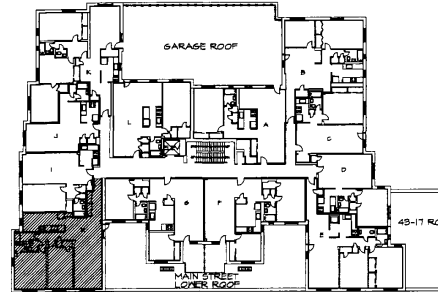
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

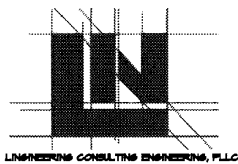
JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2014
DRAWN BY:	CHECKED BY:	DATE
JL	AC	12.07.14
SHEET TITLE		
G LINE		
SHEET NUMBER		

A2-10

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



APPROXIMATE AREA = 1115 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

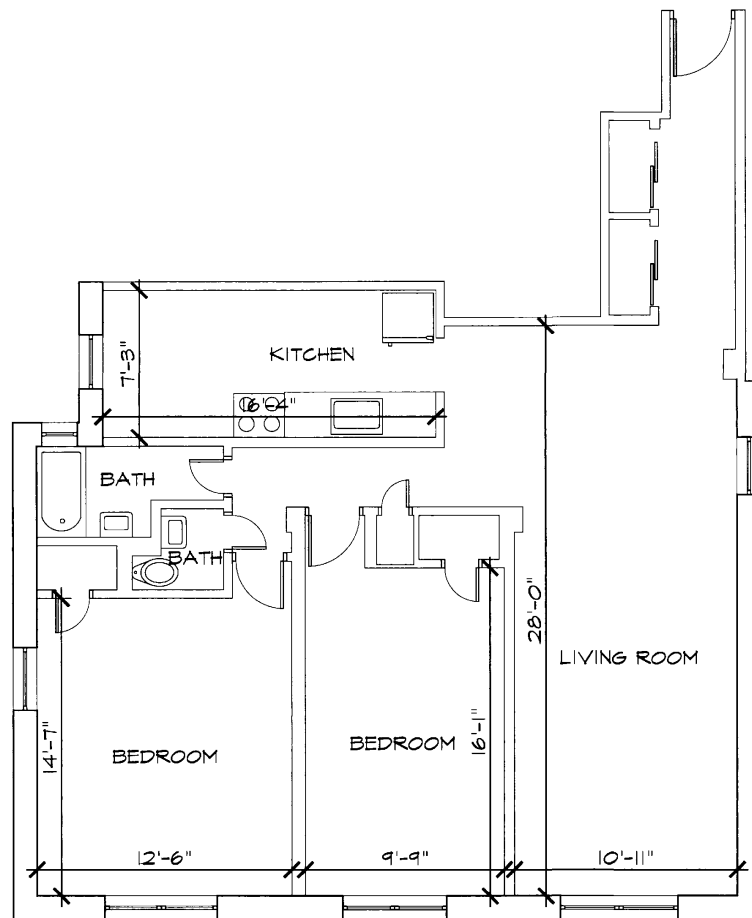
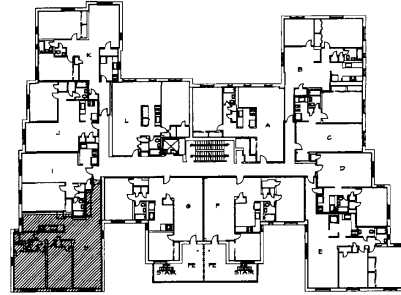
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

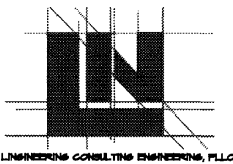
JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2019
DESIGNED BY	DRAWN BY	PAGE NO.
JL	AC	15 OF 34
REVIEW TITLE		
JH		

PROJECT NUMBER
A2-11

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



APPROXIMATE AREA = 1115 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

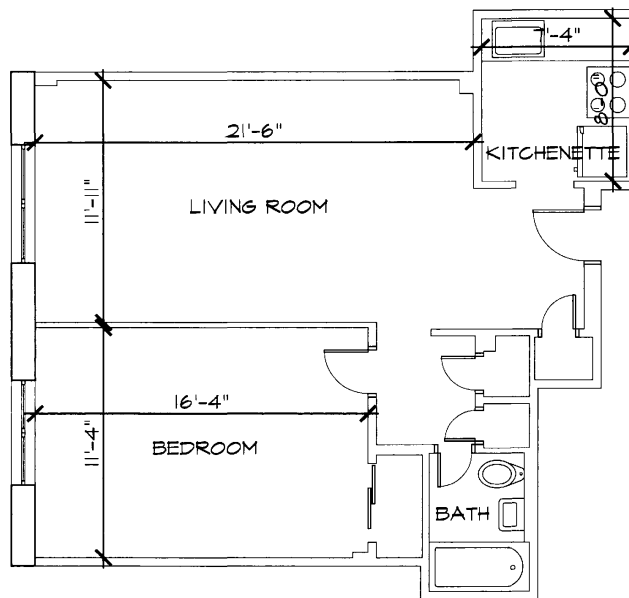
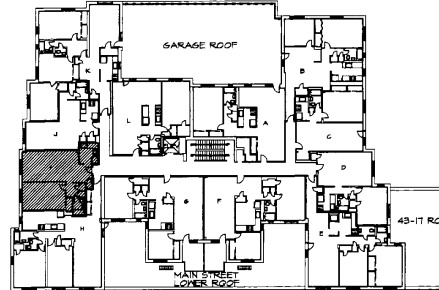
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2019
DRAWN BY:	CHECKED BY:	DATE
AC		140F 54
H LINE		

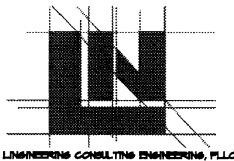
A2-12

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



I LINE

APPROXIMATE AREA = 685 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

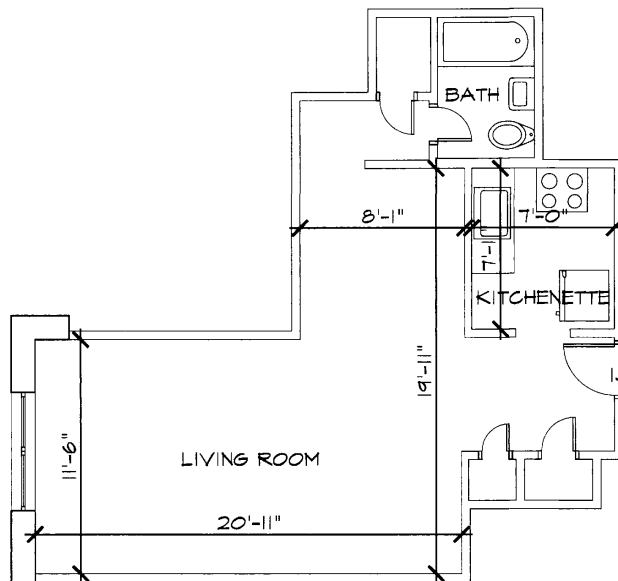
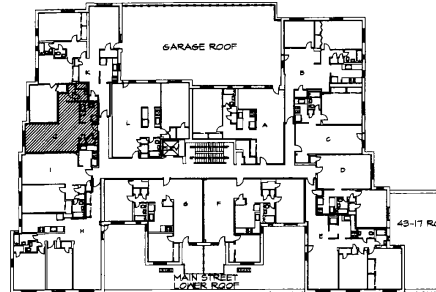
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

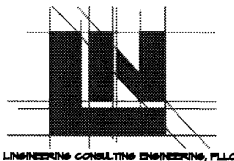
JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04/15/2019
DRAWN BY	CHECKED BY	DATE
AC		15 OF 34
SHEET TITLE		
I LINE		
SHEET NUMBER		

A2-13

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



APPROXIMATE AREA = 525 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

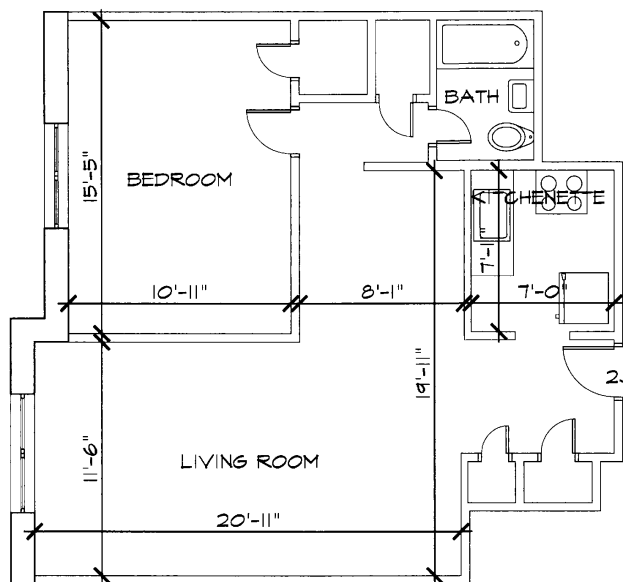
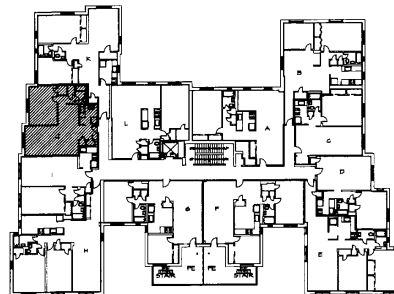
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY:	CHECKED BY:	DATE
JL	AC	16 OF 54
12		

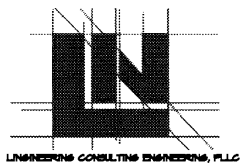
A2-14

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



J LINE

APPROXIMATE AREA = 725 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

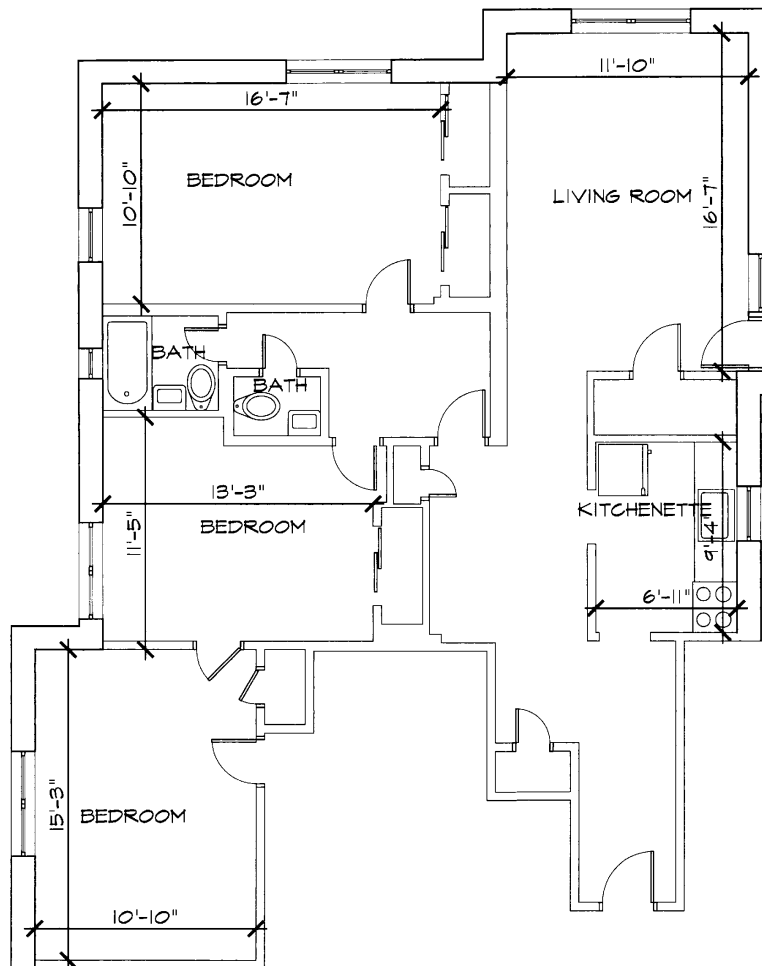
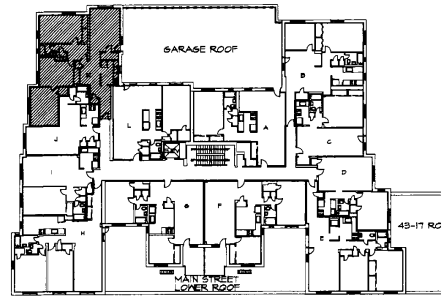
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY:	CHECKED BY:	DATE
J LINE	AC	17.07.19

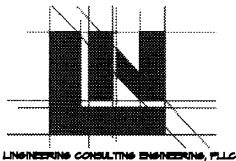
A2-15

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



IK

APPROXIMATE AREA = 1240 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

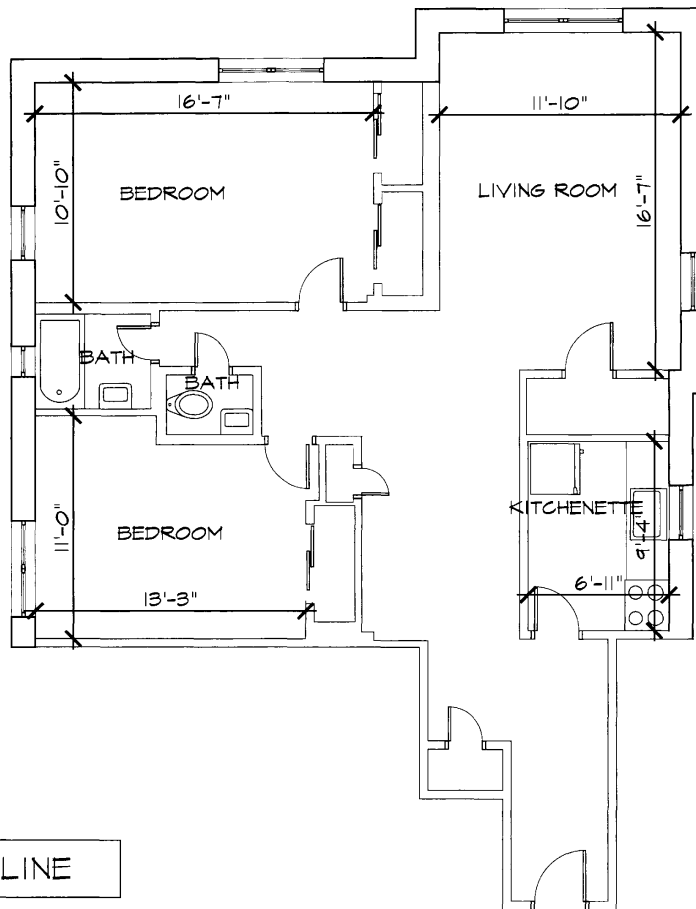
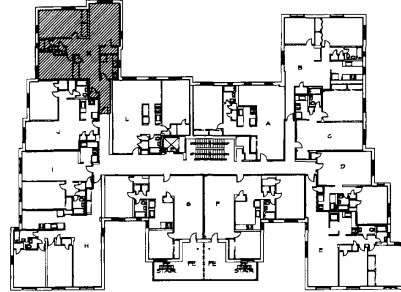
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

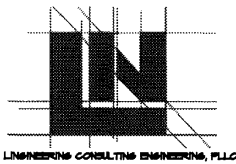
JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2019
DRAWN BY:	CHECKED BY:	DATE
JL	AC	10.01.19
IK		

A2-16

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



APPROXIMATE AREA = 1045 SF



DESCRIPTION OF PROPERTY

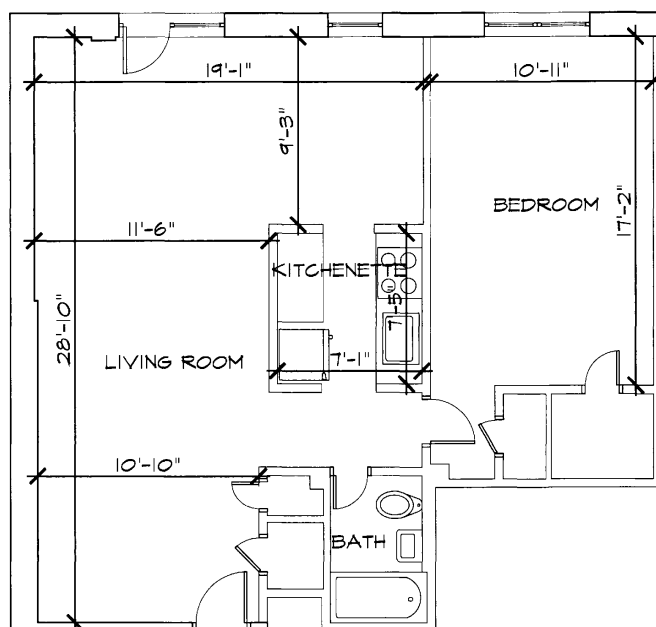
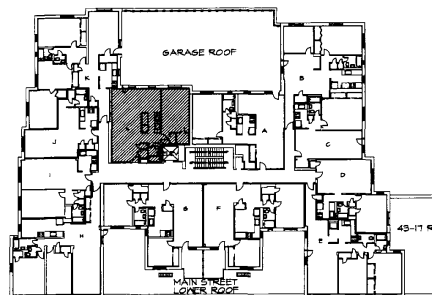
136-04 CHERRY AVENUE
QUEENS, NY 11355

THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

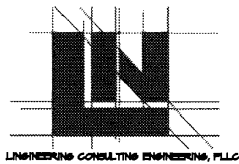
JOB NO.	SCALE	DATE
1720	1/8" = 1'-0"	04.15.2014
DESIGNED BY	CHECKED BY	DATE
JL	AC	MOF 34
K LINE		
A2-17		

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



IL

APPROXIMATE AREA = 835 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

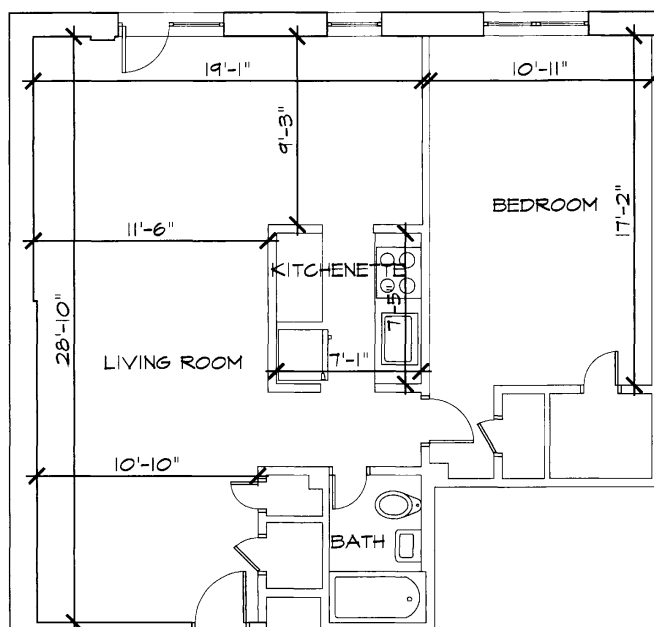
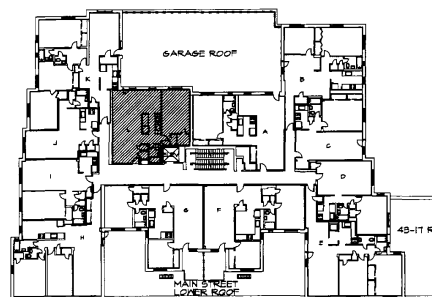
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2014
DESIGNED BY	DRAWN BY	PAGE NO.
JL	AC	28 OF 40
SHEET TITLE		
IL		
SHEET NUMBER		

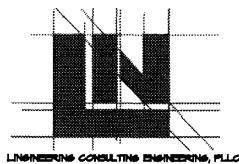
A2-18

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



L LINE

APPROXIMATE AREA = 835 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

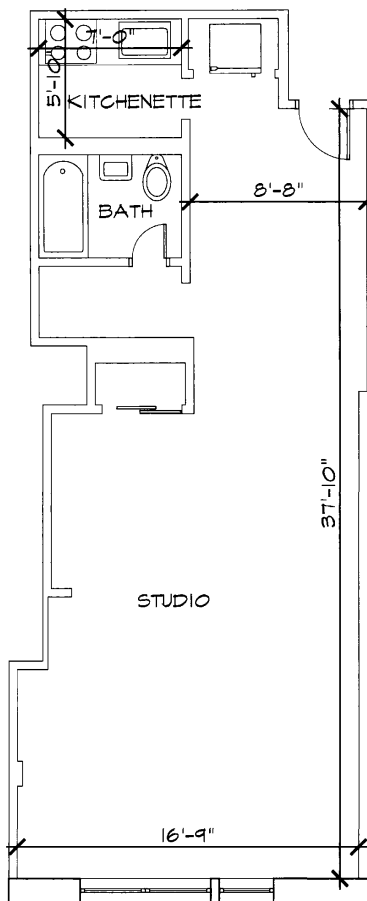
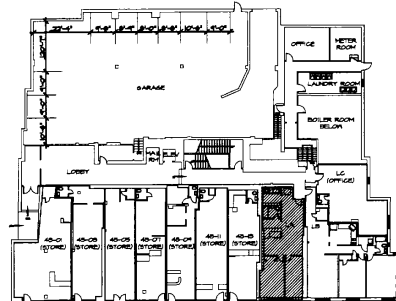
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.13.2014
DRAWN BY	PROJECT BY	PAGE NO.
JL	AC	2 OF 34
REVISIONS		
L LINE		
SHEET NUMBER		

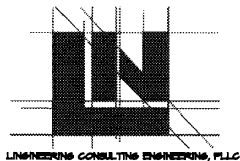
A2-18

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



LA

APPROXIMATE AREA = 685 SF



DESCRIPTION OF PROPERTY

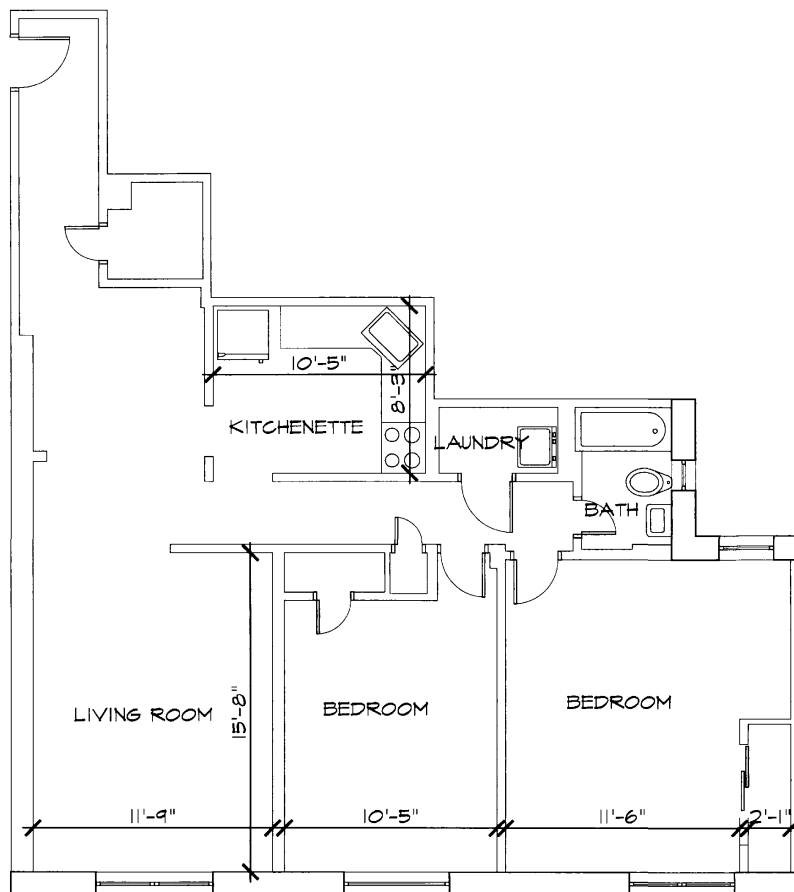
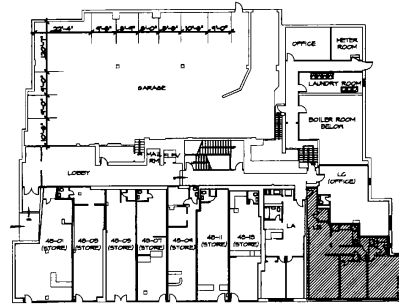
THE PINNACLE GROUP

136-04 CHERRY AVENUE
QUEENS, NY 113551 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2019
DRAWN BY:	CHECKED BY:	DATE
LA	AC	21.07.19

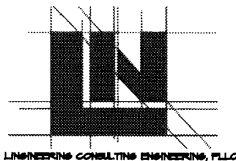
A2-19

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



LB-SUPERINTENDENT'S APT

APPROXIMATE AREA = 1050 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

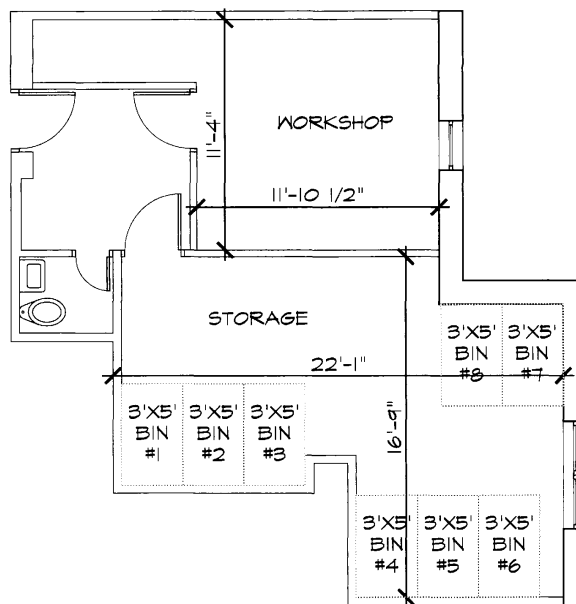
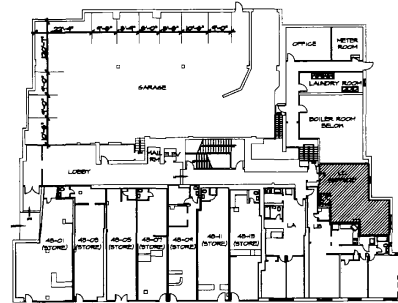
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	01/15/2019
DRAWN BY:	DATE BY:	DATE NO.
LB	AC	22DF 94
LB		

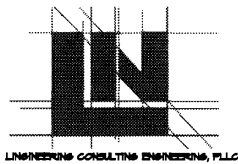
A2-20

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



LC-WORKSHOP/STORAGE

APPROXIMATE AREA = 575 SF



DESCRIPTION OF PROPERTY

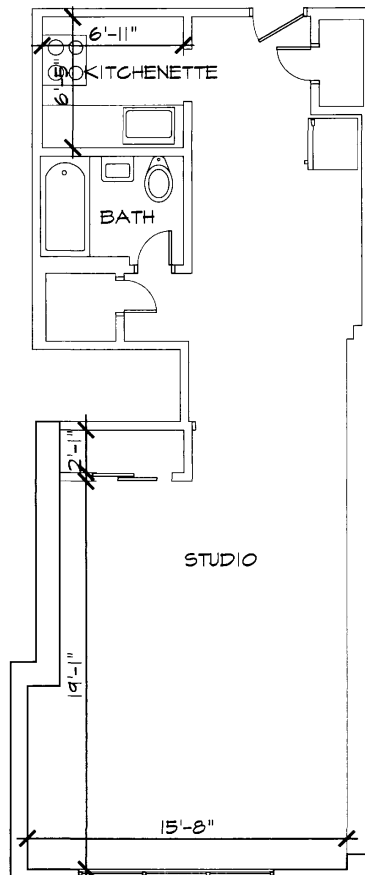
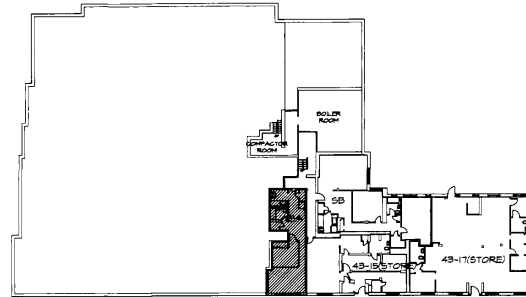
THE PINNACLE GROUP

136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

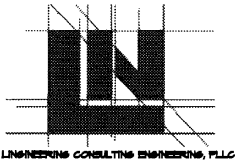
JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2014
DRAWN BY	CHECKED BY	DATE
JL	AC	28.07.14
PROJECT TITLE	LC	
PROJECT NUMBER	A2-21	

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



SA

APPROXIMATE AREA = 655 SF



DESCRIPTION OF PROPERTY

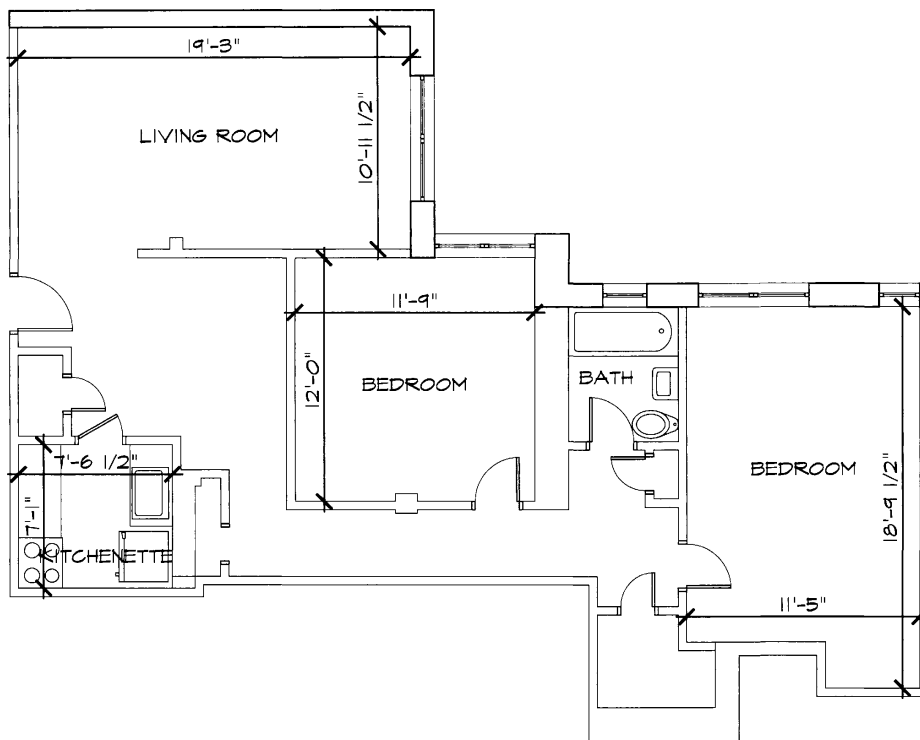
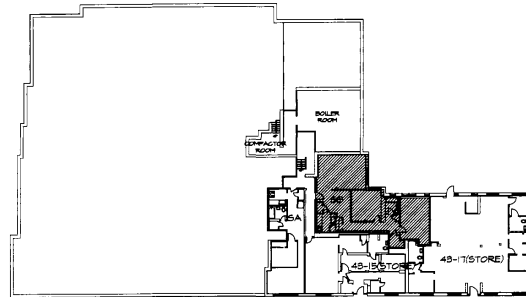
THE PINNACLE GROUP

136-04 CHERRY AVENUE
QUEENS, NY 113551 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DESIGNED BY:	DRAWN BY:	FILED BY:
JL	AC	20FF SM
SHEET TITLE		
SA		
SHEET NUMBER		

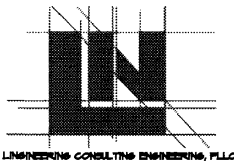
A2-22

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



SB

APPROXIMATE AREA = 1010 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

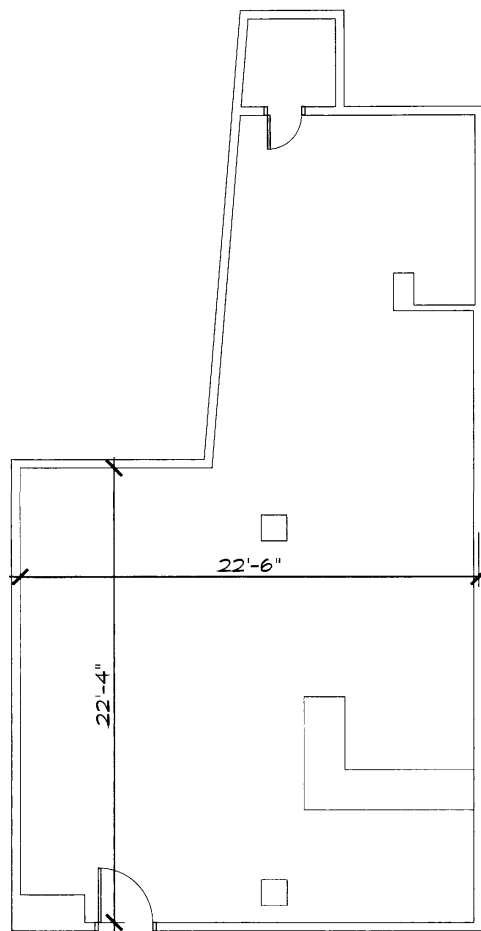
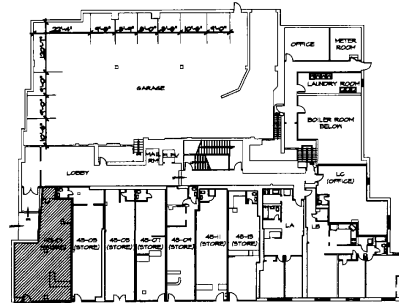
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY:	DATE	PAGE NO.
AC	2014	54
DESIGN TITLE		
SB		
DATE		

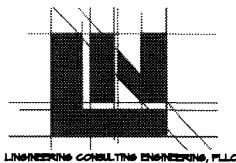
A2-23

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-01 MAIN STREET-STORE

APPROXIMATE AREA = 755 SF



DESCRIPTION OF PROPERTY

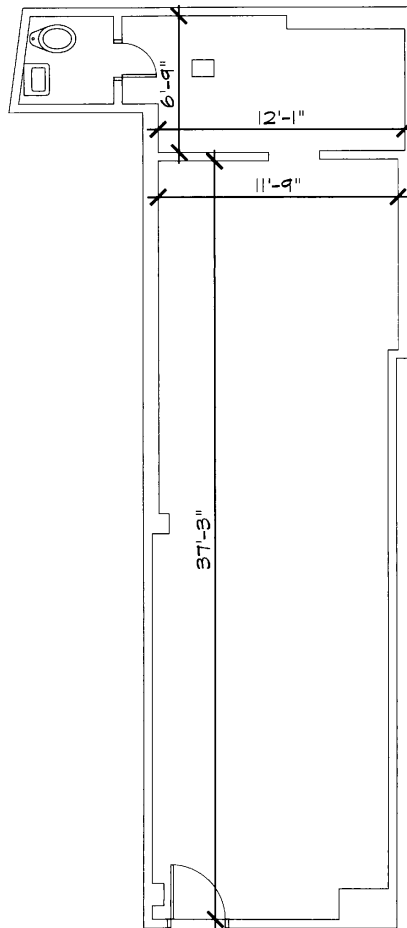
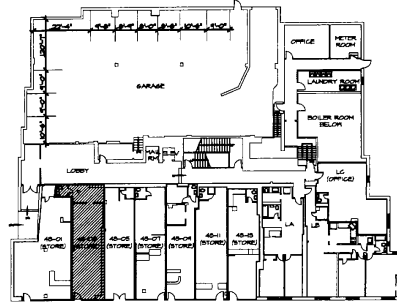
136-04 CHERRY AVENUE
QUEENS, NY 11355

THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

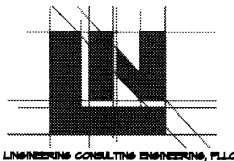
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1720	1/8"=1'-0"	04.15.2019
DRAWN BY:	CHECKED BY:	DATE
AC	AC	28.07.19
SHEET TITLE: 43-01 MAIN STREET		
SHEET NUMBER: A2-24		

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-03 MAIN STREET-STORE

APPROXIMATE AREA = 580 SF



DESCRIPTION OF PROPERTY

THE PINNACLE GROUP

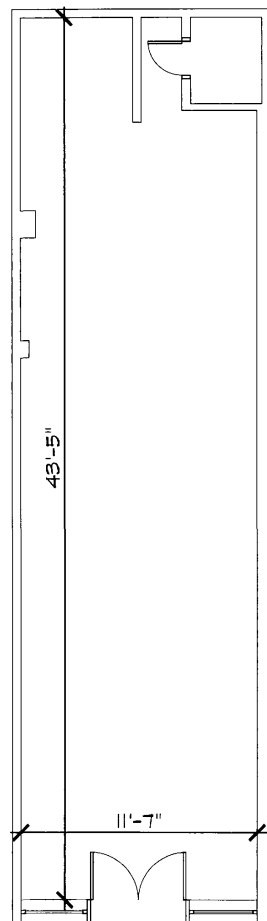
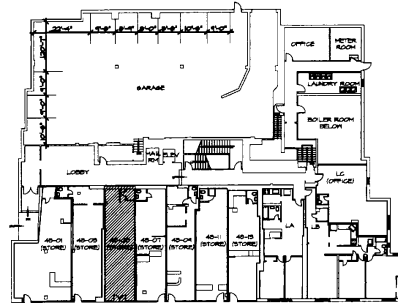
136-04 CHERRY AVENUE
QUEENS, NY 11355

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY	CHECKED BY	DATE
AC	AC	20F 04
43-03 MAIN STREET		

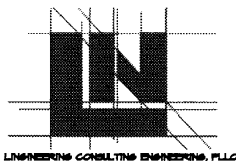
A2-25

NOTE:
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ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-05 MAIN STREET-STORE

APPROXIMATE AREA = 540 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

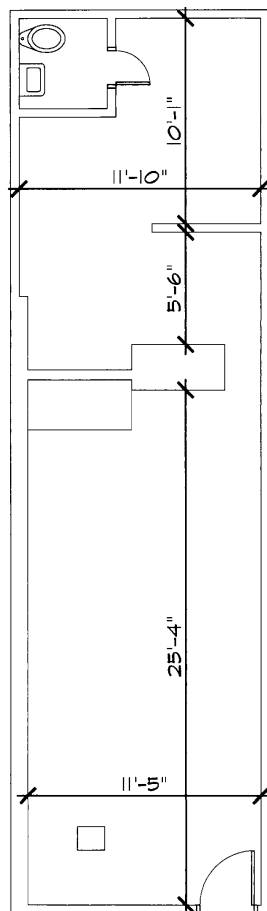
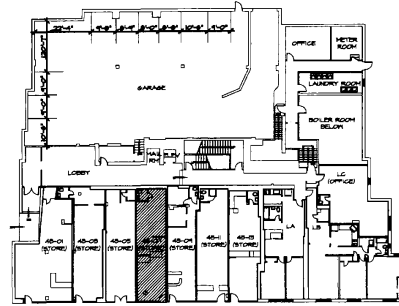
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY:	AC	DATE
11		280P 34
SHEET TITLE		
43-05 MAIN STREET		
SHEET NUMBER		

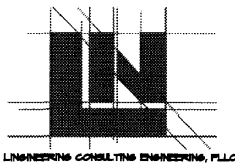
A2-26

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-07 MAIN STREET-STORE

APPROXIMATE AREA = 530 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

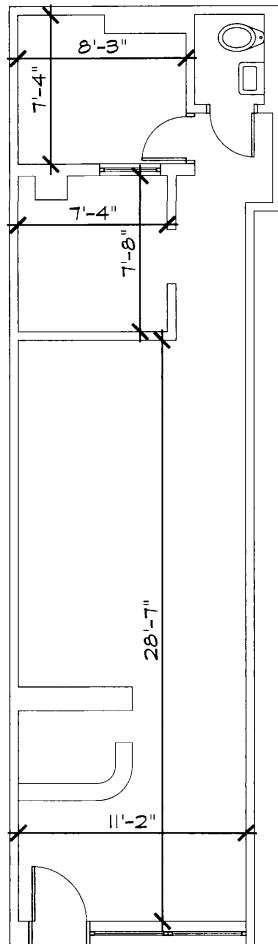
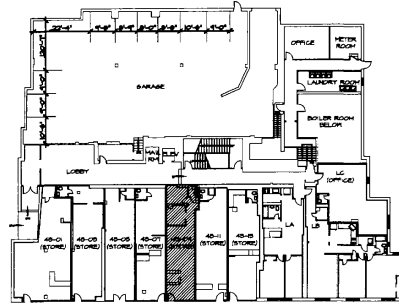
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DESIGNED BY:	DRAWN BY:	DATE BY:
JL	AC	2019 BY
SHEET TITLE		
43-07 MAIN STREET		
SHEET NUMBER		

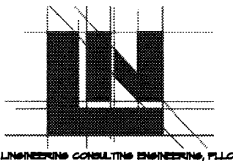
A2-27

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-09 MAIN STREET-STORE

APPROXIMATE AREA = 535 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

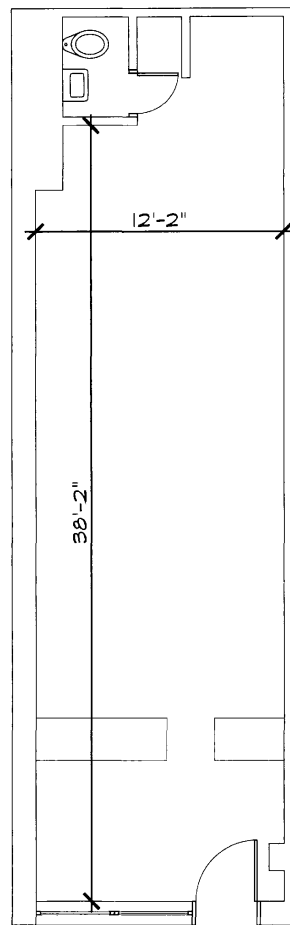
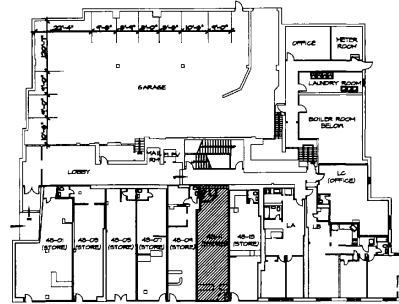
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DRAWN BY:	CHECKED BY:	DATE
AC	AC	04.15.2019
SHEET TITLE		
43-09 MAIN STREET		
SHEET NUMBER		

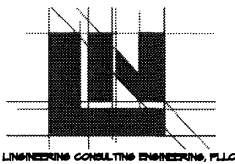
A2-28

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-II MAIN STREET-STORE

APPROXIMATE AREA = 565 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

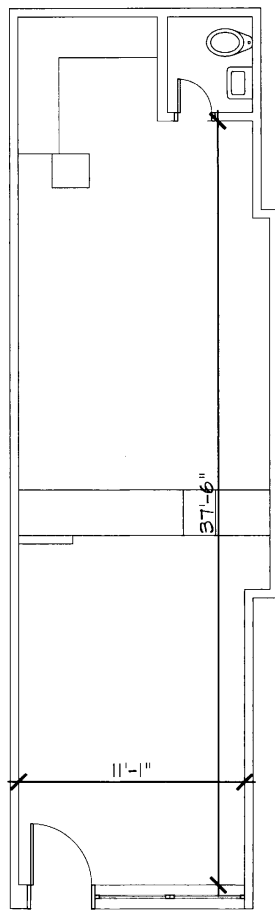
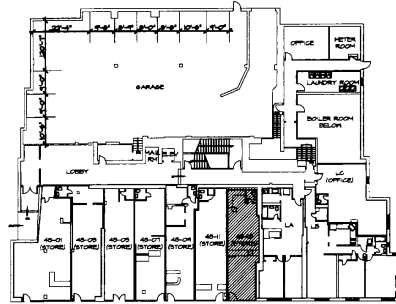
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2014
DESIGNED BY	DRAWN BY	PAGE NO.
JL	AC	S1 OF 34
SHEET TITLE		
43-II MAIN STREET		
SHEET NUMBER		

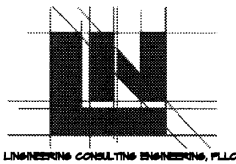
A2-29

NOTE:
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ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-13 MAIN STREET-STORE

APPROXIMATE AREA = 525 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

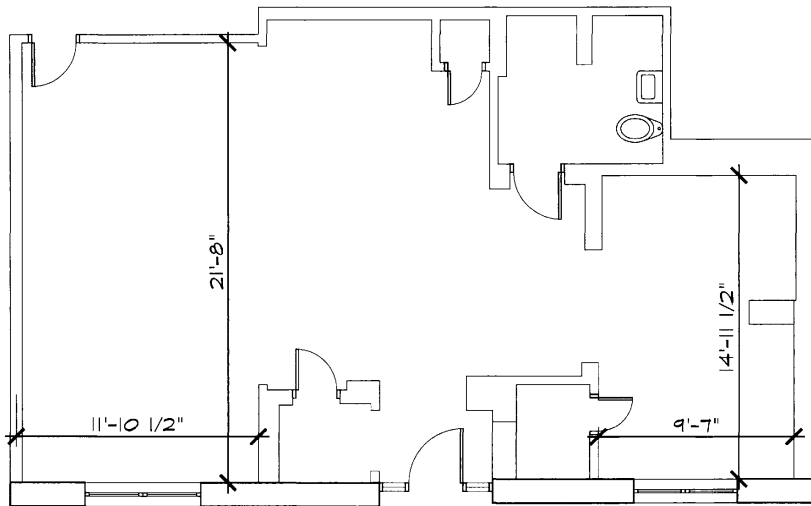
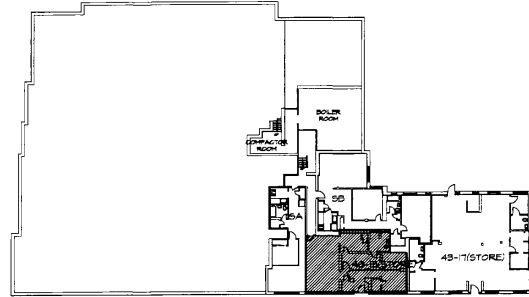
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
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DESIGNED BY	DRAWN BY	THIRD BY
LL	AC	SDF SH
SHEET TITLE		
43-13 MAIN STREET		
SHEET NUMBER		

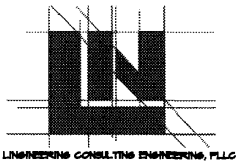
A2-30

NOTE:
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ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-15 MAIN STREET-STORE

APPROXIMATE AREA = 850 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

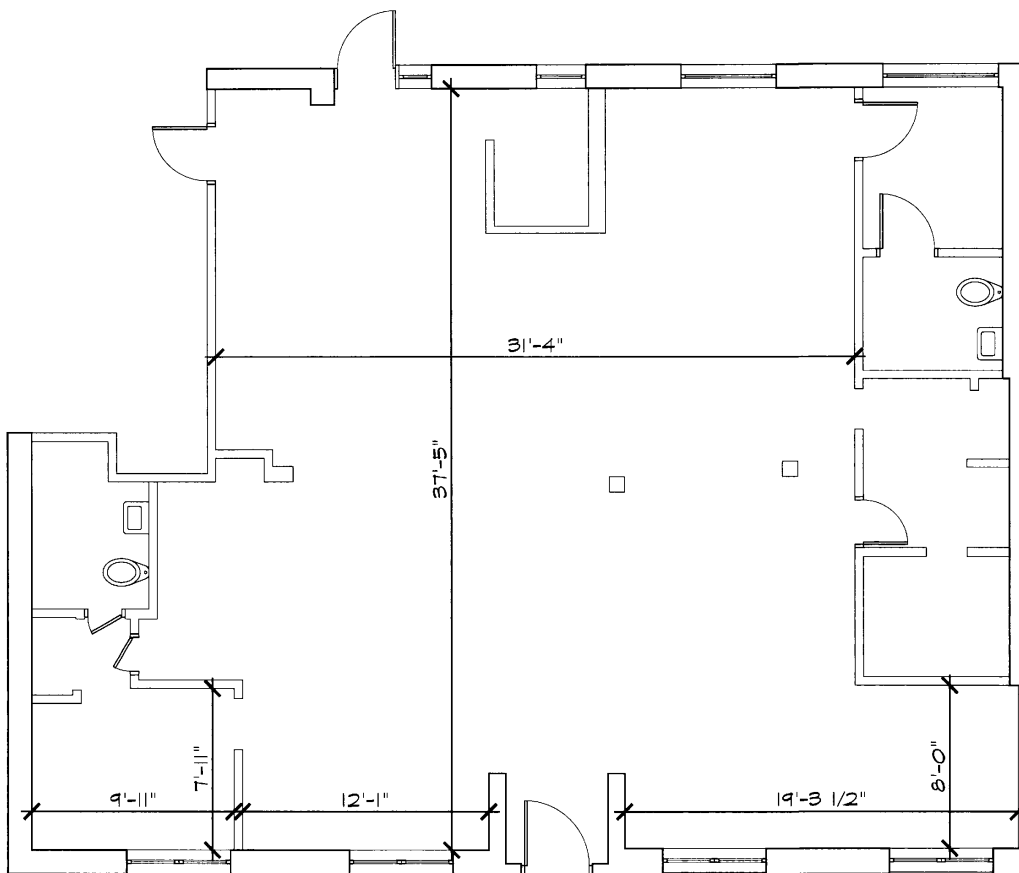
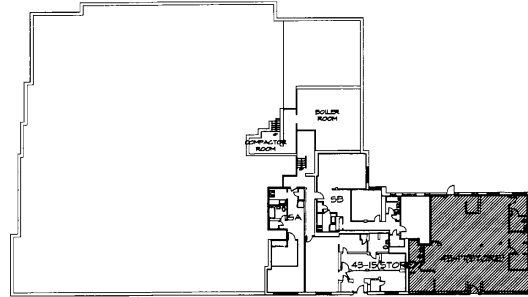
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	04.15.2014
DESIGN BY	DRAWN BY	CHECKED BY
JL	AC	SDP/ SM
PROJECT TITLE		
43-15 MAIN STREET		
SHEET NUMBER		

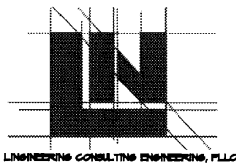
A2-31

NOTE:
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ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



43-17 MAIN STREET-STORE

APPROXIMATE AREA = 1700 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

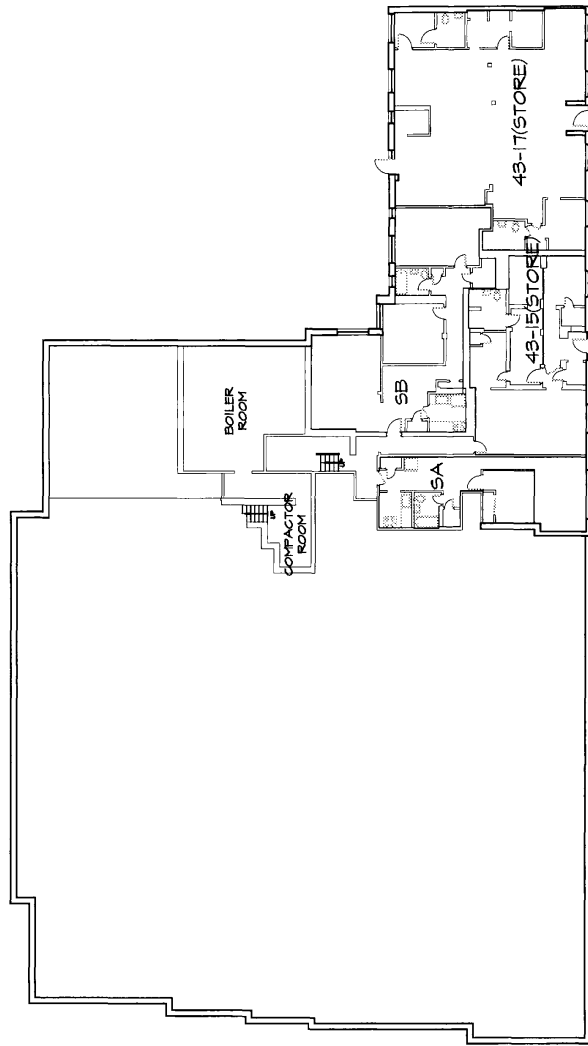
JOB NO.	SCALE	DATE
1720	1/8"=1'-0"	07.15.2019
DRAWN BY:	CHECKED BY:	DATE
AC	AC	08.01.19
SHEET TITLE 43-17 MAIN STREET		

A2-32

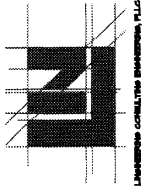
APPENDIX 4

MASTER FLOOR PLANS

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



SUB-CELLAR MASTER PLAN



DESCRIPTION OF PROPERTY

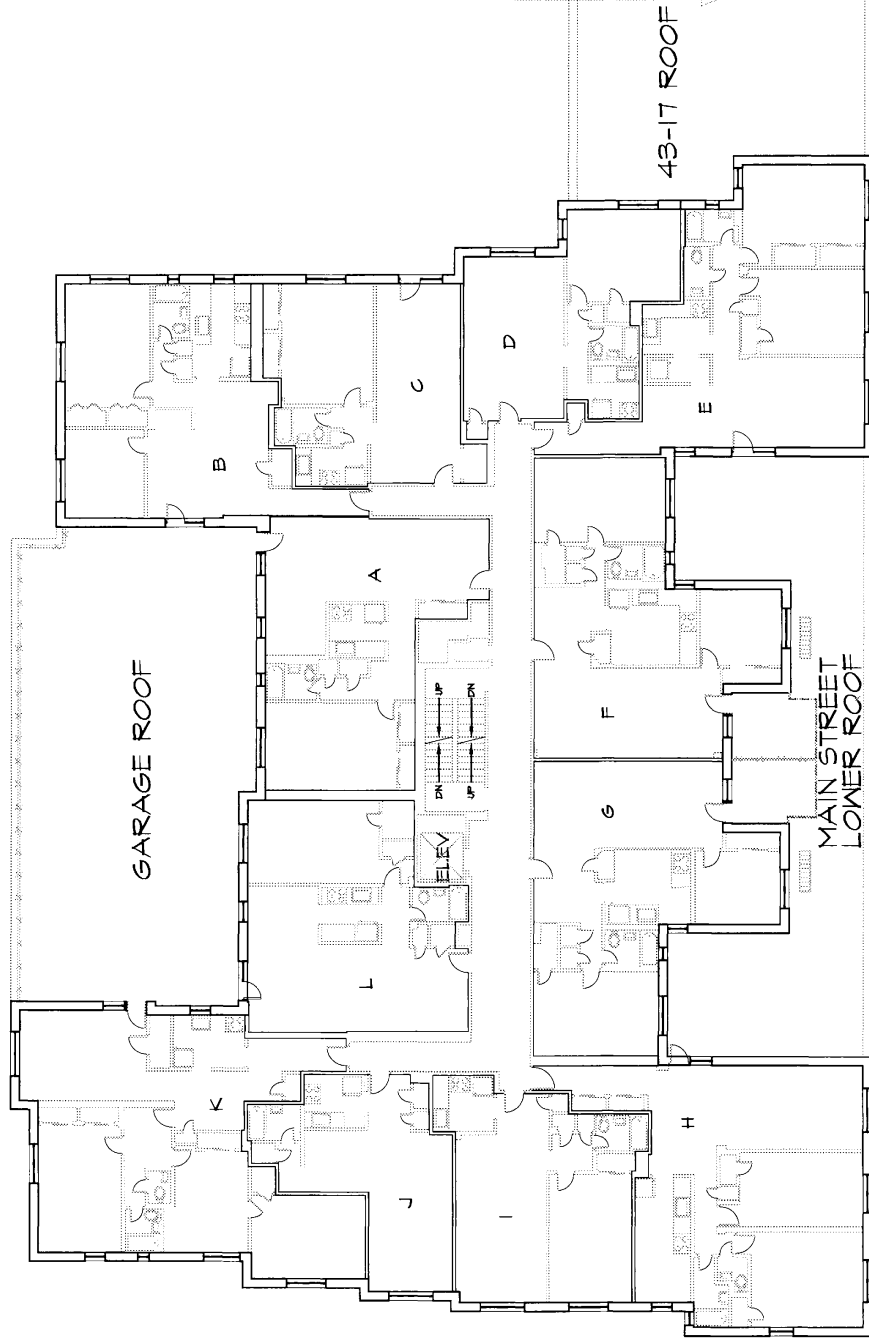
136-04 CHERRY AVENUE,
QUEENS, NY 11355

THE PINNACLE GROUP

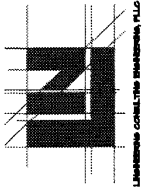
1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO.	1720	SCALE	1/32" = 1'-0"
DESIGNED BY	JL	DRAWN BY	AC
DATE	04.15.2014	PROJECT NO.	05-0704
SUB-CELLAR MASTER PLAN			
A3-01			

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



FIRST FLOOR MASTER PLAN



LAKEVIEW CONSULTING ENGINEERING, P.L.L.C.

DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE,
QUEENS, NY 11355

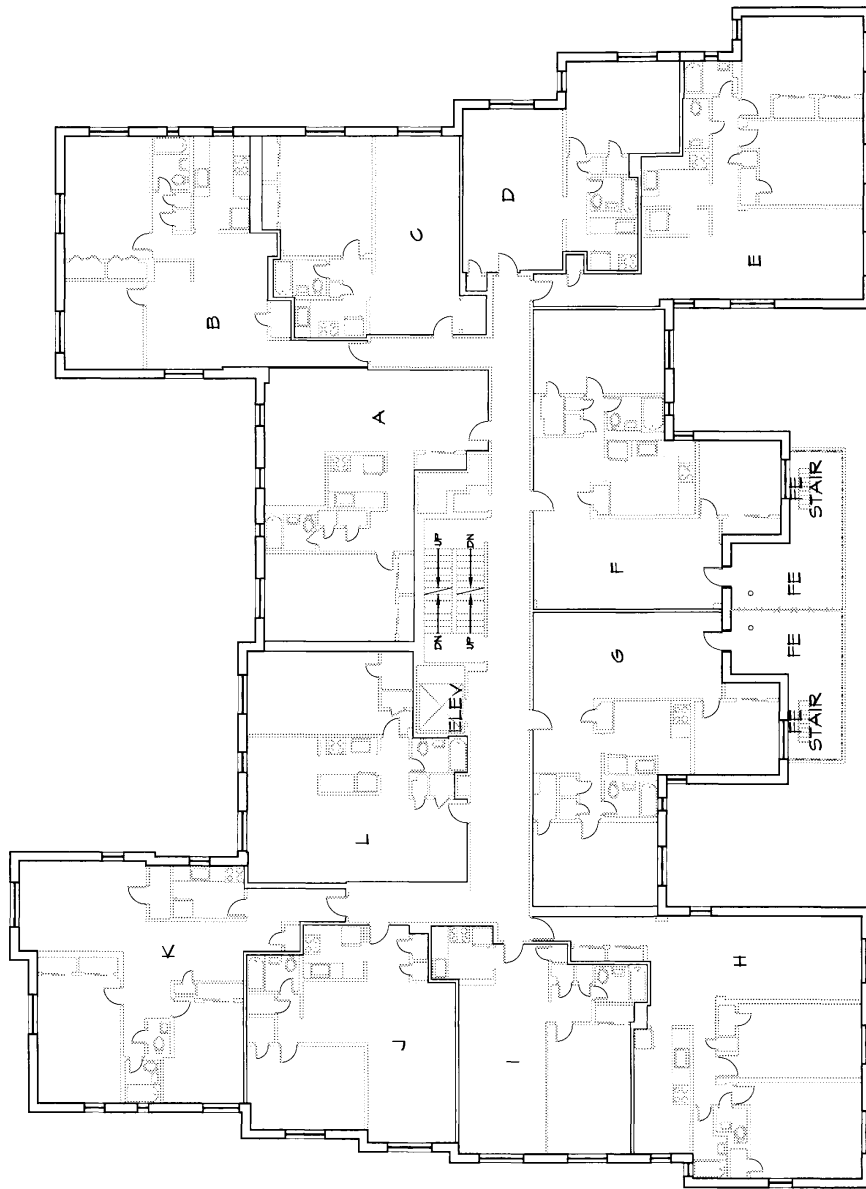
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

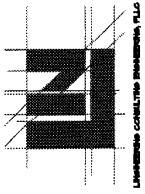
DATE	9/24/11-07
PROJECT	136-04
OWNER	AC
DATE	04/15/2014
PROJECT	136-04
OWNER	ST OFFICE
DATE	04/15/2014
PROJECT	136-04
OWNER	ST OFFICE

A3-03

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



2-6 FLOOR MASTER PLAN



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE,
QUEENS, NY 11355

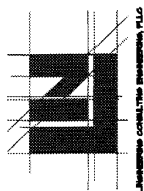
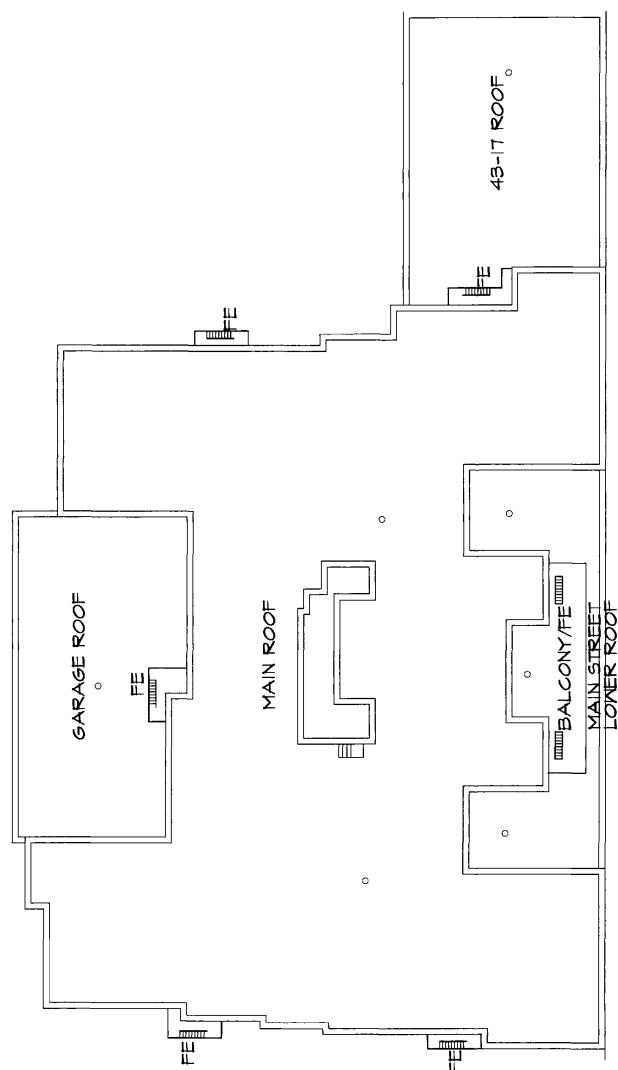
THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

DATE	1/20	SCALE	1/4" = 1'-0"
DESIGNED BY	JL	PROJECT NO.	AC
CHECKED BY	JL	DATE	04/15/2014
DATE	04/15/2014	PROJECT NO.	56 OFFSH
PROJECT NO.	56 OFFSH	PROJECT NAME	2-6 FLOOR MASTER PLAN
PROJECT NAME	2-6 FLOOR MASTER PLAN	PROJECT NO.	56 OFFSH

A3-04

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE,
QUEENS, NY 11355

THE PINNACLE GROUP

PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

USED NO.	1720	SOOLS	1/32" = 1'-0"
		DESIGNED BY:	BRUNNEN INC.
	1	AC	
DATES	04.15.2019	PHASE NO.	94 OF 94
SHEET TITLE			
ROOF PLAN			

REF ID: A3-05

APPENDIX 5

TENANT PROTECTION PLAN

EGRESS: At all times in the course of construction provision shall be made for adequate egress as required and the tenant protection plan shall identify the egress that will be provided. Required egress shall not be obstructed at any time except where approved by the commissioner.

FIRE SAFETY: All necessary laws and controls, including those with respect to occupied dwellings, as well as additional safety measures necessitated by the construction shall be strictly observed.

HEALTH REQUIREMENTS: Specification of methods to be used for control of dust, disposal of construction debris, pest control and maintenance of sanitary facilities, and limitation of noise to acceptable levels shall be included. 3.1 There shall be included a statement of compliance with applicable provisions of law relating to lead and asbestos.

COMPLIANCE WITH HOUSING STANDARDS: The requirements of the New York City Housing Maintenance Code, and, where applicable, the New York State Multiple Dwelling Law shall be strictly observed.

STRUCTURAL SAFETY: No structural work shall be done that may endanger the occupants.

NOISE RESTRICTIONS: Where hours of the day or the days of the week in which construction work may be undertaken are limited pursuant to the New York City Noise Control Code, such limitations shall be stated.

HOURS: Construction operations will be confined to Monday through Friday 8 am to 7 pm except holidays. No work will be done on weekends and holidays without a permit. Work after hour must provide approved variance and proper lighting.

DEBRIS: All debris to be taken out through cellar. Elevator used for debris removal shall be protected.

SECURITY: During construction and renovation, building staff shall provide access for authorized construction workers.

INTERRUPTION OF SERVICES: Depending on the work performed, temporary service interruption may occur. Management shall notify tenants of any planned interruptions in advance.

PIPING: Currently no new piping is planned to be added. Any deteriorated piping will be replaced if necessary.

INSURANCE: Sponsor and contractors will have liability insurance in effect during constructions.

APPENDIX 6

ELEVATOR MAINTENANCE CONTRACT

EXTENDED HOURS MAINTENANCE & CAT-1 TEST CONTRACT

EXTENDED HOURS SERVICE & CAT-1 TEST CONTRACT INCLUDES SATURDAYS, SUNDAYS AND LEGAL HOLIDAYS

January 25, 2017

The Pinnacle Group
One Penn Plaza – Suite 4000
Flushing, NY 10119

EFFECTIVE DATE: 01/25/2017

ELEVATOR(S) LOCATED AT: 136-04 Cherry Avenue, Flushing, NY 11355

NUMBER OF ELEVATORS: One (1)

MONTHLY COST: \$300 PER MONTH + TAX

Sentry Elevator Corporation (herein called The Company) agrees to furnish service on the elevator(s) located at the building mentioned above.

The company will maintain, inspect, service and repair the elevator(s) at the location listed above, on the terms and conditions hereinafter set forth. The company will perform the annual CAT-1 Test, as required by the Dept. of Buildings, at no additional charge. The company will use trained men directly employed and supervised by it and these men will use reasonable care to maintain the elevator in proper and safe operating condition.

On a monthly basis the company will systematically examine, clean, lubricate and furnish lubricants for the machine, motor and controller parts including, worms, gears, thrusts, bearings, brake magnet coils, brake shoes, brushes, windings, commutators, coils, contacts, resistors, magnets frame, and will replace rollers, belts, springs, cams, guides, bushings, keepers, selector guide shoes, limit contacts, small relays, shunts, fuses, resistors, controller coils, vanes, interlock contacts, controller contacts and carbons, where necessary, and adjust equipment for proper operation.

The company will keep the elevators properly lubricated, with lubricant prepared to its specifications. Safety devices and governors shall also be examined.

As part of this contract, the company will respond to all requests for service and emergency calls at no extra charge seven (7) days a week during the hours of 7:30 A.M. through 7:30 PM, with the understanding that the company is responsible only for adjustments that could be made in lieu of a regular inspection, and not for repair operations. This contract includes the labor and materials necessary to perform any minor repairs and adjustments required to reactivate the elevator. For any work requested to be performed outside the hours of 7:30 AM through 7:30 PM, the company's usual overtime rates will apply.

The company, using all the powers granted it under the terms of this contract, shall keep the above elevator(s) in reasonable working order. Upon becoming aware, either during a routine service Call /examination or through information received from the owner/agent (herein called Purchaser), of equipment that is not leveling or performing properly and requires repairs beyond the scope of this contract, the company shall inform the purchaser of the additional work necessary to restore the equipment to reasonable working order. Upon being informed of an elevator mis-leveling, a technician will be dispatched to make necessary adjustments.

Items which show considerable wear and tear at the commencement of this Agreement will have to be replaced in the near future. To provide the purchaser with the maximum of service from these items, Sentry is accepting them in their current condition, with the understanding that these items may need to be replaced in the near future upon authorization of Purchaser. Should this contract cover a single speed elevator, a recommendation and a proposal for a variable speed control board is enclosed as a part of this service contract.

It is understood that the company will not proceed with an upgrade of existing elevator equipment or required repairs not covered under the terms of this agreement without the written authorization of the purchaser. Liability created by the purchasers delay or lack of authorization permitting the company to perform the necessary repairs will be the sole and exclusive negligence of the purchaser. It is agreed that the company is not required to make renewals or repairs necessitated by the reason of negligence or misuse of the equipment or by reason of any other cause beyond its control until such repair work is authorized by purchaser. This contract does not cover the maintenance, inspection or repair of elevator interior wall panels, elevator ceiling or elevator floor. The company is not required to re-shackle the wire ropes, or to install any new attachments or parts as may be recommended or directed by insurance companies or government authorities, or otherwise, unless specifically authorized to do so by the Purchaser.

The charges for the services herein specified shall be \$300.00 per elevator per month, payable on rendition of invoice and The Company reserves the right to suspend or cancel this contract upon failure to make payment upon receipt of invoice, such suspension or cancellation to be effective upon mailing of notice thereof. There will be no further responsibility upon the part of the company to continue to respond to service or emergency calls, or to rectify any conditions(s) previously occurring or to continue with any repairs or replacements then pending, when contract is suspended or canceled. Sentry Elevator Corp., as part of this Agreement, includes a Customer Satisfaction Guarantee. Should Sentry Elevator Corp. fail to perform according to the terms and conditions of this contract, or for any other reason, Purchaser is hereby entitled to cancel this contract upon a thirty (30) days written notice to Sentry Elevator Corp.

GENERAL CONDITIONS

The price of this contract shall be adjusted periodically, subject to changes in the cost of labor and materials. Purchaser shall pay, in addition to the price, any tax imposed upon you or upon us by any existing or future law or under any statute, court decision, rule or regulation becoming effective after the date of this proposal, which is based upon or incident to the transfer, use, ownership, or possession of the materials or equipment involved in the performance hereof or the service rendered, hereunder.

The company will maintain general liability, workers compensation and disability insurances. We shall provide, upon request, a certificate of insurance confirming general liability, workers compensation and disability coverage. The company will respond to calls for conditions that may require adjustments or repairs, but it is mutually understood and agreed, however, that the company's liability is limited to the time period when working in, about, or on said equipment. The Company does not assume the purchaser's safety-related obligations, nor does the Company assume possession or management of any part of the equipment or its operation, including the leveling of cars at landings, erratic operation of car doors, shaft doors or their locking devices or any other situation that may occur that cannot be revealed at the time of our regular service under the terms of this contract.

When the existing elevator(s) are of the single speed AC type which have no self-leveling devices, leveling adjustments may be required periodically, as a safe or accurate car to sill leveling condition at all times cannot be guaranteed. Those adjustments will be performed by the company upon receiving such request from purchaser. The company assumes no liabilities which can be caused by the elevator floor to landing sill leveling variances caused by this type of equipment. To replace this older equipment, there are improved technologies which can significantly improve floor to sill leveling within ¼ - ½ inch. These improved technologies will reduce the risk of accidents and increase the safe and reliable operation of the elevator. It is the responsibility of the purchaser to contact the company and request a proposal to upgrade this equipment to a variable voltage, variable frequency control system.

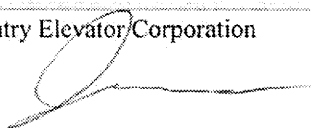
The purchaser also agrees to immediately notify the company of any accident. The company is also to be notified of any alteration or change effecting the operation of the equipment. The purchaser further agrees to notify the company of any change of ownership or agent, and to maintain surveillance of said equipment, and discontinue use of the elevator(s) should the equipment become unsafe or operate in a manner which might cause injury to a user thereof. All notifications mentioned above shall be in writing. The purchaser

further agrees to indemnify the company and to save them harmless in the event of failure to do so.

The purchaser agrees to indemnify and hold the company harmless against liability, claim, damage, loss or expense, including reasonable attorney's fees, the company may incur by reason of its obligation under or the services it provides pursuant to or in connection with this agreement or in defending any suit, action, or other proceeding brought in connection with the above, for personal injury, including death at any time resulting therefrom, or property damaged caused accident occurring in, about or on the said equipment where the company's responsibility is established exclusively by inference pursuant to the doctrine of res ipsa loquitur and without proof of any specific negligent act or omission on the company's part. It is further agreed that the verdict of the jury or any other trier of the facts regarding whether the company's responsibility is based on res ipsa loquitur or otherwise shall be final and binding on the parties to this agreement.

The company will not be responsible or liable for any loss, damage, detention or delay caused by the non-operation of the said elevator(s) or by reason of strikes, lockout, fire, flood, storm, acts of civil authorities, or by insurrection or riot, or cause beyond its control, or in any event, for consequential damages. No work, service, or liability on the part of the company other than those specified mentioned herein is included or intended.

This contract shall constitute the entire agreement between the parties and may not be modified except in writing, signed by the party to be charged. All prior agreements or representation, whether written or oral, are superseded. This proposal shall become valid only when accepted by the purchaser and when subsequently approved by an officer of the company.

CONTRACT SIGNATURES/INFORMATION	
ACCEPTED BY (TO BE COMPLETED BY CUSTOMER)	
Company Name:	Billing Address:
Billing City/State/Zip:	Company Phone:
Company Fax:	Purchaser Cell:
Purchaser Email:	Building Superintendent:
Purchaser/Contact Name:	Title:
Signature: <i>Isak Radoncic</i>	Date: 1-25-2017
APPROVED BY (TO BE COMPLETED BY SENTRY ELEVATOR)	
Sentry Elevator Corporation  Joseph Lichtman	Date: 1/25/17

APPENDIX 7

PHOTOS OF ELEVATIONS



Figure 1: North Elevation



Figure 2: South End of West Elevation



Figure 3: North End of West Elevation



Figure 4: South Elevation



Figure 5: East Elevation

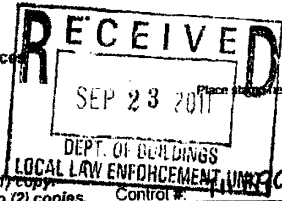
APPENDIX 7

LOCAL LAW 11/98 FISP CYCLE 7 REPORT



Technical Report (TR6)
 Periodic Inspection of Exterior Walls and Appurtenances
 Sub-Cycle 7A - February 21, 2010 - February 21, 2012
 Sub-Cycle 7B - February 21, 2011 - August 21, 2012
 Sub-Cycle 7C - February 21, 2012 - February 21, 2013

Must be typewritten.



For SWAMP or Safe status reports, submit one (1) microfilm, one (1) original report, and one (1) copy.
 For Unsafe status or Amended reports, submit one (1) microfilm, one (1) original report, and two (2) copies. Control # 711399-5140

1 Filing Information (Indicate if combined cycles)

☒ Initial Filing ☐ Amended Filing ☐ Subsequent Filing
 Report cycle: 07B Report cycle: _____ Initial filing date: _____
 Last cycle filing date: 08/09/2006 Initial unsafe filing date: _____

2 Location Information

House No(s) 136-04 Street Name CHERRY AVENUE Zip 11355 CB No 407 BIN 4116333
 Borough QUEENS AKA 43-17 MAIN STREET Block 5140 Lot 06

3 Inspection Report Status Information

Current Cycle: Last Inspection Date 08-31-11 SWAMP Recommended Date 06-01-14 Prior Filing Cycle 06
☐ Safe ☒ Safe with repair and maintenance program (SWAMP) ☐ Unsafe ☒ Safe ☐ SWAMP ☐ Unsafe

4 Building Characteristics

Landmark Building: ☐ Yes ☒ No Landmark District: ☐ Yes ☒ No Wall(s) Subject to Inspection
 Number of stories: 7 Exterior wall type: BRICK/MASONRY ☒ All ☐ Partial

5 Qualified Exterior Wall Inspector (QEWI) Information

Last Name LIN First Name ROBERT MI
 Bus. Name A & T CORP Bus. Address 56-24 188TH STREET Bus. Tel. 917-577-0025
 City FRESH MEADOWS State NY Zip 11365 Bus. Fax 815-846-4059
 NYS Lic. # 072792 ☒ P.E. ☐ R.A. Mobile Phone
 E-Mail ATCORPNY@GMAIL.COM

6 Owner of Record Information (Not a Representative or Business Manager or Agent)

Last Name SONODA First Name MYUNG MI
 Bus. Name GARDEN PLAZA MANAGEME Bus. Address 136-04 CHERRY AVENUE Bus. Tel. 718-939-5469
 City FLUSHING State NY Zip 11355 Bus. Fax 718-460-9890
 E-Mail GPMMGREEN@YAHOO.COM Mobile Phone

7 Statements and Signatures

Owner / Owner Representative

- (A) I hereby state that I am the owner/owner's representative of the premises referenced in the attached report. Furthermore, I have received and read a copy of the attached report and I am aware of the required repairs and/or maintenance, if any and the recommended time frame for same.
 (B) I certify that all items noted as SWAMP conditions in the previous cycle's report have been corrected/repared; or this report must be rated as Unsafe as per Administrative Code section §28-302.1, if applicable.

Name MYUNG SONODA Signature *Myung Sonoda*
 Relationship to owner OWNER Phone 718-939-5469
 Email GPMMGREEN@YAHOO.COM Date 9/26/2011

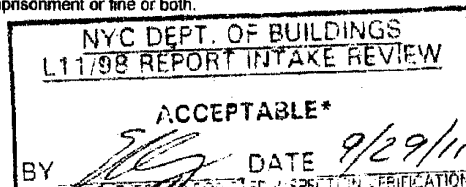
Qualified Exterior Wall Inspector (QEWI)

Name (please print) ROBERT LIN Date 9/26/2011
 Signature *Robert Lin*

I hereby state that the Owner / Owner's Representative has authorized me to submit this report. Furthermore, I hereby state that all statements are correct and complete to the best of my knowledge. A copy of this report has been given to the owner.

P.E. / R.A. Seal (apply seal, then sign and date)

Falsification of any statement is a misdemeanor and is punishable by a fine or imprisonment, or both. It is unlawful to give to a city employee, or for a city employee to accept, any benefit, monetary or otherwise, either as a gratuity for properly performing the job or in exchange for special consideration. Violation is punishable by imprisonment or fine or both.



02/11

updated by
JF 11-03-11

**Buildings**

NYC Department of Buildings
280 Broadway, New York, NY 10007

Robert D. LiMandri, Commissioner

Timothy Lynch
Executive Director
Forensic Engineering Unit

280 Broadway, 4th Floor
New York, NY 10007
Phone: (212) 676-2858
Fax: (212) 676-2856

CYCLE 7
NOTICE OF REJECTION OF FACADE INSPECTION AND
SAFETY PROGRAM FILING (FISP)

To: QEWI: Robert Lin, P.E.
A & T Corp.
56-24 188th Street
Fresh Meadows, NY 11365

Re: Address: 136-04 CHERRY AVENUE

BIN: 4116333=

Borough: Queens Block/ Lot: 5140 / 6 Filing Date: 7/12/2011 Status: SWARMP

Please be advised that your Façade Inspection and Safety Program Report is unacceptable for the following reasons:

☒ **Incomplete or incorrect or missing information as per Rules RCNY §103-04 as follows:**

1. Report (§ K): as twice noted previously, SWARMP time frame of one (1) year or less is considered UNSAFE. (SWARMP due date is the date when SWARMP conditions must be repaired before they become unsafe and not construction completion date). Re-evaluate due date for the SWARMP conditions or change the status of the observed conditions. This date is also different from date indicated on TR-6 (# 3).
2. Report (§ G & photo N1): as twice noted previously, improperly installed A/C units represent hazardous conditions. Correct window A/C unit installation or re-evaluate building status.

Ascertain causes of the reported conditions.

Note all appurtenances, incl. window A/C units, and their condition.

Provide time frame to complete repairs of defects.

Determine if repairs require work permits as per TPPN 1/99.

Provide statement about water tightness.

Discuss history of any settlements, repairs and revisions to exterior enclosures, incl. façade repair Permits and façade related violations.

Indicate location graphically of close-up inspection (scaffold drop), Rigger's info and license No.

See Guides and Publications/Façade Safety on Website www.nyc.gov/buildings.

***NOTE:** An acceptable report must be resubmitted within 45 days of the date of this notice in order to keep current filing date. The above items must appear in the resubmitted report. Please attach a copy of this letter upon resubmission. Until the report is reviewed and accepted by FIAU, the building status will reflect "No Report Filed (NR)". If unsafe conditions are identified, comply with procedures in RCNY §103-04 (b)(5) and OPPN 1/05.

Date: 7/19/2011

Eugene Krenitsyn, P.E. ☎ (212) 566-5598

cc: Owner: Myung Sonoda
Garden Plaza Management
136-04 Cherry Avenue
Flushing, NY 11355

A&T CORP

ATcorpny@gmail.com

56-24 188th Street Fresh Meadows, NY 11365. Tel. (917)577-0025 Fax (815)846-4059

August 31, 2011

Re: 136-04 Cherry Ave Flushing, NY 11355

Dear to whom it may concern:

As per DOB comments on July 19, 2011, we have made the following corrections:

1. Revised report has modified SWARMP date
2. TR6 construction date on SWARMP is re-evaluated base on requirement
3. The condition on photo N1 is corrected.

Please kindly review the attached revised report for approval.

Thank you very much.

Sincerely yours:



Robert Lin, P.E.



ATcorpny@Gmail.com

56-24 188th Street Fresh Meadows, NY 11365. Tel. (917)577-0025 Fax (815)846-4059

Periodic Exterior Walls and Appurtenances Inspection Report

Report Sub-Cycle: 7B

Inspection Date: August 31, 2011

Introduction

The purpose of this report is to document the inspection findings regarding the condition of the exterior wall brick facing and appurtenances as per requirements of N.Y.C. D.O.B.

A) Building Profile

- Address: 136-04 Cherry Ave, Flushing NY 11355 (AKA: 43-17 Main Street)
- Block: 5140, Lot: 06
- BIN: 4116333, C.B.: 407
- The building is not a Landmark Building.
- The building is located on southeast corner of Main Street and Cherry Avenue. The main entrance is located on north side of the building adjacent to Cherry Avenue. The south side of the building is adjacent to a yard. The east side of building is adjacent to Byrd Street. The west side of the building is adjacent to Main Street.

B) Owner:

Dr. Sonoda Myung
Garden Plaza Management
136-04 Cherry Ave, Flushing NY 11355
(718) 939-5469
gpmmgreen@yahoo.com

- Manager: Mari Green
- Superintendent: Pablo Rodriguez

C) The building is 7 stories, and the approximately height is 70 feet. It is occupied as 79 residential class "A" multiple dwelling units.

- The building is considered generally in "H-shape" with an approximate dimension of 210 feet by 110 feet.
- The building is constructed with masonry exterior walls and exterior face brick. The roof perimeter is enclosed by a masonry parapet wall.
- The building was constructed on 1962 as per C/O #CO148279. The estimate age of the building is 49 years old.

D) Previous inspection (Cycle 6) was filed on Aug. 09, 2006. The inspection report status

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was SAFE.

- As per owner/staff interview, there is no report on any settlements, repairs, or revisions to exterior enclosures since the previous report.

E) Inspection Procedures

- Review the most recent and any previous inspection report.
- Meet with superintendent, Pablo Rodriguez about the building history and maintenance.
- Use binocular from the ground to inspect the exterior wall.
- Use camera to take photo for record.
- Based on our vision inspection, there is no indication that an enhanced close-up inspection is required.

F) Location of all physical examinations performed.

1. See page 7. West elevation
2. No dropped scaffold is used for this inspection. The location of fire escape is indicated in page 7 west elevation
3. See attachment A. Location Diagram. The close-up inspection is done on June 20, 2011
4. The inspection started on August 31, 2011, and completed on August 31, 2011.

G) Inspection Findings

1. No deterioration or movement is detected

2. The following paragraph discuss the water tightness of surface

- The condition of the exterior walls appears in SAFE condition with only a few exceptions. As shown in Photo # E1-E4, W1-W10, there are a few minor cracks on the brick facing near window. The overall condition of the exterior walls shall be classified as SWARMP.
- The condition of water-tightness of the exterior wall appears in SAFE condition with only one exception. As shown in Photo # W3, there is one minor water seal crack on lintel of the windows. The overall condition of water-tightness of the exterior wall shall be classified as SAFE.
- The condition of exterior appurtenances appears in SAFE condition with only one exception. As shown in Photo # N1, the window AC bracket has not been installed properly to provide enough support.
- The status for previous inspection report was SAFE. There was no repair required.

See letter and new photo!

H) Analysis for above condition

Aging and weathering could be the main cause for above SWARMP condition.

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56-24 188th Street Fresh Meadows, NY 11365. Tel. (917)577-0025 Fax (815)846-4059**I) No maintenance work was performed up this date of report****J) Comparison of current report to previous cycle**

The status for previous inspection report was SAFE. There was no repair required.

L) Working Permit Details

1. DOB permits are not required for repair works. These repair works can be included in routine maintenance.
2. Job number is not applicable for ordinary require
3. No ECB violations are issued to this property

K) Detail Recommendations for repair

- As inspection finding indicated above, for minor cracks on exterior wall brick facing, seal the existing crack. For window AC bracket, reinforce the bracket to provide proper support.
- In order to prevent the conditions becoming unsafe, all recommended repair works should be performed before **June 01, 2014**.

M) Color photographs

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56-24 188th Street Fresh Meadows, NY 11365. Tel (917)577-0025 Fax (815)846-4059



WEST ELEVATION

Fire escape used as close-up inspection platform. Inspection is done from the grade to top on this platform as representative sample of exterior wall

A&T CORP*ATcorpny@Gmail.com*56-24 188th Street Fresh Meadows, NY 11365. Tel. (917)577-0025 Fax (815)846-4059**PHOTO No. E1****Location:**

On east side wall, 2nd
window from left on 4th
floor.

Description:

Cracks on brick walls
around
window frames.

**PHOTO No. E2****Location:**

On east side wall, 2nd
window from right on
4th floor.

Description:

Cracks on brick walls
around
window frames.

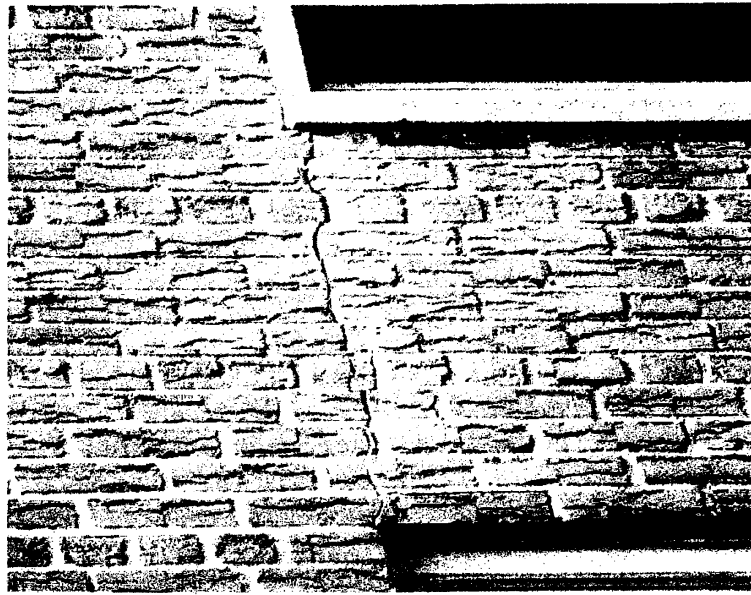


A&T CORP*ATcorpny@aol.com*56-24 188th Street Fresh Meadows, NY 11365 Tel. (917)577-0025 Fax (815)846-4059**PHOTO No. E3****Location:**

On east side wall, 2nd
window from right on
3rd floor.

Description:

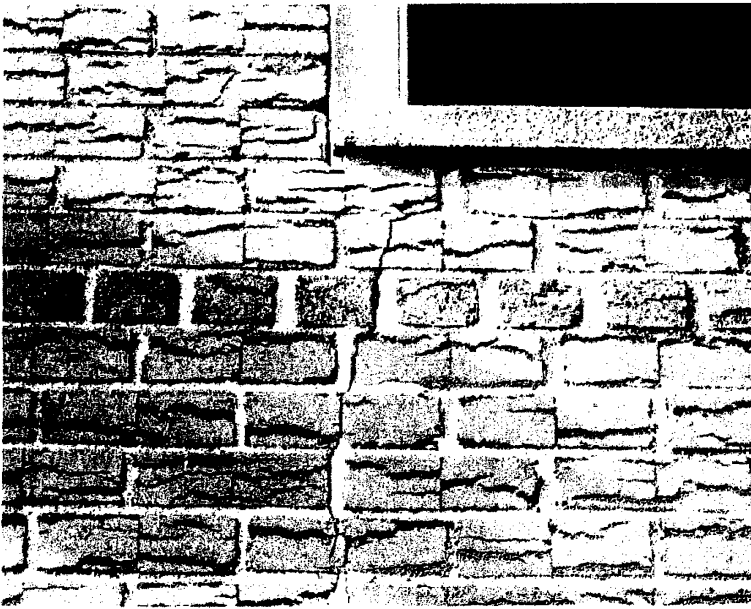
Cracks on brick walls
around
window frames.

**PHOTO No. E4****Location:**

On east side wall, 2nd
window from right on
2nd floor.

Description:

Cracks on brick walls
around
window frames.



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56-24 188th Street Fresh Meadows, NY 11365. Tel. (917)577-0025 Fax (815)846-4059

PHOTO No. W1 Location: On west side wall, 1st window from left on 3rd floor. Description: Cracks on brick walls around window frames.	
PHOTO No. W2 Location: On west side wall, 1st window from left on 2nd floor. Description: Cracks on brick walls around window frames.	

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56-24 188th Street Fresh Meadows, NY 11365 Tel. (917)577-0025 Fax (815)846-4059**PHOTO No. W3****Location:**

On west side wall, 3rd
window from left on 5th
floor.

Description:

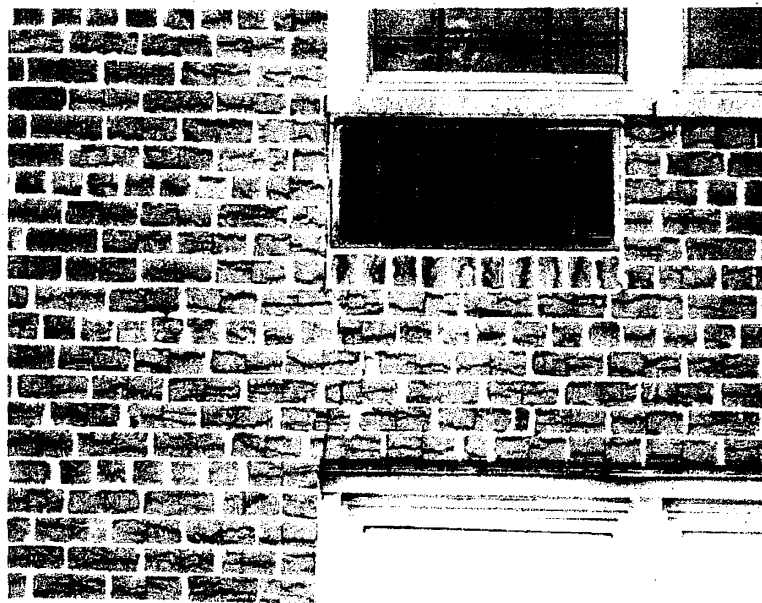
Cracks on brick walls
around
window frames and
lintel's water seal.

**PHOTO No. W4****Location:**

On west side wall, 3rd
window from left on 4th
floor.

Description:

Cracks on brick walls
around
window frames.



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56-24 188th Street Fresh Meadows, NY 11365. Tel (917)577-0025 Fax (815)846-4059**PHOTO No. W5****Location:**

On west side wall, 6th
window from left on 3rd
floor.

Description:

Cracks on brick walls
around
window frames.

**PHOTO No. W6****Location:**

On west side wall, 6th
window from left on 4th
floor.

Description:

Cracks on brick walls
around
window frames.



A&T CORP*ATcorpny@Gmail.com*56-24 188th Street Fresh Meadows, NY 11365 Tel (917)577-0025 Fax (815)846-4059**PHOTO No. W7****Location:**

On west side wall, 6th window
from left on 5th floor.

Description:

Cracks on brick walls around
window frames.

**PHOTO No. W8****Location:**

On west side wall, 6th window
from left on 6th floor.

Description:

Cracks on brick walls around
window frames.



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56-24 188th Street Fresh Meadows, NY 11365 Tel. (917)577-0025 Fax (815)846-4059**PHOTO No. W9****Location:**

On west side wall, 6th window
from right on 4th floor.

Description:

Cracks on brick walls around
window frames.

**PHOTO No. W10****Location:**

On west side wall, 3rd window
from right on 5th floor.

Description:

Cracks on brick walls around
window frames.



A&T CORP

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56-24 188th Street Fresh Meadows, NY 11365, Tel (917)577-0025 Fax (815)846-4059

PHOTO No. N1

Location:

On north side wall, 1st
window from right on 2nd
floor.

Description:

Window AC bracket hasn't
been installed properly to
provide proper support.

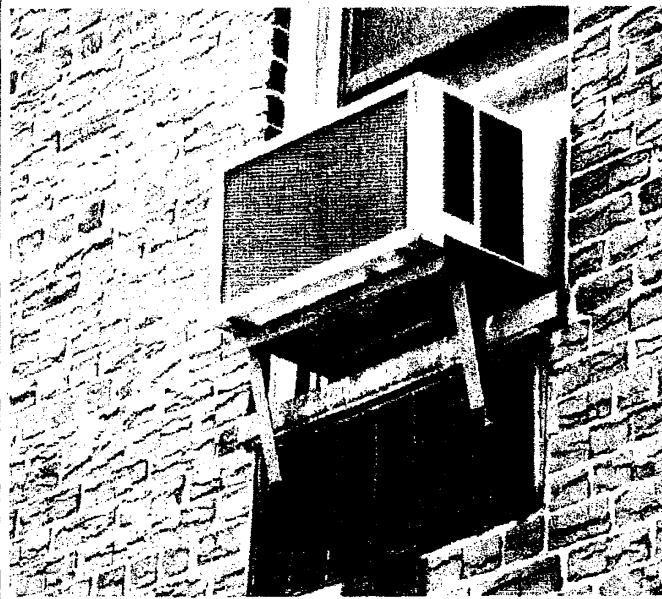
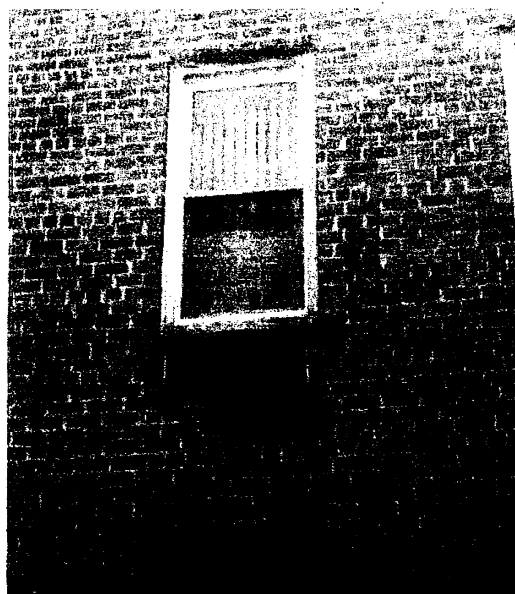


Photo No. N1

Recent photo taken at
08/31/2011.

Description:

Window AC bracket has been
removed window to maintain
safe condition.



A&T CORP*ATcorpn@gmail.com*56-24 188th Street Fresh Meadows, NY 11365. Tel (917)577-0025 Fax (815)846-4059**Close-up Inspection**

Representative sample of exterior wall. Locate at 7th floor (Top)

1. Exterior wall at this location appear to be **SAFE**
2. Platform used -- fire escape. See location at page 7 west elevation



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ATcorpny@gmail.com

56-24 188th Street Fresh Meadows, NY 11365 Tel. (917)577-0025 Fax (815)846-4059**Close-up Inspection**

Representative sample of exterior wall. Locate at 6th floor

1. Exterior wall at this location appear to be **SAFE**
2. Platform used - fire escape. See location at page 7 west elevation

**Close-up Inspection**

Representative sample of exterior wall. Locate at 5th floor

1. Exterior wall at this location appear to be **SAFE**
2. Platform used - fire escape. See location at page 7 west elevation



A&T CORP

ATcorpny@gmail.com

56-24 188th Street Fresh Meadows, NY 11365 Tel (917)577-0025 Fax (815)846-4059**Close-up Inspection**

Representative sample of exterior wall. Locate at 4th floor

1. Exterior wall at this location appear to be **SAFE**
2. Platform used – fire escape. See location at page 7 west elevation

**Close-up Inspection**

Representative sample of exterior wall. Locate at 3rd floor

1. Exterior wall at this location appear to be **SAFE**
2. Platform used – fire escape. See location at page 7 west elevation



A&T CORP

ATcorpny@gmail.com

56-24 188th Street Fresh Meadows, NY 11365 Tel (917)577-0025 Fax (815)846-4059**Close-up Inspection**

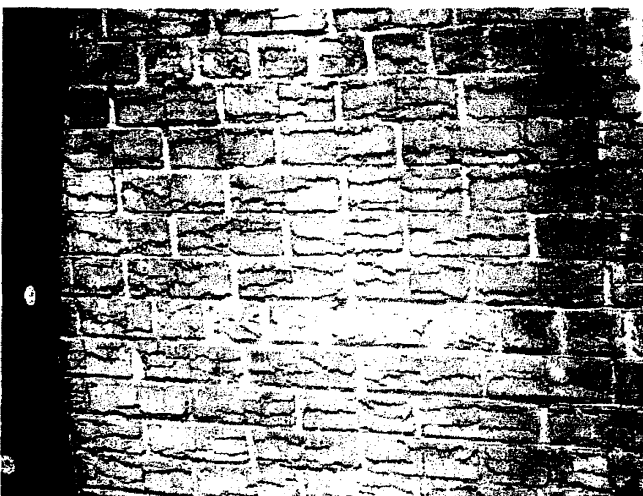
Representative sample of exterior wall. Locate at 2nd floor

1. Exterior wall at this location appear to be SAFE
2. Platform used -- fire escape. See location at page 7 west elevation

**Close-up Inspection**

Representative sample of exterior wall. Locate at 1st floor (grade)

1. Exterior wall at this location appear to be SAFE
2. Platform used -- fire escape. See location at page 7 west elevation



A&T CORP

ATcorpny@Gmail.com

56-24 188th Street Fresh Meadows, NY 11365 Tel (917)577-0025 Fax (815)846-4059**N) Conclusion**

Based upon the foregoing inspection, the inspection report status for the building exterior wall brick facing and appurtenances are considered "safe with repairs and maintenance program (SWARMP). A repair program shall be initiated so that any further degradation of condition does not result in an unsafe condition. All the defects as indicated in this report shall be repaired before **June 1, 2014**. This inspection does not certify the soundness of the building outside the scope of this inspection.

O) Sign and seal of QEWI

Robert Lin P.E.



APPENDIX 8

SCHEDULE A

The Infinity 8 on Cherry Condominium

Unit No	No. of Bedrooms/Baths	
1A	1.0	1.0
1B	1.0	1.0
1C	1.0	1.0
1D	1.0	1.0
1E	2.0	1.0
1F	2.0	1.0
1G	2.0	1.0
1H	2.0	1.0
1I	1.0	1.0
1J	-	1.0
1K	3.0	1.5
1L	1.0	1.0
2A	1.0	1.0
2B	1.0	1.0
2C	1.0	1.0
2D	1.0	1.0
2E	2.0	1.0
2F	2.0	1.0
2G	2.0	1.0
2H	2.0	1.0
2I	1.0	1.0
2J	1.0	1.0
2K	2.0	1.0
2L	1.0	1.0
3A	1.0	1.0
3B	1.0	1.0
3C	1.0	1.0
3D	1.0	1.0
3E	2.0	1.0
3F	2.0	1.0
3G	2.0	1.0
3H	2.0	1.0
3I	1.0	1.0
3J	1.0	1.0
3K	2.0	1.0
3L	1.0	1.0
4A	1.0	1.0
4B	1.0	1.0
4C	1.0	1.0
4D	1.0	1.0
4E	2.0	1.0
4F	2.0	1.0
4G	2.0	1.0
4H	2.0	1.0
4I	1.0	1.0
4J	1.0	1.0
4K	2.0	1.0
4L	1.0	1.0
5A	1.0	1.0

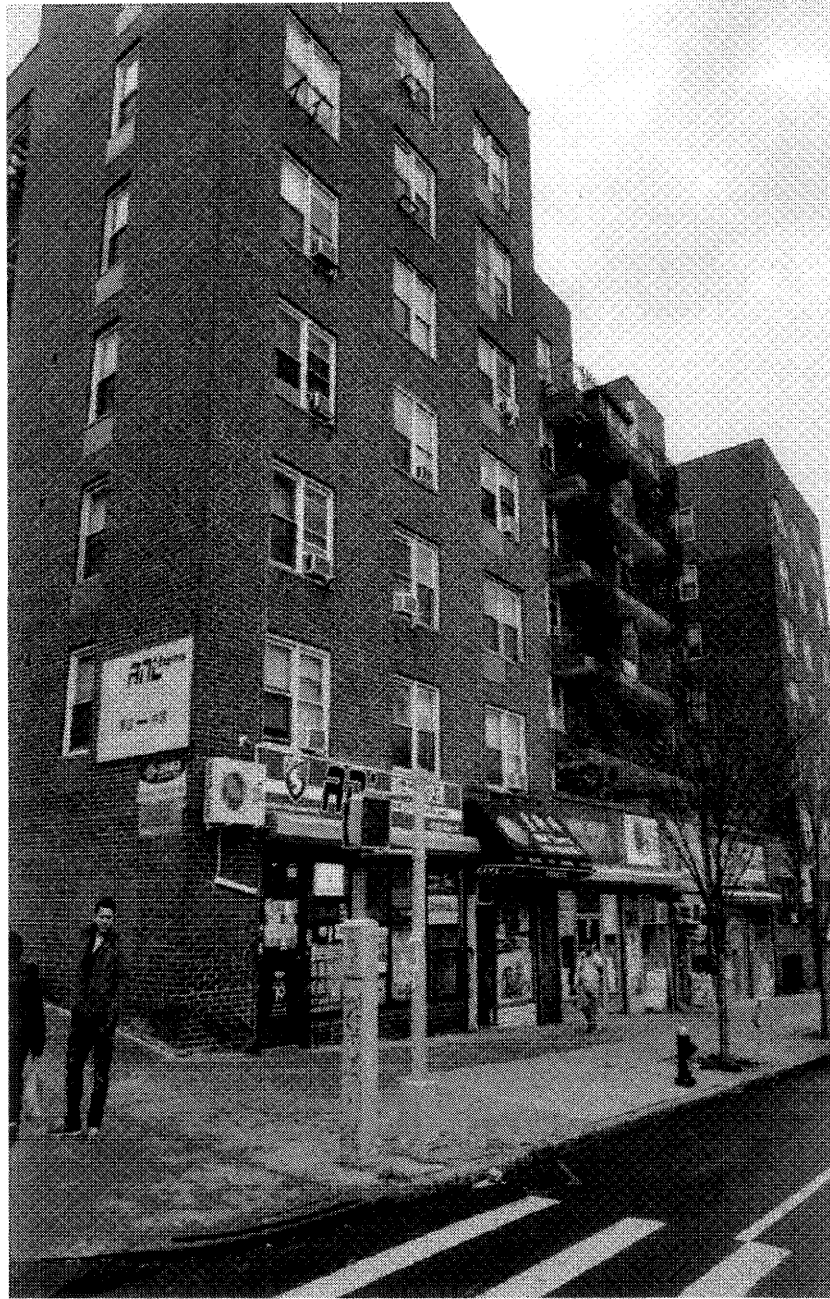
The Infinity 8 on Cherry Condominium

Unit No	No. of Bedrooms/Baths	
5B	1.0	1.0
5C	1.0	1.0
5D	1.0	1.0
5E	2.0	1.0
5F	2.0	1.0
5G	2.0	1.0
5H	2.0	1.0
5I	1.0	1.0
5J	1.0	1.0
5K	2.0	1.0
5L	1.0	1.0
6A	1.0	1.0
6B	1.0	1.0
6C	1.0	1.0
6D	1.0	1.0
6E	2.0	1.0
6F	2.0	1.0
6G	2.0	1.0
6H	2.0	1.0
6I	1.0	1.0
6J	1.0	1.0
6K	2.0	1.0
6L	1.0	1.0
LA	2.0	1.0
SA	1.0	1.0
SB	2.0	1.0
Residential Units less Super Apartment	107.0	75.5

APPENDIX 9

ASBESTOS STUDY

ASBESTOS STUDY



**136-04 Cherry Avenue
QUEENS, NY**

ASBESTOS STUDY

PROPERTY ADDRESS: **136-04 Cherry Avenue**
QUEENS, NY

PREPARED FOR: **ATTORNEY GENERAL**
120 BROADWAY
NEW YORK, NY 10271

PREPARED BY: **SINGER ENVIRONMENTAL GROUP, LTD**
5318 NEW UTRECHT AVENUE
Brooklyn, NY 11219

DATE: **December 18, 2017**

INTRODUCTION

Singer Environmental Group, Ltd. was formed to meet the needs of clients wishing to comply with Federal, State and City regulations regarding asbestos abatement requirements as well as the identification of hazardous or potentially toxic chemicals and substances.

SCOPE OF THIS ASBESTOS STUDY

To thoroughly inspect all areas and facilities in the public areas, basement areas, parking garage, one office, nine stores (Restaurant equipment, phone cards, pharmacy, cleaners, beauty salon, restaurant, appliances, grocery, shipping), roof and ten random/accessible apartments of the residential/store building located at 136-04 Cherry Avenue in the borough of QUEENS, N.Y. including all mechanical equipment, boiler piping, duct work, insulation and other facilities to determine the presence of asbestos. If asbestos is detected, to determine quantity and condition (friable or stable) and to determine what action, if any, should be taken to conform with the latest requirements of the asbestos code. Additional recommendations are made as to whether or not removal, encapsulation or enclosure is required for each area and facility in which asbestos containing materials are presented.

No core samples were taken from any walls, ceilings, rough flooring, structural beams unless so noted with the Survey Findings section of this report. The assessment presented in this asbestos survey is based on the professional opinion of the Asbestos Inspector. Observations made herein and conclusions drawn are not to be considered a warranty or guarantee, and are based on inspection of those areas directly visible and observable, without the removal or alterations of an item or structure and reflect conditions seen on the day of inspection.

**136-04 Cherry Avenue
QUEENS, N.Y.
Survey Findings
Page 1**

SURVEY FINDINGS

GENERAL

A visual inspection of the subject property took place on December 12, 2017, by Mr. Singer who was accompanied by the building super, Mervin.

The subject property consists of a seven story plus basement building containing nine stores (Restaurant equipment, phone cards, pharmacy, cleaners, beauty salon, restaurant, appliances, grocery, shipping), 1 office, 75 residential units and a parking garage.

ASBESTOS CONTAINING MATERIALS

Asbestos is the generic name of a group of naturally occurring hydrated mineral silicates that are characterized by fibers or bundles of fine single crystal fibers. The New York City Department of Environmental Protection defines asbestos containing materials as “any material which contains more than one percent asbestos by weight.” Asbestos materials were used for many years in a variety of insulating and thermal barrier properties. The durability of asbestos fibers and their small size and fibrous shape make asbestos an unusual environmental contaminant. Water infiltration’s, contact during routine maintenance and age are major factors breaking down asbestos containing materials and creating exposure problems.

See Next Page.

**136-04 Cherry Avenue
QUEENS, N.Y.
Survey Findings
Page 2**

Rooms/areas/facilities in the public areas, basement areas, first floor office, nine stores, parking garage, roof, ten random/accessible apartments were inspected as part of this asbestos survey.

Lobby - No visible and/or friable ACM.

Basement

Compactor Room - No visible and/or friable ACM.

Laundry Room - No visible and/or friable ACM.

Boiler Room - No visible and/or friable ACM.

Maintenance Shop - No visible and/or friable ACM.

Meter Room - No visible and/or friable ACM.

Sub-Basement

Apartment SA - No visible and/or friable ACM.

Apartment SB - No Access-Used for storage for the stores.

First Floor

Office - Drop Ceiling*

Hallways 2nd through 6th Floors- Suspect ACM non friable 9”X9” floor tile (500 sq. ft. per floor).

Garage - No visible and/or friable ACM.

Stores

Restaurant Equipment - No visible and/or friable ACM.

Phone Cards - No Access.

Pharmacy - No visible and/or friable ACM.

Cleaners - No visible and/or friable ACM.

Beauty Salon - No visible and/or friable ACM.

Restaurant - No visible and/or friable ACM.

Appliances - No visible and/or friable ACM.

Grocery - No visible and/or friable ACM.

Shipping - No visible and/or friable ACM.

Please note: Piping above drop ceilings which may contain ACM are “Enclosed” in their present state and pose no health hazards.

**136-04 Cherry Avenue
QUEENS, N.Y.
Survey Findings
Page 4**

APARTMENTS

The following apartments were inspected to determine the extent of any friable, loose and/or visible ACM.

Apartments - SB, LB, LA, 1L, 2K, 5B, 5D, 5E, 6B, 6K.

The Apartments did not have any visible and/or friable ACM.

STAIRWAYS

The Stairways did not have any visible and/or friable ACM.

PUBLIC HALLWAYS

The Public Hallways (2nd through 6th Floors) contain suspect ACM non friable 9”X9” floor tile (500 sq. ft. per floor).

ROOF

The Roof did not have any visible and/or friable ACM.

136-04 Cherry Avenue
 QUEENS, N.Y.
 Summary of Findings
 Page 1

SUMMARY OF FINDINGS

The following is a summary of findings from the asbestos survey of the property located at 136-04 Cherry Avenue, Queens, NY.

ALL FOOTAGES ARE APPROXIMATE			
LOCATION	FOOTAGE	CONDITION	RECOMMENDATION
First Floor			
Office	Drop Ceiling	"Enclosed"	Deferred Action
Common Areas			
2 nd through 6 th floor hallways	Suspect ACM non friable 9"X9" floor tile	Good	Deferred Action

Please note: NO core samples were taken during this inspection, in the event of change in present status, eg, demolition, alteration, modification, all materials should be tested and verified free of any ACM.

Please note: Piping above drop ceilings which may contain ACM are "Enclosed" in their present state and pose no health hazards.

**136-04 Cherry Avenue
QUEENS, N.Y.
Recommendations
Page 1**

RECOMMENDATIONS

The following are recommendations based on the asbestos survey conducted at 136-04 Cherry Avenue, QUEENS, NY.

On December 12, 2017, an asbestos survey of the public areas, basement areas parking garage, one office, nine stores, roof and ten random/accessible apartments at the above-mentioned property was conducted for the determination and location of asbestos containing materials. The inspection covered various facilities on each of the aforementioned areas.

Within each of the rooms/areas/facilities inspected piping insulation (e.g. on hot and cold water supply piping, heat risers) was checked at exposed/accessible locations for possible asbestos content.

According to the Environmental Protection Agency and included in the publication EPA 560/5-85-024 "Guidance for Controlling Asbestos Containing Materials (ACM) in Buildings", asbestos containing materials in buildings are found in three forms: (1) steel; (2) in insulation around hot and cold pipes, ducts, boilers, and tanks; and (3) in a non-friable state in products such as ceilings and floor tiles, wallboards and outside in material such as shingles and roofing materials. In general, ACM in the first two categories is of greatest concern, especially if it is friable, causing the material to release fibers into the air.

Asbestos containing materials are believed to be present on the roof in tars, felts and papers used in roof coatings. These materials were examined visually and found to be in stable, non friable, satisfactory condition.

In the event of any renovation/demolition/modification alteration of any area in the building, friable or non friable ACM, a more thorough inspection must be conducted prior to any commencement of work.

**CEILING AND FLOOR TILE WHICH MAY CONTAIN ASBESTOS ARE NOT
REQUIRED TO BE REMOVED DUE TO THEIR NON-FRIABLE STATE.**

**136-04 Cherry Avenue
QUEENS, N.Y.
Recommendations
Page 3**

Deviations

The apartment SB in the sub-basement used for storage and the phone cards store was not accessible during this inspection.

Singer Environmental Group, Ltd. has conducted this asbestos survey as an aid in determining the presence of asbestos containing materials. Conclusions drawn are not to be considered as a warranty or guarantee, and are based solely upon those areas directly visible and observable, without the removal or alterations as seen on the day of inspection.

Singer Environmental Group, Ltd., their principals and employees are indemnified for any future changes or conditions of deterioration in or on the subject property. Inasmuch as each has made no guarantees of the premises, expressed or implied in connection with this report, any liability which each may have shall be limited to the fee for the inspection of the property.

Respectfully Submitted by:

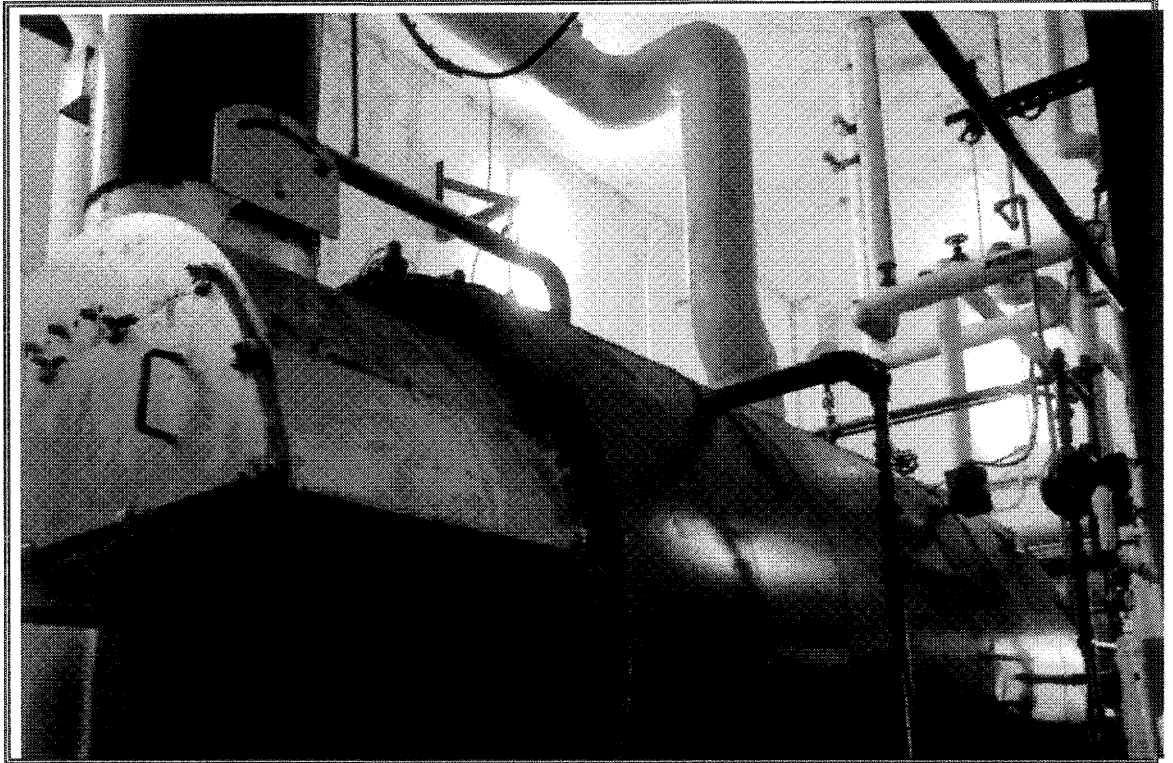
**Aaron Dancy
NYC Asbestos Investigation #145883
NYS Asbestos Inspector # 12-22032
December 18, 2017**



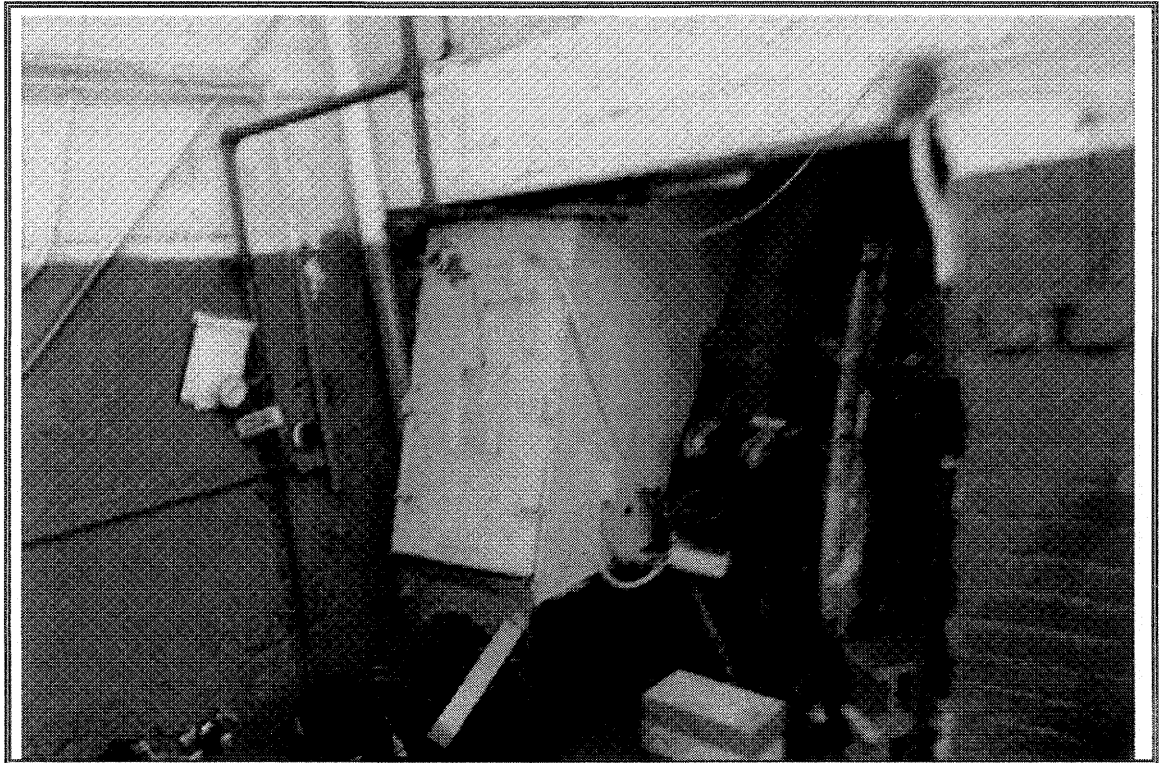
View of the Subject Property



View of the hallway



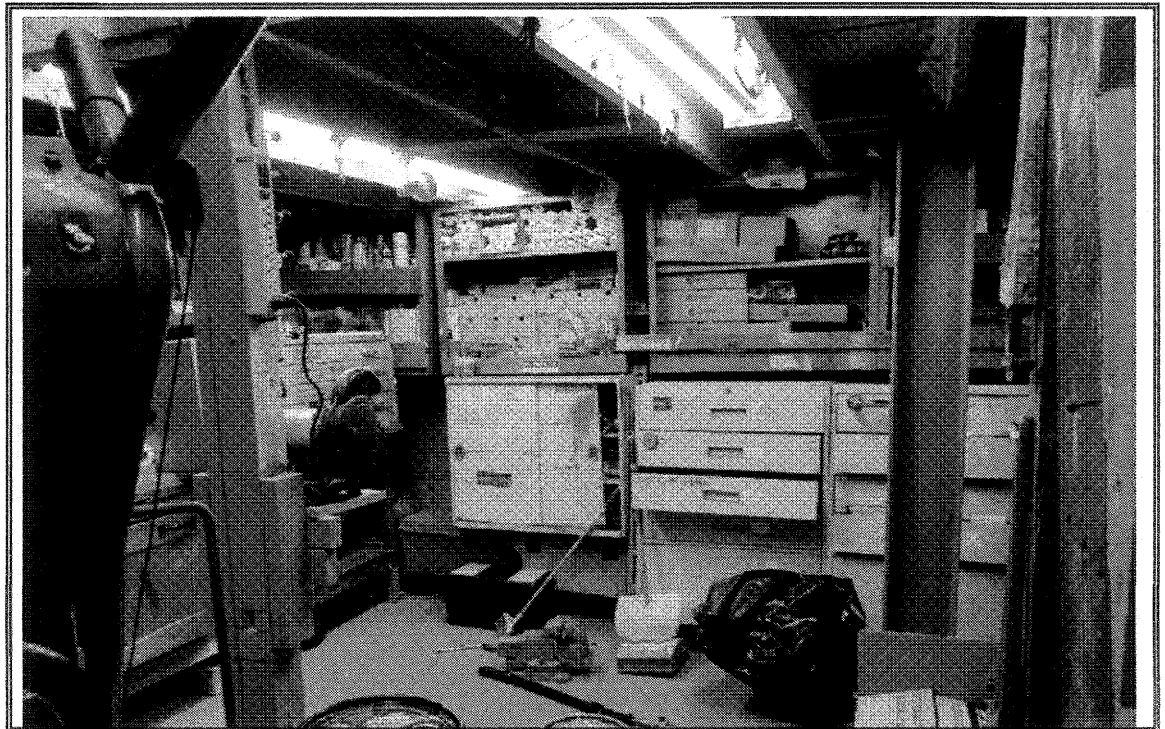
View of the boiler



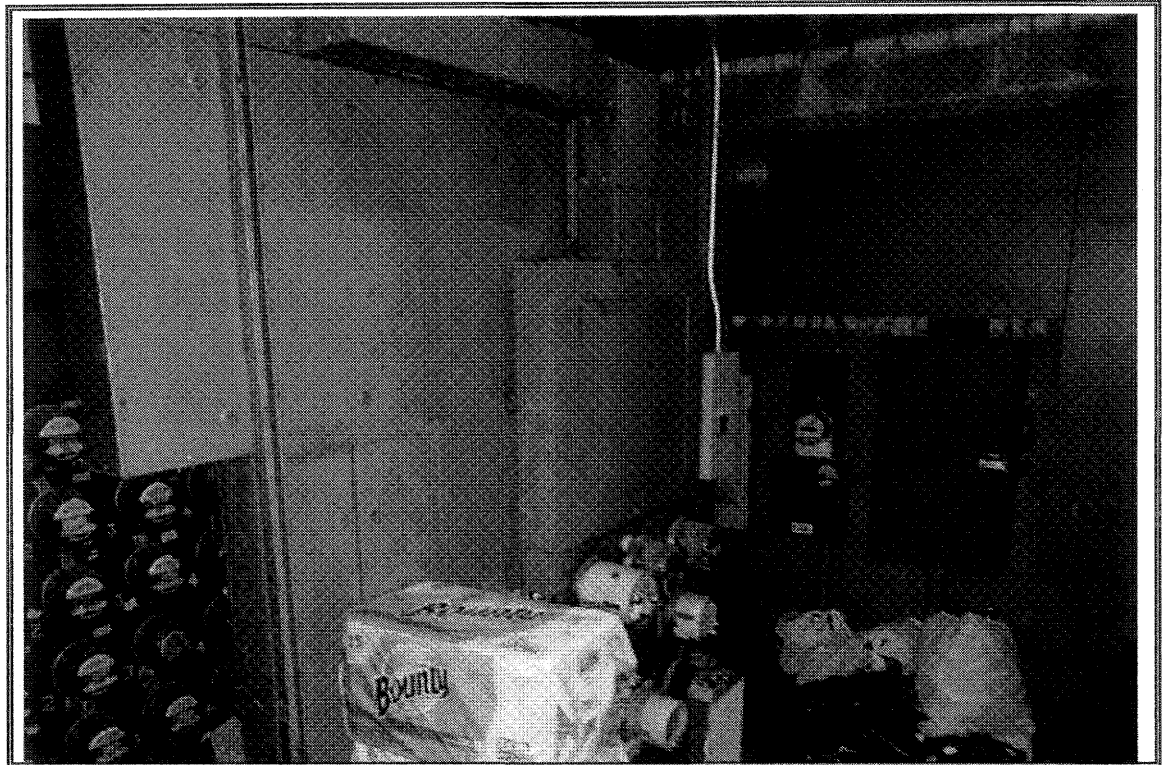
View of the compactor



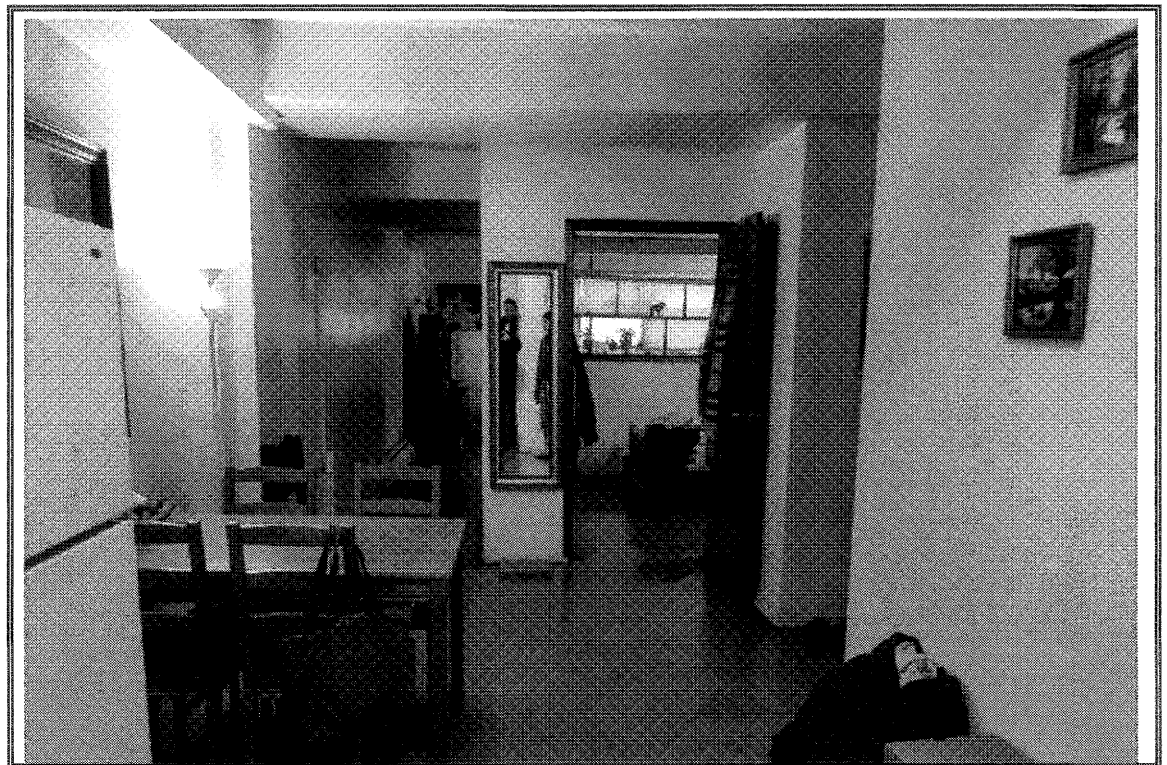
View of the laundry room



View of the maintenance shop



View of the electric meters



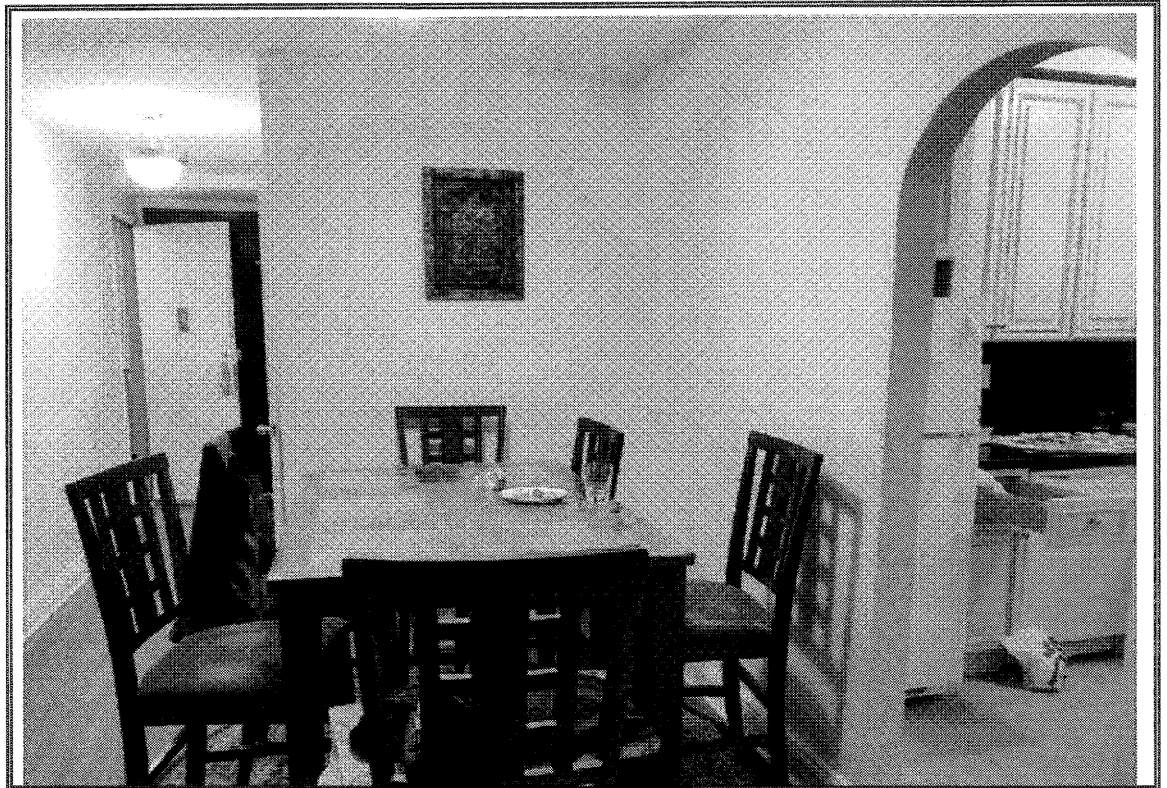
View of a typical apartment unit



View of the office



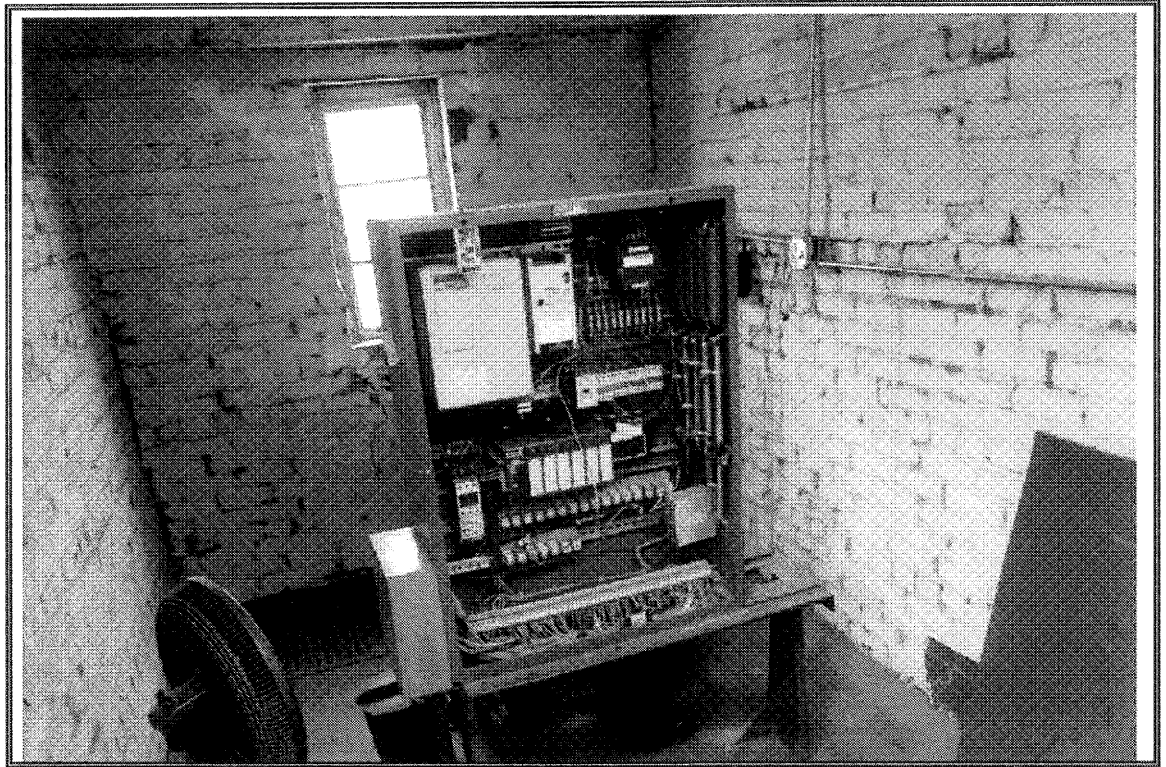
View above ceiling tiles



View of a typical apartment unit



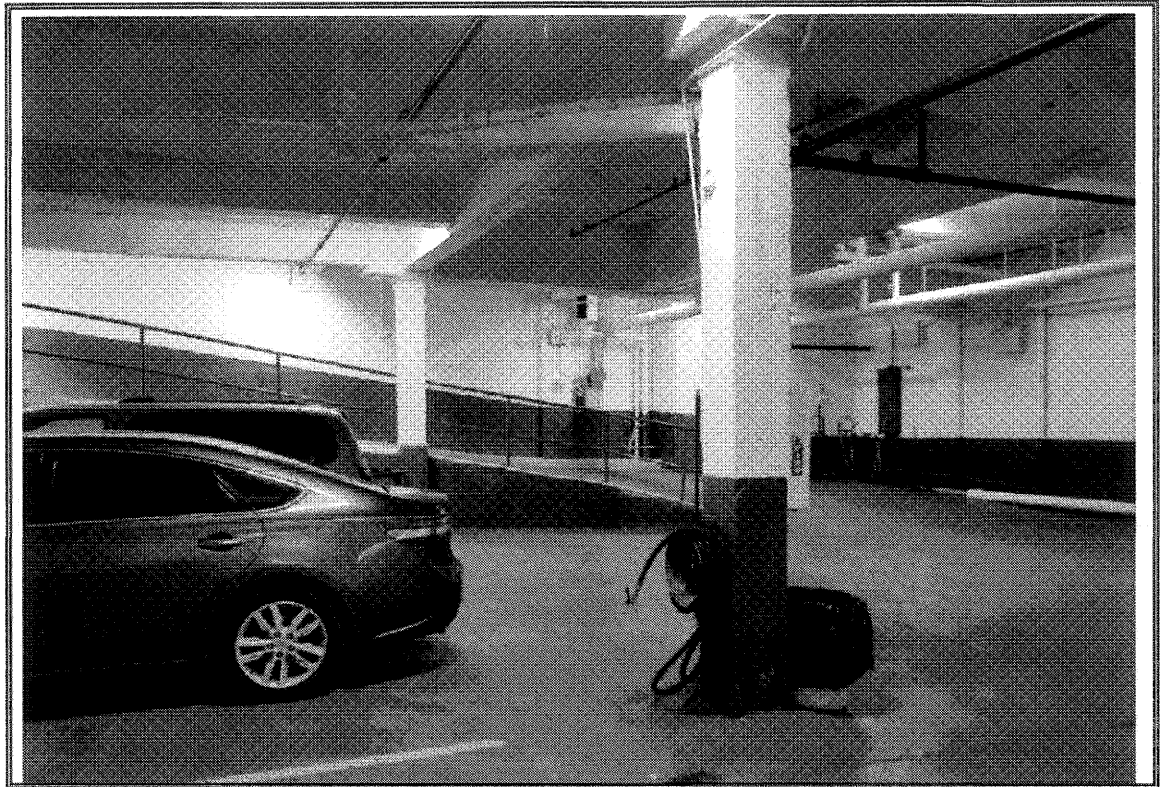
View of the roof



View of the elevator motor



View of a typical hallway

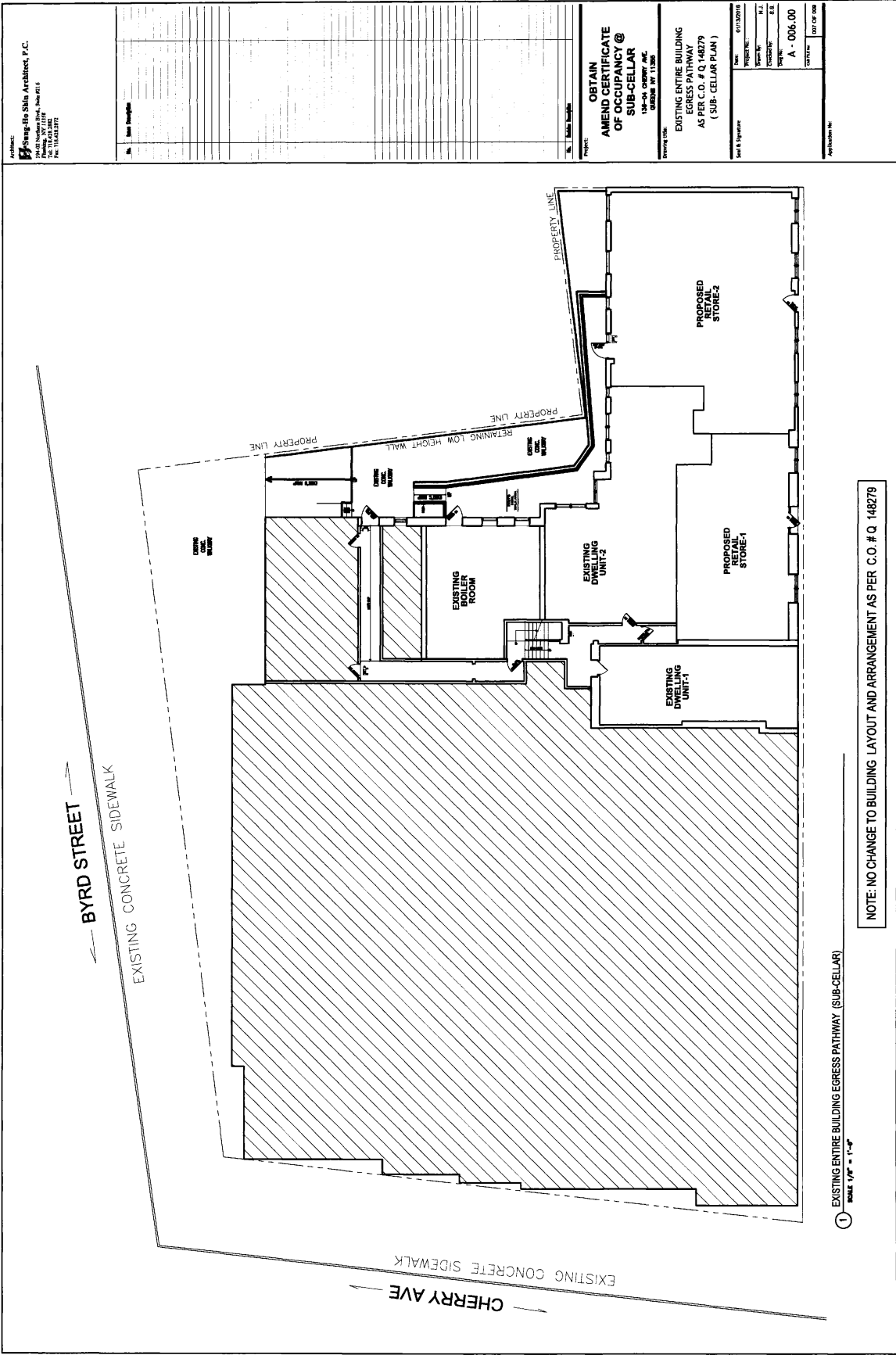


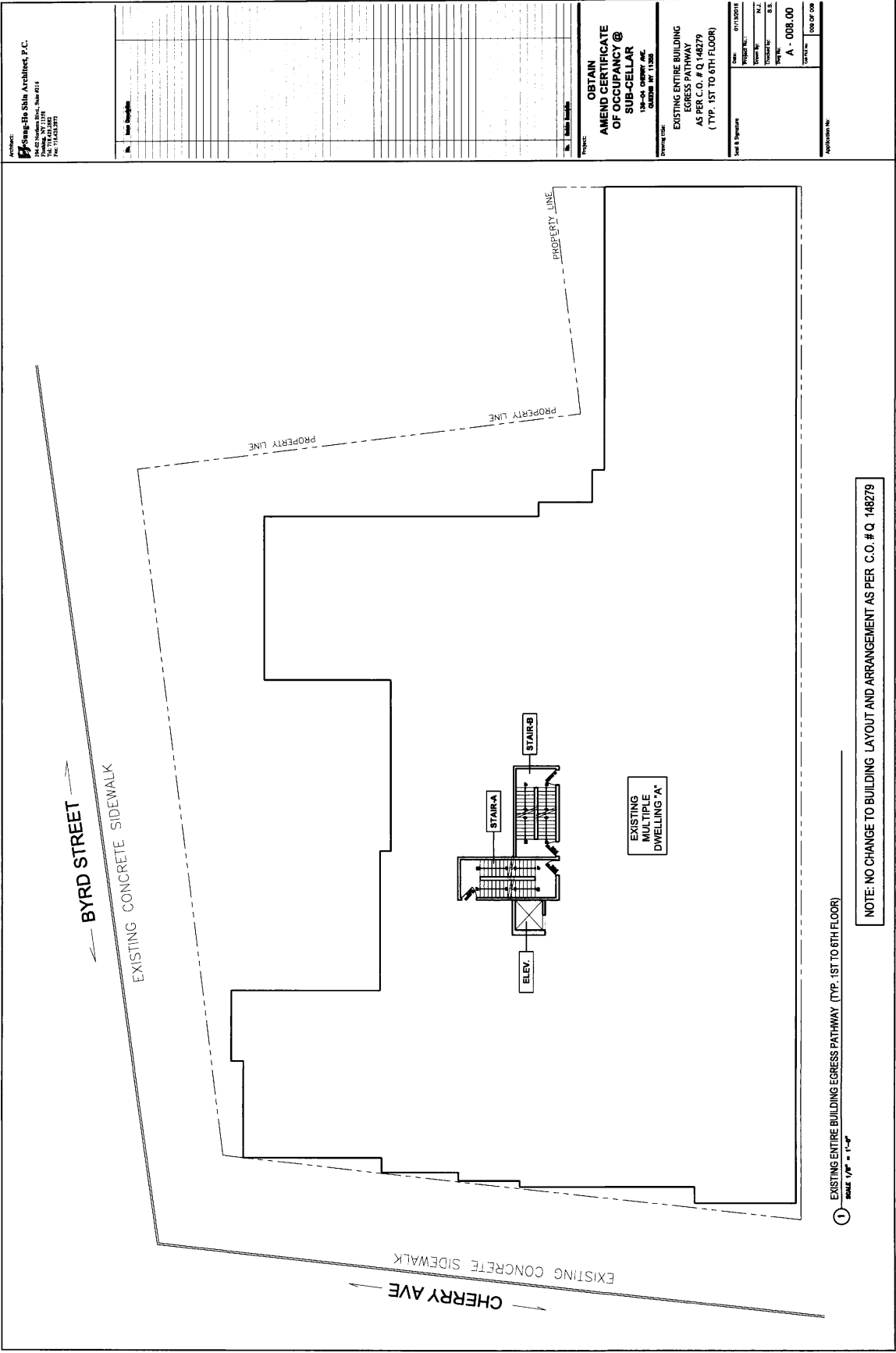
View of the parking garage

APPENDIX 10

DOB DRAWINGS

[illegible]





136-04 CHERRY AVENUE QUEENS, NY

SCOPE OF WORK		SYMBOL LEGEND		INSPECTIONS		SPECIAL INSPECTION		CODE SECTION	
-INTERIOR RENOVATION AT PARTIAL 2ND, 3RD, 5TH & 6TH FLOOR (APTS # 2J, 3D, 5D, 6I & 6J) IN AN EXISTING 6 STORY BUILDING.		EXISTING TO REMAIN		EXISTING TO BE REMOVED		SMOKE & CARBON MONOXIDE DETECTOR		WINDOW SENS.	
						FIRE RESISTANT PENETRATIONS AND JOINTS		DOOR SENS.	
						PROGRESS INSPECTION CATEGORIES		FLOOR PLAN	
						ENERGY CODE COMPLIANCE INSPECTIONS			
						FINAL			
						ENERGY CODE PROGRESS INSPECTION ITEMS			
						INSULATION PLACEMENT VALUES			
						LIGHTING & EXHAUST UNITS			
						NOTES:			
						MANUAL DOORS CLEAR WIDTH: DOORWAYS SHALL HAVE A CLEAR OPENING WIDTH OF 32 INCHES			
						MINIMUM CLEAR OPENING WIDTH OF DOORWAYS WITH SWINGING DOORS SHALL BE MEASURED			
						AT THE TOP OF DOORWAY, NOT WITH THE DOOR OPENED 90 DEGREES			

136-04 CHERRY AVENUE
QUEENS, NY
BLOCK 5140 LOT 6

COVER LEGEND
ZONING MAP &
DRAWING LIST

136-04 CHERRY AVENUE
QUEENS, NY
BLOCK 5140 LOT 6

COVER LEGEND
ZONING MAP &
DRAWING LIST

136-04 CHERRY AVENUE
QUEENS, NY
BLOCK 5140 LOT 6

COVER LEGEND
ZONING MAP &
DRAWING LIST

136-04 CHERRY AVENUE
QUEENS, NY
BLOCK 5140 LOT 6

COVER LEGEND
ZONING MAP &
DRAWING LIST

ABBREVIATIONS

A.C.	AIR CONDITIONING	C.M.T.	CORRUGATED METAL	ELEC.	ELEVATION	H.B.	HOLLOW METAL	M.C.	METAL CABINET	Q.T.	QUARRY TILE
A.D.	AREA DRAIN	COL.	CONCRETE	E.Q.	ELECTRIC	H.C.	HOLLOW METAL	M.L.	METAL LOUVER	R.M.	ROOM
A.C.T.	ACROUSTIC TILE CEILING	CONC.	CONCRETE	E.P.M.	ELECTRIC	H.P.	HOLLOW METAL	M.N.	METAL NAIL	RESIL.	RESILIENT
A.L.	ALUMINUM	CONV.	CONCRETE	E.P.M.	ELECTRIC	H.V.	HOLLOW METAL	M.V.	METAL VENTILATION	S.H.	SERVICE HALL
A.N.	AS NOTED	C.O.P.T.	CORRUGATED METAL	F.	FLOOR	H.V.C.	HOLLOW METAL	M.V.	METAL VENTILATION	S.M.	SMOKE DETECTOR
A.P.T.	APARTMENT	C.R.	CORRUGATED METAL	F.A.I.	FRESH AIR INTAKE	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.S.	SLOPE SIDE
B.	BRICK COURSE	C.R.	CORRUGATED METAL	F.D.	FLOOR DRAIN	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.	STEEL
B.C.	BRICK COURSE	C.W.	CORRUGATED METAL	F.F.	FLOOR FINISH	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
B.L.	BRICK	C.W.	CORRUGATED METAL	F.F.	FLOOR FINISH	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
B.M.	BRICK	C.W.	CORRUGATED METAL	F.F.	FLOOR FINISH	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
B.R.	BRICK	C.W.	CORRUGATED METAL	F.F.	FLOOR FINISH	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
B.S.A.	BRICK	C.W.	CORRUGATED METAL	F.F.	FLOOR FINISH	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
B.T.	BRICK	C.W.	CORRUGATED METAL	F.F.	FLOOR FINISH	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
C.B.	CABINET	D.	DRYER EXHAUST	F.P.H.B.	FRESH AIR INTAKE	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
C.W.	CABINET	D.E.	DRYER EXHAUST	F.P.H.B.	FRESH AIR INTAKE	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
C.A.	CABINET	D.E.	DRYER EXHAUST	F.P.H.B.	FRESH AIR INTAKE	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
C.J.	CABINET	D.E.	DRYER EXHAUST	F.P.H.B.	FRESH AIR INTAKE	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL
C.L.G.	CABINET	D.E.	DRYER EXHAUST	F.P.H.B.	FRESH AIR INTAKE	I.D.	INSIDE DIAMETER	O.C.	OUTSIDE DIAMETER	S.T.C.	STEEL

DRAWING LIST

1. 100.00 COVER LEGEND, ZONING MAP & DRAWING LIST
2. 100.00 NOTES, PLOT PLAN & ENERGY ANALYSIS
3. 100.00 DEMOLITION PARTIAL 2ND, 3RD, 5TH & 6TH FLOOR PLAN (APTS # 2J, 3D, 5D, 6I & 6J)
4. 100.00 DEMOLITION PARTIAL 2ND, 3RD, 5TH & 6TH FLOOR PLAN (APTS # 2J, 3D, 5D, 6I & 6J)
5. 100.00 TENANT PROTECTION PARTIAL 2ND, 3RD, 5TH & 6TH FLOOR PLAN (APTS # 2J, 3D, 5D, 6I & 6J)
6. 100.00 DETAILS & PLUMBING RISER DIAGRAM (APTS # 2J, 3D, 5D, 6I & 6J)
7. 100.00

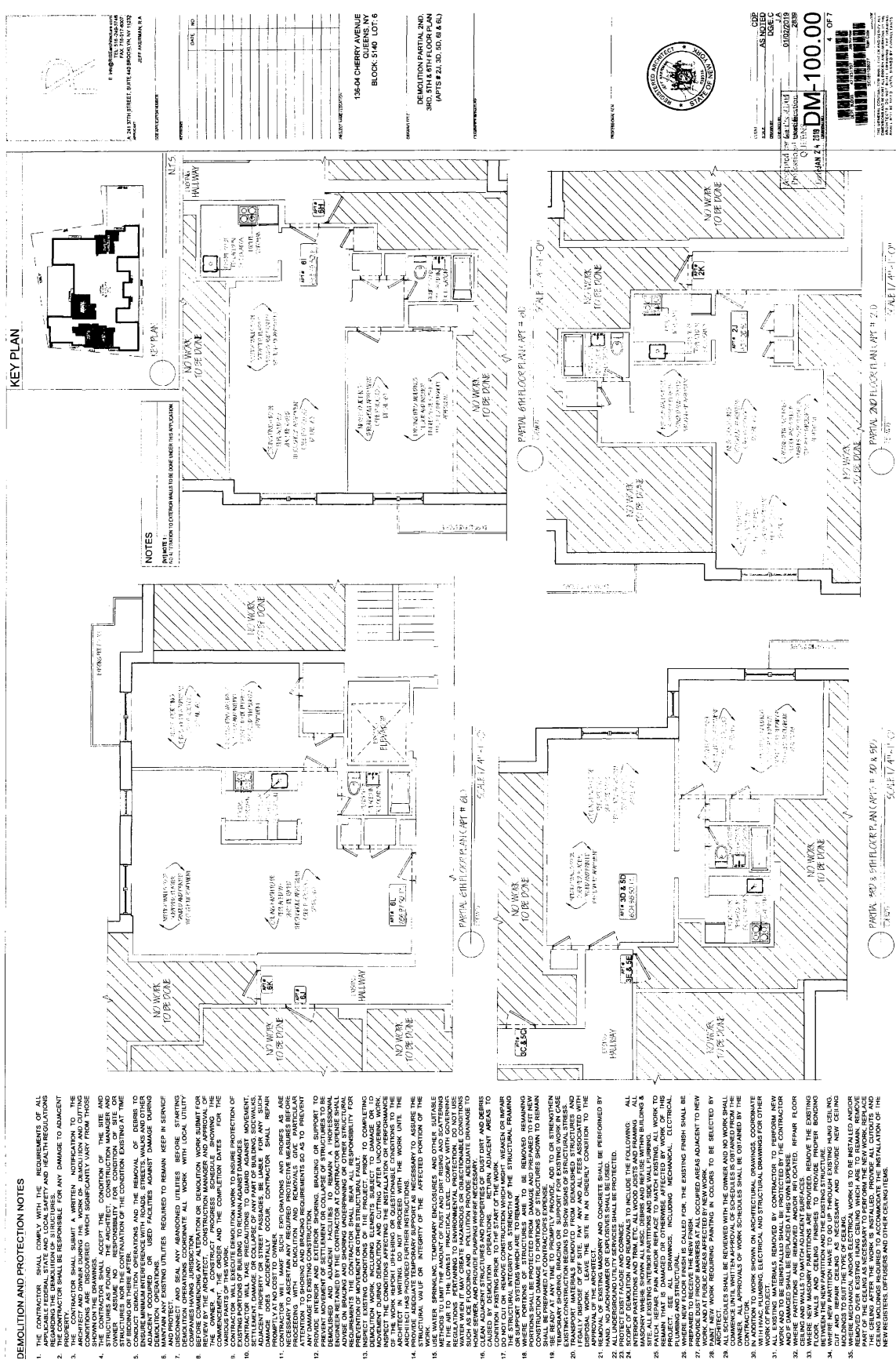


136-04 CHERRY AVENUE
QUEENS, NY
BLOCK 5140 LOT 6

COVER LEGEND
ZONING MAP &
DRAWING LIST

136-04 CHERRY AVENUE
QUEENS, NY
BLOCK 5140 LOT 6

COVER LEGEND
ZONING MAP &
DRAWING LIST

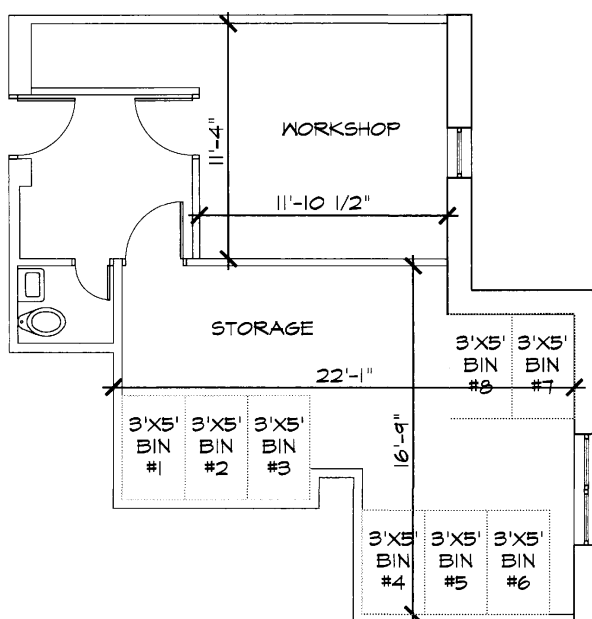
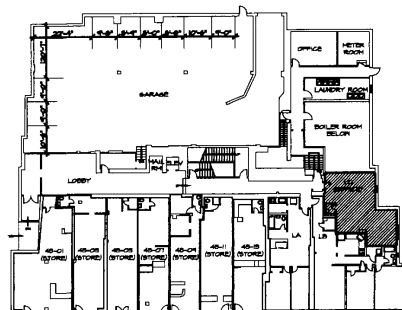


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APPENDIX 11

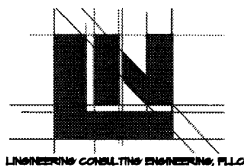
STORAGE LOCKER ROOM FLOOR PLAN

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION
ONLY. THE INFORMATION SHOWN HERE IS
APPROXIMATE.



STORAGE LOCKER ROOM

APPROXIMATE AREA = 575 SF



DESCRIPTION OF PROPERTY

136-04 CHERRY AVENUE
QUEENS, NY 11355

THE PINNACLE GROUP

1 PENN PLAZA, SUITE 4000
NEW YORK, NY 10001

JOB NO. 1720	SCALE 1/8"=1'-0"	DATE 04.15.2019
DRAWN BY AC	CHECKED BY AC	DATE OF
PROJECT TITLE STORAGE LOCKER ROOM		
SHEET NUMBER		

EXHIBIT 5

CONDOMINIUM DECLARATION AND BY-LAWS

DECLARATION

**Establishing a Plan for Condominium Ownership
of the Premises known as
136-04 Cherry Avenue
Flushing, New York 11355**

**Pursuant to Article 9-B of the Real Property
Law of the State of New York**

Name:

The Infinity 8 on Cherry Condominium

Declarant:

**Cherry Associates LLC
One Penn Plaza, Suite 4000
New York, New York 10119**

Date of Declaration:

_____, 20____

**The land affected by the within instrument lies in
Block 5140, formerly known as Lot 6
now known as Lots _____ - _____
on the Tax Map of the Borough of Queens City of New York**

Attorneys for Declarant:

**Pryor Cashman LLP
7 Times Square
New York, New York 10036-6569
(212) 421-4100**

INDEX TO DECLARATION

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**DECLARATION
OF
THE INFINITY 8 ON CHERRY CONDOMINIUM**

(Pursuant to Article 9-B of the Real Property Law
of the State of New York)

Cherry Associates LLC, a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119 ("Declarant"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration (this "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C annexed hereto and made a part hereof or in the By-Laws, unless the context in which they are used requires otherwise.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and pursuant thereto does hereby establish a condominium to be known as "The Infinity 8 on Cherry Condominium" (the "Condominium").

2.2 Annexed hereto and made a part hereof as Exhibit D are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (as the same may be amended from time to time, the "By-Laws").

ARTICLE 3

THE LAND

Included in the Property are all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the County of Queens, City and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land is an irregular lot is 117.25 feet long along Cherry Avenue and 208.28 feet long along Main Street.

ARTICLE 4

THE PROPERTY

Included in the Property is the building located at 136-04 Cherry Avenue, Flushing, New York 11355 (the "Building") consisting of 75 residential apartments (collectively, the "Residential Units" and individually, a "Residential Unit"), excluding the superintendent's apartment, and 1 garage unit (the "Garage Unit"), 9 stores (each, a "Commercial Unit"). The Garage Unit and the Commercial Unit are

referred to, collectively, as the “Commercial Units”. The Residential Units and the Commercial Units are collectively referred to as “Units”. The owner of a Residential Unit is herein called a “Residential Unit Owner” and the owners of the Residential Units are referred to, collectively, as the “Residential Unit Owners.” The owner of the Garage Unit is herein called the “Garage Unit Owner”. The owner of a Commercial Unit is herein called a “Commercial Unit Owner” and the owners of the Garage Unit and Commercial Units are referred to, collectively, as the “Commercial Unit Owners.” The Residential Unit Owners and the Commercial Unit Owners are collectively referred to as “Unit Owners”.

ARTICLE 5

THE BUILDING

The Building was built approximately in 1963 and is a non-fireproof building having a Lobby/Cellar Level, Sub-Cellar Level plus 6 stories above grade. The main entrance and lobby are on the Lobby/Cellar Level. The structure of the Building is reinforced concrete frame with masonry facades. The exterior walls of all facades are made of red bricks arranged in Common Bond with concrete base at the rear facades.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) number of rooms, including but not limited to bedrooms and bathrooms, and balconies as applicable, (iv) approximate location in the Building; (v) approximate square foot area; (vi) the percentage interest in the Common Elements appurtenant to such Unit and (vi) the percentage interest in the Residential Common Elements appurtenant to a Unit, where applicable. The location of each Unit is shown on the floor plans of the Building (the “Floor Plans”) certified by Jean Lin, PE, Lngineering Consulting, and intended to be approved by the Real Property Assessment Department of the City of New York and filed in the Queens County office of the Register of the City of New York (the “City Register’s Office”) following the recording of this Declaration.

6.2 (a) Each Residential Unit includes, and each Residential Unit Owner shall be responsible for, the front entrance door and any other entrance doors to such Residential Unit, windows (including glass), non-load-bearing interior walls and partitions including sheet rock, moldings, smoke and carbon monoxide detectors, all plumbing, gas and heating fixtures (including shower pans) and equipment such as heating, ventilating and air conditioning, including without limitation, any sleeve and/or window units (“HVAC”) servicing the Residential Units, if any (including the fans inside the Residential Units), heating equipment, ranges and other appliances, flooring and wall coverings, as may be affixed, attached or appurtenant to such Residential Unit and serving such Residential Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any pipes or equipment which a Residential Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors unless same have been replaced or installed by a Residential Unit Owner or a predecessor Residential Unit Owner (other than Declarant). Each Residential Unit shall also include, and the Residential Unit Owner shall be responsible for, (i) all lighting and electrical fixtures, cabinets, including, without limitation kitchen and bathroom cabinetry, countertops and appliances and (ii) any fixtures, Facilities (as hereinafter defined) or special equipment affixed, attached or appurtenant to the Residential Unit, or betterments and improvements installed by a Residential Unit

Owner or a predecessor Residential Unit Owner (other than Declarant), to the extent located within a Residential Unit and serving or benefiting only that Residential Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Residential Unit Owner will have the right, exercisable at any time, to install, at such Residential Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Residential Unit Owner's Residential Unit and to a depth of 1 inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Residential Unit or of the Building. The Board may, at its sole discretion, impose reasonable conditions on interior alterations and decorations including, but not limited to, minimal insurance requirements and guidelines for contractors and workers employed, and may also inspect any such alterations to determine that they are of good quality and otherwise comply with the provisions of this Declaration and the By-Laws.

(b) Each Commercial Unit is comprised of the commercial space, the structural systems within the Commercial Unit, the entrance doors, windows (including glass), all plumbing, gas and heating fixtures, equipment, appliances, heating, ventilating and air conditioning units (including the fans inside the Commercial Unit), sinks, water closets and all other Facilities as may be affixed, attached or appurtenant to the Commercial Unit and serving the Commercial Unit exclusively. A Commercial Unit Owner shall be responsible for the Commercial Unit side of the entrance door from the Building to the Commercial Unit, and any other entrance doors to the Commercial Unit, windows (including glass), the interior walls, partitions, floors and floor coverings and ceilings affixed, attached or appurtenant to the Commercial Unit, smoke detectors, window panes, plumbing, gas and heating fixtures. Equipment as used in the preceding sentence shall include gas and water pipes servicing and within the Commercial Unit, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Commercial Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless it exclusively services the Commercial Unit. A Commercial Unit shall also include all lighting and electrical fixtures and appliances within the Commercial Unit and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Commercial Unit, to the extent located within the Commercial Unit from the panel and serving or benefiting only the Commercial Unit.

6.3 Any Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements located within a Unit shall not be considered a part of such Unit.

6.4 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

DIMENSIONS OF UNITS

Each Unit will be measured on each of one or more floors from the midpoint of the exterior walls at the Building line and/or Property line to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit from public corridors, stairs, elevators (if any) and other mechanical equipment spaces or any Common Elements or Residential Common Elements. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Units. Measured vertically, each Unit will consist

of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

ARTICLE 8

COMMON ELEMENTS

8.1 (a) The Common Elements include, but are not limited to, the Land and all parts of the Building and improvements thereon other than the Units, Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements, if any, and include those rooms, areas, corridors, spaces and other parts of the Building and all Facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Common Elements are appurtenant to and serve and benefit each Unit to the extent of such Unit's percentage share of the Common Elements. The Common Elements are for the common use of all Unit Owners but do not include any air or development rights, the rights to which shall be retained by Declarant.

(b) The Residential Common Elements of the Condominium consist of those parts of the Building and improvements thereon, if any, that serve or benefit exclusively all of the Residential Units or the Residential Unit Owners, but not the Commercial Unit or the Commercial Unit Owners. The Residential Common Elements do not include any air or development rights, the rights to which shall be retained by Declarant.

(c) The Residential Limited Common Elements of the Condominium consist of those parts of the Building and improvements thereon, if any, that serve or benefit exclusively one or more but not all of the Residential Units or the Residential Unit Owners. The Residential Limited Common Elements do not include any air or development rights, the rights to which shall be retained by Declarant.

(d) The Commercial Limited Common Elements of the Condominium consist of those parts of the Building and improvements thereon, if any, that serve or benefit exclusively one or more but not all of the Commercial Units or the Commercial Unit Owners. The Commercial Limited Common Elements do not include any air or development rights, the rights to which shall be retained by Declarant.

8.2 As used in this Declaration, the word "Facility" or "Facilities" means all equipment and facilities necessary for the operation of the Building or its systems and includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: any system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

8.3 The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the By-Laws.

8.4 Without intending to limit the generality of the foregoing in any respect, the Common Elements include:

(a) the Land (including the landscaping and sidewalks thereon or appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto;

(b) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, floor slabs, all interior walls, partitions, floor slabs and ceilings, on, or under the Building, separating a Common Element from a Unit, and that portion of all interior walls, partitions, floors and ceilings separating a Common Element from a Residential Common Element or Residential Limited Common Element or Commercial Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Common Element, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements pursuant to the terms of Paragraphs 8.5 or 8.6 or 8.7 below or a Unit pursuant to the terms of Article 6 hereof;

(c) boiler room, meter room and their respective shafts and equipment to the extent that the aforesaid service both the Residential Units and all Commercial Units;

(d) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, compactor room, master and cable television and other mechanical and electrical systems, which service either (i) the Residential Units and/or the Commercial Units, and/or the Common Elements, and/or the Commercial Limited Common Elements, or (ii) the Commercial Units and/or the Residential Units, and/or the Residential Common Elements and/or the Residential Limited Common Elements to the extent that same are not expressly included as a part of the Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements pursuant to the terms of Paragraph 8.5 or 8.6 or 8.7 hereof or a Unit pursuant to the terms of Article 6 hereof; and

(e) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

8.5 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

(a) the lobbies, mail rooms, all stairways, passenger (and service, if any) elevators and their respective bulkheads, shafts, pits and equipment rooms, residential hallways, window casements and frames, cellars, storage spaces, roofs, exterior walls and Facades;

(b) the service entrances, storage rooms, laundry room, porter's room, if any, all of which are located on the Lower Level of the Building;

(c) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or Residential Common Element or Residential Limited Common Element and that portion of all such masonry wall, partition, floor or ceiling separating a Residential Common Element from a Common Element or a Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element;

(d) any and all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, compactor room, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only;

(e) all interior portions of the Building on floors 1 through 6, and on the Lower Level to the extent that the same are not expressly included as part of the Common Elements pursuant to the terms of Paragraph 8.4 hereof above or the Residential Limited Common Elements pursuant to the terms of Paragraph 8.6 or Commercial Limited Common Elements pursuant to 8.7 hereof below or a Unit pursuant to the terms of Article 6 hereof; and

(i) the Superintendent's Apartment.

8.6 The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include the balconies, if any, and Storage Lockers.

8.7 The Commercial Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Commercial Units to the exclusion of all other Units.

ARTICLE 9

USE OF BUILDING AND UNITS

9.1 Except as set forth in Section 6.14 of the By-Laws and Section 9.2 hereof, a Residential Unit may be used only for residential purposes, unless otherwise permitted in writing by the Board, subject, however, to applicable Law. Residential Units may only be leased in accordance with the By-Laws and the Residential Rules and Regulations.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Residential Rules and Regulations to the contrary, Declarant may, without the permission of the Board, (1) grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations and (2) without limiting (1) above, use any Unsold Residential Unit(s) owned by it as models and sales and/or promotion offices in connection with the sale or rental of the Residential Units or Residential Unit(s) in other buildings, subject only to compliance with applicable Law.

9.3 Each Storage Locker shall be used only for the storage of personal effects of the Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any material which will pose a health or safety threat or which will result in the cancellation or increase in the cost of insurance on the Building, or the contents thereof, or which would otherwise create a nuisance, be stored therein. Declarant reserves the right to change the size and/or number of Storage Lockers for so long as Declarant hold storage Locker Licenses. Declarant reserves the right to add additional Storage Lockers within the Storage Space and/or Lower Level prior to the fifth anniversary of the Closing of the first Unit Closing. The Board shall not charge Declarant any fees in connection with Declarant's exercise of its rights to add additional Storage Lockers.

Declarant may, without the consent of either the Condominium or the Unit Owners, use any unlicensed Storage Locker for any purpose, including but not limited to rental, provided such use is permitted by law.

9.4 The Commercial Units may be used for any lawful purpose, including without limitation for residential purposes.

ARTICLE 10

CHANGES IN THE BUILDING

10.1 (a) Except to the extent prohibited by Law, Declarant and/or its designee(s) shall have the right, without the vote or consent of the Board, other Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 9.2 hereof) or layout of, or number of rooms in, any Unsold Residential Unit(s) from time to time; (c) change the size and or number of Unsold Residential Unit(s) by subdividing 1 or more Unsold Residential Units into 2 or more separate Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into 1 or more Residential Units, converting a Residential Unit or any portion thereof to a Common Element, converting a Residential Common Element or any portion thereof to a Common Element or Residential Limited Common Element, converting a Residential Limited Common Element to a Common Element or a Residential Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise incorporating Residential Limited Common Elements or Common Elements or Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Residential Unit; (d) designate any Residential Unit or a Common Element, Residential Common Element or Residential Limited Common Element as part of a newly created Residential Unit, Residential Limited Common Element or Residential Common Element or designate all or part of a Residential Unit as a newly created Common Element, Residential Common Element or Residential Limited Common Element; (e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size, use, number or direct access pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements and Residential Common Elements; provided, however, that (i) the percentage interest in the Common Elements and Residential Common Elements of any other Residential Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; and (ii) Declarant and/or its designee(s), as the case may be, shall comply with all Laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board and all other Residential Unit Owners harmless from any liability arising therefrom, and (f) change the size and / or number of Storage Lockers.

(b) Except to the extent prohibited by Law, Declarant and/or its designee(s) shall have the right, without the vote or consent of the Board, other Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Commercial Units; (b) change the use (subject to Section 9.2 hereof) or layout of, or number of rooms in, any Commercial Unit(s) from time to time; (c) change the size and or number of Commercial Unit(s) by subdividing 1 or more Commercial Units into 2 or more separate Commercial Units, combining separate Commercial Units (including those resulting from such subdivision or otherwise) into 1 or more Commercial Units, converting a Commercial Unit or any portion thereof to a Common Element, altering the boundary walls between any Commercial Units, or otherwise incorporating Common Elements; (d) designate any Commercial Unit or a Common Element, as part of a newly created Commercial Unit; and (e) if appropriate, reapportion among the Commercial Units affected by such change in size, use, number or direct access pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in

the Common Elements of any other Commercial Units (other than Unsold Commercial Units) shall not be changed by reason thereof unless the owners of such Commercial Units shall consent thereto; and (ii) Declarant and/or its designee(s), as the case may be, shall comply with all Laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom.

10.1.1 The Board shall not unreasonably refuse to join in and/or sign the application for such permit or authorization and shall reasonably cooperate with the Declarant and/or its designee(s), without cost to the Board. The Board shall join in any such application which the Board is required to join in and/or sign under applicable requirements within 10 business days following its receipt of the Declarant's and/or its designee(s), request therefore. If the Board, within such 10 business day period, shall fail to join in and/or sign any such application, the Declarant and/or its designee(s) shall have the right to sign such application (in the form submitted to the Board) on behalf of the Board. The Board shall not be subject to any liability for the payment of any costs or expenses in connection with any such applications and the review and execution thereof and the Declarant and/or its designee(s) hereby indemnify and agree to defend and hold the Board harmless from any liability relating to the work or application, including fines and penalties, and against any and all such reasonable costs and expenses. Copies of all required permits and authorizations shall be delivered to the Board prior to the commencement of work by the Declarant and/or its designee(s).

10.1.2 The provisions of Article 10.1 hereof may not be added to, amended, modified or deleted without the prior written consent of Declarant and/or its designee(s). Notwithstanding the other provisions of Article 10.1 hereof, no reapportionment of the interests in the Common Elements or Residential Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Board a written certification stating that the percentage interests of the respective Residential Units in the Common Elements and Residential Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements or Residential Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. The certification referred to in the preceding sentence shall be delivered by Declarant and/or its designee(s). Declarant or the owner of any Unsold Residential Unit will have the right, without the consent of any other Residential Unit Owner or the Board, to amend this Declaration and By-Laws to reflect the foregoing changes.

10.2 Except to the extent prohibited by Law, the Garage Unit Owner shall have the right, without the consent or approval of the Board, the Residential Unit Owners, the other Commercial Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions, improvements or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Garage Unit; (b) change the use or layout of, or number of spaces or rooms in the Garage Unit; (c) amend the Certificate of Occupancy for the Building as it relates to the Garage Unit; (d) change the size of the Garage Unit by (w) subdividing the Garage Unit into 2 or more separate Garage Units, (x) combining 2 or more separate Garage Units into 1 or more Garage Units, (y) altering the boundary walls of 2 or more separate Garage Units resulting from such subdivision or combination, or (z) otherwise; and (e) if appropriate, apportion among the Garage Units created by such change their respective Common Interests; provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon the Garage Units (each of the foregoing or any combination thereof shall hereinafter be referred to as a "Garage Unit Owner Change", when making a Garage Unit Owner Change, the Garage Unit Owner shall:

(a) not make any physical modification to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

- (b) comply with Law;
- (c) agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom; and
- (d) such alteration, addition, improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

10.2.1 In the event of the subdivision of the Garage into separate Garage Units (other than a subdivision to individual spaces), the owner(s) of each such newly created Garage Units shall have all the rights, privileges and benefits, and shall be subject to all the obligations of the original Garage Unit Owner, as provided in this Declaration and the By-Laws; provided, however, that all Garage Owners, including the owners of such newly created Garage Units, shall collectively continue to be entitled to designate 1 Commercial Member of the Board.

10.2.2 Prior to the commencement of a Garage Unit Owner Change, the Garage Unit Owner shall have procured and paid for, so far as the same may be required, all permits, certificates and authorizations required by any governmental authority or any officer, department, office, bureau, agency or instrumentality thereof now existing or hereafter created and having jurisdiction over the Property. The Board shall not unreasonably refuse to join in and/or sign the application for such permit or authorization and shall reasonably cooperate with the Garage Unit Owner, without cost to the Board. The Board shall join in any such application which the Board is required to join in and/or sign under applicable requirements within 10 business days following its receipt of the Garage Unit Owner's request therefore.

10.2.2.1 If the Board, within such 10 business day period, shall fail to join in and/or sign any such application, the Garage Unit Owner shall have the right to sign such application (in the form submitted to the Board) on behalf of the Board. The Board shall not be subject to any liability for the payment of any costs or expenses in connection with any such applications and the review and execution thereof and the Garage Unit Owner hereby indemnifies and agrees to defend and hold the Board harmless from any liability relating to the work or application, including fines and penalties, and against any and all such reasonable costs and expenses. Copies of all required permits and authorizations shall be delivered to the Board prior to the commencement of work by the Garage Unit Owner.

10.2.2.2 A Garage Unit Owner Change shall be made promptly (unavoidable delays excepted) and in a good and workmanlike manner and in compliance with all applicable permits, certificates and authorizations and building and zoning laws and with all other requirements.

10.2.2.3 No Garage Unit Owner Change shall be undertaken until the Garage Unit Owner shall have delivered to the Board insurance policies or certificates, naming the Board as an additional insured, issued by responsible insurers, bearing notations evidencing the payment of premiums.

10.2.2.4 The Garage Unit Owner shall not make any Garage Unit Owner Change which is a Material Garage Unit Owner Change (as hereinafter defined) without having first obtained the Board's prior written approval thereof in each instance. So long as the Garage Unit Owner complies with the provisions of this Article Ten, the Board's approval of any proposed Material Garage Unit Owner Change shall not be unreasonably withheld, delayed or conditioned or charged for. As used herein, the term "Material Garage Unit Owner Change" shall mean any Garage Unit Owner Change which (i) affects the exterior of the Garage Unit in any material manner or (ii) affects the structural elements of the Garage Unit in any material manner, and in either case, such that it materially affects the structure of the Building.

10.2.2.5 The Garage Unit Owner will promptly upon the completion of a Material Garage Unit Owner Change deliver to the Board: (A) all required approvals and sign off therefore (executed by the building department or appropriate authority), and (B) “as-built” drawings of any Garage Unit Owner Change performed or caused to be performed in the Garage Unit.

10.2.2.6 In the event that any Garage Unit Owner Change is an approved Material Garage Unit Owner Change, then in addition to complying with the requirements of the preceding subparagraphs 10.2.2.1 through 10.2.2.6 hereof, a Garage Unit Owner shall also comply with the following requirements:

(a) At least 30 days prior to the commencement of any work in connection with a proposed Garage Unit Owner Change, the Garage Unit Owner shall (i) notify the Board in writing of the nature of the Material Garage Unit Owner Change and the estimated cost thereof, (ii) deliver to the Board complete plans and specification for the proposed Garage Unit Owner Change which plans will be subject to the Board’s consent, which consent will not be unreasonably withheld, delayed or conditioned, and (iii) deliver to the Board a certificate from the architect described in subparagraph 10.2.3.3 hereof, certifying that the proposed Material Garage Unit Owner Change will not reduce the square footage of the Garage Unit other than in a de minimis manner.

(b) At least 10 days before the commencement of such proposed Material Garage Unit Owner Change, the Garage Unit Owner shall deliver to the Board insurance policies or certificates of insurance, issued by responsible insurers reasonably satisfactory to the Board, bearing notations evidencing the payment of premiums or accompanied by other evidence reasonably satisfactory to the Board of such payments, for the following:

(i) Contractor’s comprehensive general and automobile liability insurance, listing the Board as agent for Unit Owners, in an amount not less than \$5,000,000 for bodily injury and property damage;

(ii) Owner’s protective insurance written under a comprehensive general liability policy or policies form, separate from the contractor’s comprehensive general liability policy required by subparagraph (i) hereof, naming the Board and the Garage Unit Owner, as their respective interests may appear, in an amount not less than the amounts set forth herein for bodily injury and property damage;

(iii) Worker’s compensation and disability benefits insurance covering all persons or entities employed in connection with the construction of the Material Garage Unit Owner Change and with respect to whom death or bodily injury claims could be asserted against the Board;

(iv) Builder’s risk insurance (fire, extended coverage, vandalism, malicious mischief, burglary and theft) written on a completed value (non-reporting) basis with limits of not less than \$5,000,000 naming any general contractor engaged by the Garage Unit Owner, and also naming the Board, as agent for the Unit Owners and the Garage Unit Owner, as their respective interests may appear. In addition, such insurance shall contain a waiver or subrogation against subcontractors;

(v) Insurance against damage to property adjacent to the Garage Unit insuring against any damage to such property as a result of the Material Garage Unit Owner Change, including without limitation, any excavation; and

(vi) Such other insurance in such amounts as may from time to time be reasonably required by the Board during the Material Garage Unit Owner Change, against such other insurable

hazards as are commonly insured against in connection with construction of improvements similar to the Material Garage Unit Owner Change on premises similarly situated.

Each of the above listed insurance policies shall state that said policy is primary to that of the policies of the additional insureds.

10.2.2.7 The Garage Unit Owner Change shall be carried out under the supervision of a reputable licensed architect selected by the Garage Unit Owner.

10.2.2.8 The Garage Unit Owner shall pay to the Board the reasonable fees and expenses of any architect or engineer selected by the Board to review the plans and specifications and inspect the work on behalf of the Board. A Garage Unit Owner acknowledges that any review or approval by the Board of any plans and/or specifications with respect to any Garage Unit Owner Change is solely for the Board's benefit, and without any representation or warranty whatsoever to the Garage Unit Owner with respect to the adequacy, correctness or efficiency thereof or otherwise. Neither the granting by the Board of its approval of any of the Garage Unit Owner's plans and specifications, nor the Board's execution of any of the applications referred to herein, shall in any manner constitute or be deemed to constitute a judgment or acknowledgment by the Board as to their legality or compliance with requirements and/or governmental authorities and the Garage Unit Owner shall hold the Board harmless against any such claims, costs or liability based upon any such signature including any fines, penalties or actually incurred reasonable attorneys' fees.

10.2.3 Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Garage Unit shall be made unless there is first delivered to the Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 12 hereof. The certification referred to in the preceding sentence shall be delivered, at the Garage Unit Owner's election, by the Garage Unit Owner, the Selling Agent, the Managing Agent or any other Person reasonably acceptable to the Board.

10.2.4 The provisions of Article 10.2 hereof may not be added to, amended, modified or deleted without the prior written consent of the Garage Unit Owner. The Garage Unit Owner will have the right, without the consent of any other Commercial Unit Owner, the Residential Unit Owners, the Board or the Mortgage Representatives to amend this Declaration and By-Laws to reflect the foregoing changes.

ARTICLE 11

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York has not been designated to receive service of process since all the principals of Declarant are residents of the State of New York.

ARTICLE 12

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

12.1 The Common Interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements and services for exclusive or shared use and the overall dimensions of the particular Unit.

12.2 The allocation of Common Expenses shall be made in accordance with the Common Interests of the Units in the Common Elements and the Residential Common Interests of the Residential Units in the Residential Common Elements, except as otherwise provided in the By-Laws, the terms of which are incorporated herein by reference.

ARTICLE 13

ENCROACHMENTS

If (a) any portion of the Common Elements, Residential Common Elements, Residential Limited Common Elements or Commercial Limited Common Elements encroaches upon any Unit or upon any other Common Element, Residential Common Elements, Residential Limited Common Element or Commercial Limited Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements, Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements made by or with the consent (when required by the By-Laws) of the Board or made by Declarant and/or its designee(s) or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element, or Residential Common Element or any Residential Limited Common Element or Commercial Limited Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of any Unit or all or any portion of the Common Elements, Residential Common Elements, Residential Limited Common Elements or Commercial Limited Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 14

NAME OF CONDOMINIUM

The Condominium and the Building shall be designated and known as “The Infinity 8 on Cherry Condominium.” Declarant shall own and control all rights and interests, appurtenant to the name of the Condominium and/or the Building. Only Declarant shall have the right to change or assign the name of the Condominium and/or the Building. In addition, Declarant shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Declarant as the sponsor of the condominium offering, together with such other information as Declarant determines in its sole discretion.

ARTICLE 15

EASEMENTS

15.1 Except as set forth in this Declaration, the By-Laws and the Residential Rules and Regulations, each Unit Owner will have, in common with all other Unit Owners, and each Unit will be subject to, an easement for the use of the Common Elements and Residential Common Elements and Commercial Limited Common Elements and any Facilities located therein, including, but not limited to, such easement as will be necessary to maintain such Unit Owner’s Unit and an easement to connect to existing utilities including, but not limited to, utilities for gas, electricity, steam and ventilation.

15.2 The Board, or its agent, to the extent permitted to act by the By-Laws for such purposes, will have a right of access to each Commercial Unit (including any appurtenant Commercial Limited Common Elements, if any located therein) and Residential Unit (including any appurtenant Residential

Limited Common Elements, if any located therein) to inspect the same, to remove violations therefrom and to maintain the Common Elements and Residential Common Elements contained therein or elsewhere in the Property. Each Commercial Unit (including any appurtenant Commercial Limited Common Elements, if any located therein) and Residential Unit (including any appurtenant Residential Limited Common Elements, if any located therein) shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements or Residential Common Elements located in such Commercial Unit or Residential Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section may be exercised by the Board on behalf of all Unit Owners. The Board shall have an easement and a right of access to each Commercial Unit and Residential Unit, and to the Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements contained therein, to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements or Residential Common Elements located in, over, under, through, adjacent to or upon the same, and each Commercial Unit and Residential Unit and the Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Board, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than 1 days' notice, except that no notice will be necessary in the case of an Emergency. Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations to the contrary, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

15.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Building and for the use of any Common Element or Residential Common Element, including, but not limited to, an easement for emergency access through and over the fire stairs in the Building.

15.4 The Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate and maintain the Common Elements or Residential Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or Residential Common Elements elsewhere on the Property and (b) to maintain any encroachment on any Unit or Residential Limited Common Elements or Commercial Limited Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Common Elements or Residential Common Elements.

15.5 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements or Residential Common Elements.

15.6 Declarant and/or its designee(s) shall, to the extent permitted by Law, have an easement to erect, operate and maintain from time to time, one or more signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like (each, a "Sign") within the Property and on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit and/or the Commercial Units and (ii) the operation of any business of Declarant, a tenant, occupant, managing agent or operator of all or any portion of any Unsold Residential Unit and/or the Commercial Units. Declarant and/or its designee(s) shall have an easement to utilize the Common Elements and Residential Common Elements of the Building in connection with its sales and leasing efforts relative to the Unsold Residential Units and/or the

Commercial Units. Declarant and/or its designee(s) will have an easement and the right to change the Facade and alter, replace, restore, renovate, remodel and reconstruct the existing Facade, provided that none of such work to the Facade materially weakens the structural soundness of the Building.

15.7 Declarant and/or its designee(s) shall have an easement to use the sidewalks surrounding portions of the Building for purposes permitted by Law.

15.8 Declarant and/or its designee(s) shall have the right to grant such additional electric, gas, telephone, internet, cable, television, steam, ventilation or other easements for utilities, communications, access or other easements and to construct any shafts, flues or install any air conditioning compressors or other equipment on the roof or relocate any easements in any portion of the Property, as Declarant and/or its designee(s) shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the Units, provided that such additional utilities or the relocation of existing utilities will not result in the imposition of any mechanic's lien against any of the Units. Any company providing utilities or services and its employees and agents shall have the right of access to any Unit or Common Elements, Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements in furtherance of the aforementioned easements in order to install, operate, maintain and service same.

15.9 Declarant and/or its designee(s), assignees and licensees shall have, and the Units, Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements shall be subject to, an easement, (a) to install, utilize, operate and maintain satellite dishes, antenna, telecommunications equipment and similar equipment on the roof and/or the Facade of the Building and elsewhere on the Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements and the conduit and other Facilities relating thereto, and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Unit, or Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements or elsewhere on the Property resulting from the operation or maintenance thereof. Declarant and/or their designee(s) shall be entitled to assign, lease, license or otherwise transfer its rights with respect to the foregoing easements and the Condominium shall not be entitled to any portion of fees, compensation or other profits received by Declarant, its assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dishes, equipment or other facilities placed upon the roof and/or the Facade of the Building and elsewhere on the Common Elements, Residential Common Elements and/or Residential Limited Common Elements and/or Commercial Limited Common Elements by Declarant or/its designee(s), its assignees, tenants, licensees or transferees shall be the exclusive property of Declarant and/or its designee(s) or its assignees, tenants, licensees or transferees and neither the Condominium nor any Unit Owner (other than the Declarant) shall have any rights with respect thereto.

15.10 Any easements granted to Declarant and/or its designee(s), the Commercial Unit Owners and/or its designee(s), the Board, or any Residential Unit Owner or other party under this Declaration and the By-Laws may be exercised by such entity's employees, agents, contractors, suppliers, utility providers, service providers, customers, guests, invitees, licensees, servants, tenants, subtenants, members and visitors, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by Declarant, the Commercial Unit Owners, the Residential Unit Owner or the Board, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the use of the Units for their permitted purposes.

15.11 The Commercial Unit Owners and their invitees, licensees, contractors, employees, agents and tenants shall have an easement, to the extent permitted by Law, for (i) ingress and egress through the Common Elements and Residential Common Elements or any portion of the Building servicing the

Commercial Units for the purpose of accessing the Commercial Units, making repairs, additions or modifications to the Commercial Units (or, with respect to Commercial Units owned by the Declarant for any other lawful purpose) and (ii) to erect, maintain, repair and replace, from time to time, 1 or more signs, of such size and content as approved by the Board of Managers, on the Common Elements and Residential Common Elements (including on both interior and exterior walls of the Building) and on, about or adjacent to the Commercial Units for the purpose of advertising the operation of any business of a tenant or occupant of all or any portion of the Commercial Units. Additionally, the Commercial Unit Owners, and their employees, agents, guests, invitees, licensees and tenants shall each have an easement for so long as the Condominium shall remain in existence, to use the sidewalk(s) appurtenant to the Commercial Units for any purposes permitted by Law. Notwithstanding the foregoing, the Declarant and/or its designee(s), shall have the right without the need for approval from the Board of Managers to erect, maintain, repair and replace, from time to time, 1 or more signs of any size and content, on the Common Elements and Residential Common Elements (including on both interior and exterior walls of the Building) and on, about or adjacent to the Commercial Units for the purpose of advertising the operation of any business of a tenant or occupant of all or any portion of the Commercial Units.

15.12 Each Residential Unit Owner whose Residential Unit has 1 or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof, subject to rights of access by the Board or Declarant for maintenance, repair and replacement and other uses. The Residential Units having such Residential Limited Common Elements are indicated on Exhibit B.

15.13 Each Commercial Unit Owner whose Commercial Unit has 1 or more appurtenant Commercial Limited Common Elements shall have an exclusive easement for the use thereof, subject to rights of access by the Board or Declarant for maintenance, repair and replacement and other uses. The Commercial Units having such Commercial Limited Common Elements are indicated on Exhibit B.

15.14 Subject to the terms of the By-Laws, the Commercial Unit Owners shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Units and any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Commercial Units located in, over, under, through or upon the Common Elements or Residential Common Elements or elsewhere on the Property; provided that access to the Common Elements or Residential Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements and such other portions of the Property for their permitted purposes.

15.15 In addition to the specific easements set forth in this Article 15, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 16

POWER OF ATTORNEY TO THE BOARD

16.1 Each Unit Owner (excluding the Declarant and/or its designees) shall grant to the persons who shall from time to time constitute the Board an irrevocable Power of Attorney, coupled with an interest (annexed hereto and made a part hereof as Exhibit E or otherwise in such form and content as the Board shall determine), following due authorization (if required) from the relevant Unit Owners (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests, whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in

the name of the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired, or to sublease any Residential Unit so leased on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Board deems necessary or appropriate, and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements which the Board deems necessary or appropriate to comply with any Law or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals or any other public authority, applicable to the maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements which the Board deems necessary or appropriate.

16.2 Each Residential Unit Owner and Commercial Unit Owner shall grant to the Declarant a Power of Attorney to amend this Declaration and to effectuate the rights granted to Declarant under this Declaration, the By-Laws and the Plan including the power to execute the Required Documentation.

ARTICLE 17

ACQUISITION OF RESIDENTIAL UNITS BY THE BOARD

17.1 If (a) any Residential Unit Owner surrenders such Residential Unit Owner's Residential Unit, together with (i) the undivided interest in the Common Elements and Residential Common Elements appurtenant thereto, (ii) the interest of such Residential Unit Owner in any other Residential Unit theretofore acquired by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Residential Unit Owner in any other assets of the Condominium (such interest in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit together with the Appurtenant Interests, or (c) the Board purchases, at a foreclosure or other similar sale, a Residential Unit together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit together with the Appurtenant Interests shall be held by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements and Residential Common Elements. The lease or sublease covering any Residential Unit leased or subleased by the Board or its designee shall be held by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements and Residential Common Elements.

17.2 The Board shall have the authority to purchase, on behalf of all Residential Unit Owners, a Residential Unit to be used as the residence of the Superintendent of the Building and, in such event, title to such Residential Unit, together with its Appurtenant Interests, shall be held by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements and Residential Common Elements.

ARTICLE 18

COVENANTS RUNNING WITH THE LAND

18.1 All provisions of this Declaration, the By-Laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and such owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public or any other third party. All present and future owners, tenants, subtenants, licensees and other occupants of Residential Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Residential Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Residential Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

18.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Residential Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

18.3 If this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 19

AMENDMENTS OF DECLARATION

19.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), or the Unsold Commercial Units or any Unsold Residential Units, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), or the Unsold Commercial Units or any Unsold Residential Units, no such amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), or the Unsold Commercial Units or any Unsold Residential Units, any such amendment, modification, addition or deletion shall be executed by the Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact.

19.2 If the number of rooms in an Unsold Residential Unit is changed, or the use and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interests of Residential Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant and/or its designee(s) causing such changes shall have the right to execute, or (upon its request) to require any other Residential Unit Owners or the Board to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration (together with such other documents as Declarant and/or its designee(s) causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the use, size and/or number of Unsold Residential Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Residential Units in the Common Elements resulting therefrom, all without the approval of the Board, the Unit Owners or the Mortgage Representatives, if any. In addition, if any Residential Unit Owner other than Declarant and/or its designee(s) causing changes is given the right by the Board to make the changes described in this Section 19.2 with respect to such Residential Unit Owner's Residential Unit or Residential Units, all in accordance with Article 10 hereof, then such Residential Unit Owner shall have the right to require the Board to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Board) to reflect the changes made by the Residential Unit Owner, all without the approval of the Board, other Residential Unit Owners or the Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Residential Unit not subject to any change may be reapportioned without the written consent of the Owner of such Residential Unit.

19.3 The Declarant as the owner of Unsold Commercial Units shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Board or the Mortgage Representatives (if any), to execute, acknowledge and record in the City Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as the Declarant deems appropriate to effectuate the same to reflect any changes in the Commercial Units and/or the reapportionment of the Common Interest of the Commercial Units resulting therefrom made by the Declarant in accordance with the terms of Article

12 hereof; provided, however, that any such amendment shall not (1) change the Common Interest of any other Unit, (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by the holder of an Institutional Mortgage.

19.4 Any amendment to this Declaration may be executed: (i) if on behalf of Declarant pursuant to the terms of Article 19 hereof, by any duly authorized representative of Declarant, (ii) if on behalf of a Commercial Unit Owner pursuant to the terms of Article 19 hereof, by such Commercial Unit Owner, or (iii) if on behalf of the Unit Owners or by the Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

19.5 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against the Declarant and/or its designee(s) if the same would (i) unreasonably interfere with the sale, lease or other disposition of the Declarant's Units, (ii) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit granted to Declarant and/or its designee(s), unless the Declarant and/or its designee(s) shall consent to such amendment in writing, or (iii) impose any charge or fee against Declarant and/or its designee(s), unless the Declarant and/or its designee(s) shall consent to such amendment in writing.

19.6 The provisions of this Article 19 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant and/or its designee(s), to the extent such modification, amendment, addition or deletion may adversely affect the Declarant and/or its designee(s). Notwithstanding the foregoing, Declarant may amend the Condominium Declaration to correct or supplement any mathematical mistakes, inconsistencies or scrivener errors.

ARTICLE 20

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent of the Mortgage Representatives (which consent shall not be unreasonably withheld or delayed), if any, (b) without the written consent of the Permitted Mortgagees representing at least 51% of the Common Interests of the Units which are subject to the Permitted Mortgages (which consent shall not be unreasonably withheld or delayed), and (c) without the written consent of the Declarant (until such time as Declarant and/or its designee(s) has conveyed title to all Units, provided that in no event shall Declarant's consent be required more than 5 years after the date fee title to a Residential Unit is first conveyed to a purchaser by Declarant and/or its designee(s) pursuant to the Plan). In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 21

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

ARTICLE 22

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 23

CERTAIN REFERENCES

23.1 A reference in this Declaration to any 1 gender, masculine, feminine or neuter, includes the other 2, and the singular includes the plural and vice versa, unless the context otherwise requires.

23.2 The terms “herein,” “hereof” or “hereunder” or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

23.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 24

SEVERABILITY

Subject to the provisions of Sections 18.2 and 18.3 hereof, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law.

ARTICLE 25

COVENANT OF FURTHER ASSURANCES

25.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board or otherwise, shall, upon prior reasonable written request and at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

25.2 If any Unit Owner or any other party which is subject to the terms of this Declaration fails, within 10 days (or 60 days, where the other party is a Permitted Mortgagee) after written request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board is hereby authorized as attorney-in-fact for such Unit Owner, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party, as the case may be.

25.3 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails, within 10 days (or 60 days, where the other party is a Permitted Mortgagee) after written request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, the Board or other party is required to execute, acknowledge and deliver or take pursuant to this Declaration at the request of Declarant and/or its designee(s), or (ii) to deliver a written notice to the Declarant and/or its designee(s) as is applicable (with a copy to the Board) stating the reason why such Unit Owner, the Board or other Party refuses to execute, acknowledge or deliver such instrument or deliver such action, then Declarant and/or its designee(s) is hereby authorized, as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party, as the case may be.

25.4 Notwithstanding anything to the contrary set forth herein, to the maximum extent lawful, Declarant specifically disclaims all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character. Without limiting the generality of the foregoing, Declarant hereby disclaims any and all express or implied warranties as to design, construction, view, sound and/or odor transmission, furnishing and equipping of the Condominium, the existence of molds, mildew, spores, fungi and/or other toxins within the Condominium, to the extent applicable and to the extent that same have not expired by their terms. Declarant has not given and the Board has not relied on or bargained for any such warranties. In no event will Declarant be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise).

ARTICLE 26

SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant and/or its designee(s) as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant and/or its designee(s), and with the consent of Declarant and/or its designee(s), any transferee of some or all of the then Unsold Residential Units or Unsold Commercial Units owned by Declarant and/or its designee(s), as the case may be. Subject to the foregoing, the Declarant and/or its designee(s) shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 27**CONSENTS**

Whenever the consent, approval, satisfaction or permission of Declarant and/or its designee(s) is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant and/or its designee(s) no longer owns any Units.

ARTICLE 28**INCORPORATION BY REFERENCE**

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Residential Units annexed hereto as Exhibit B; (iii) the definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Power of Attorney annexed hereto as Exhibit E and (vi) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ____ day of _____, 20____

Cherry Associates LLC

By: _____
Name: Joel Wiener
Title: Authorized Signatory

State of New York)
) ss.:
County of New York)

On the ____ day of _____ in the year 20____ before me, the undersigned, personally appeared Joel Wiener personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

The land upon which the Building containing the Units is situate is described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Queens, City and State of New York, bounded and described as follows:

EXHIBIT C

DEFINITIONS

For convenience of presentation, definitions of certain of the terms used in the Declaration are set forth below:

“Appurtenant Interest” refers to: (i) the undivided interest in the Common Elements and Residential Common Elements of a Residential Unit, (ii) the interest of such Residential Unit Owner in any other Residential Unit acquired by the Board or its designee, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Residential Unit Owner in any other assets of the Condominium, pursuant to the provisions of Section 339-x of the Condominium Act.

“Board” refers to the board of managers of the Condominium.

“Board Members” refers to the Board Members elected by the Residential Unit Owners or designated (or nominated and elected) by Declarant and the Board Members designated by the Commercial Unit Owners.

“Building” refers to the structure and improvements, including the Lower Level and above grade segments, known as 136-04 Cherry Avenue, Flushing, New York 11355, in which the Units are located.

“By-Laws” refers to the By-Laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as same may be amended from time to time.

“City Register’s Office” refers to the Queens County Office of the Register of the City of New York.

“Commercial Limited Common Elements” refers to those portions of the Building and improvements thereon, if any, that serve or benefit exclusively one or more but not all of the Commercial Units or the Commercial Unit Owners.

“Commercial Units” refers to the Commercial Units designated in the Declaration and the Floor Plans.

“Commercial Unit Owners” refers to the owners of the Commercial Units or any party designated in writing as a designee of a Commercial Unit Owner.

“Common Charges” refers to assessments payable to the Condominium by the Unit Owners for the purpose of meeting the cost of Common Expenses, as more particularly described thereto in Section 6.1.1 of the By-Laws.

“Common Elements” refers to the Land and all parts of the Building, including its foundations, and supports, other than the Units, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements, if any, as more particularly described in Article 8 of the Declaration.

“Common Expenses” refers to the costs and expenses (including, among other things, the costs and expenses incurred or projected and the payment of wages) in connection with the Maintenance and operation of, and any alteration, addition or improvement to, the Common Elements or Residential

Common Elements, and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, Managing Agent fees and legal and accounting fees, which will be determined by the Board and as otherwise provided in the Declaration and By-Laws.

“Common Interest” refers to the proportionate undivided interest in the Common Elements appurtenant to each Unit, expressed as a numerical percentage, determined in accordance with the Declaration. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to this Declaration.

“Condominium” refers to The Infinity 8 on Cherry Condominium.

“Condominium Act” refers to the New York Condominium Act, as amended from time to time, and presently found in Article 9-B of the New York Real Property Law.

“Declarant” or “Declarant and its designee(s)” each refer to Cherry Associates LLC, a New York limited liability company, and its successors and assigns, any of the members of Declarant, any affiliate of Declarant, any affiliate of any members of Declarant, any officer or shareholder of a corporate member of Declarant, or any member of a limited liability company which is a member of Declarant or any party designated in writing as a designee of Declarant. An affiliate shall be deemed to be a person or an entity who or which owns more than 50% of the legal and beneficial interest of Declarant or of any member, a person or an entity with respect to which either Declarant or any member owns more than 50% of the legal and beneficial interest, or an entity as to which more than 50% of its legal and beneficial interest is owned by a person or an entity which owns more than 50% of the legal and beneficial interest of Declarant or of any member thereof.

“Declaration” refers to the instrument creating the Condominium, as the same may be amended from time to time.

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

“Facade” refers to the exterior facade of the Building including, without limitation, the exterior walls, window sills, cornices, parapets, doors and entranceways, and all other components (excluding the roof) of the exterior surface of the Building.

“Facility” or “Facilities” refers to all equipment and facilities necessary for the operation of the Building or its systems and includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: any system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

“First Closing,” or words of similar import, refers to the date fee title to a Residential Unit is first conveyed to a Purchaser pursuant to the Plan.

“Floor Plans” refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Department of the City of New York and filed with the City Register’s Office.

“HVAC” refers to heating, ventilating and air conditioning servicing the Residential Units.

“Initial Control Period” refers to the period ending on the earlier of (i) the closing of title with Purchasers under this Plan with respect to more than 50% in number and comprising more than 50% of the Residential Common Interests, of all Residential Units, or (ii) 5 years after the First Closing.

“Institutional Mortgage” refers to any 1st mortgage covering a Residential Unit or Residential Units, the initial holder of which is (i) Declarant and/or its designee(s), (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, or (iii) a federal, state, municipal, teacher’s or union employee, welfare, pension or retirement fund or system.

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

“Law” or “Laws” refers to laws and ordinances of any or all of the federal, state, city and county governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property or any Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to law and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

“Licensee” refers to a person that has entered into a Storage Locker License.

“Lobby/Cellar Level” refers to the lobby /cellar level.

“Maintenance” or “Maintain” refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, improvement, decorating, painting, installation, alteration, addition, reconstruction, construction, demolition, restoration and replacement as and when necessary or desirable of any portion of the Building.

“Non-Purchasing Tenant” has the meaning set forth in Section 352-eeee of the New York State General Business Law.

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

“Permitted Mortgagee” refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the mortgages given by Declarant to acquire or improve the Property.

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

“Property” refers collectively to the Land, the Building and the appurtenances thereto.

“Rent Laws” refers to (i) the New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the New York City Rent and Rehabilitation Law, (iii) the Rent and Eviction Regulations of the New York City Housing and Development Administration (rent control), (iv) New York State General Business Law, Section 352-eeee, (v) the Rent Regulation Reform Act of 1993 and 1997, (vi) the Emergency Tenant Protection Act of 1974 and (vii) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof to the extent that any or all of the same shall apply to the Property, as the same may be amended from time to time.

“Required Documentation” refers to such applications, permits, certifications, affidavits, forms, agreements, acknowledgments or other documents as may be required to enable the Declarant to exercise its rights or obligations under the Plan or the Declaration and the By-Laws, including, without limitation, Declarant’s rights to undertake, perform and complete work to the Unsold Residential Units.

“Residential Common Elements” refers to those portions of the Building as well as the Facilities therein, existing for the exclusive common use of the Residential Units or the Residential Unit Owners and as more particularly described in Article 8.5 of the Declaration.

“Residential Common Expenses” refers to all costs and expenses to be incurred by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements.

“Residential Common Interest” refers to the undivided interest in the Residential Common Elements appurtenant to each Residential Unit, expressed as numerical percentage, determined in accordance with the Declaration.

“Residential Limited Common Elements” refers to those portions of the Building, if any, to which a particular Residential Unit Owner has exclusive access and use.

“Residential Board Members” refers to the Board Members elected by the Residential Unit Owners or designated (or nominated and elected) by the Declarant and/or its designee(s).

“Residential Unit” refers to a Residential Unit designated in the Declaration and the Floor Plans, and all such Residential Units are collectively referred to as the “Residential Units.”

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

“Residential Rules and Regulations” refers to the residential rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

“Sign” refers to one or more signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like within the Property and/or on the Property for the purposes of advertising (i) the sale or lease of any Unsold Units and (ii) the operation of any business of Declarant, a tenant, occupant, managing agent or operator of all or any portion of any Unsold Residential Unit and/or any Unsold Commercial Unit.

“Storage Locker” refers to any storage locker located in the Storage Space. A Storage Locker is a Residential Limited Common Element.

“Storage Locker License” or “Storage Locker License Agreement” refers to an agreement entitling the Licensee to use a Storage Locker.

“Storage Space” refers to an area located in the Lower Level of the Building containing (or that will contain) Storage Lockers. The Storage Space is a Residential Common Element.

“Sub-Cellar Level” refers to the level below the Lobby/Cellar Level.

“Unit” refers to a Residential Unit or a Commercial Unit designated in the Declaration and the Floor Plans, and all such Residential Units and Commercial Units are collectively, referred to as the “Units.”

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

“Unsold Commercial Unit” refers to any Commercial Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant and/or its designee(s) or Declarant’s Transferee; a Commercial Unit that is acquired, individually or collectively, by a principal of Declarant and/or its designee(s) or a group of which Declarant and/or its designee(s) or 1 or more of the principals of any of them, is a member; or any Commercial Unit for which there is a signed agreement with Declarant and/or its designee(s), but for which a closing has not yet occurred.

“Unsold Residential Unit” refers to any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant and/or its designee(s) or Declarant’s Transferee; a Residential Unit that is acquired, individually or collectively, by a principal of Declarant and/or its designee(s) or a group of which Declarant and/or its designee(s) or 1 or more of the principals of any of them, is a member; or a Residential Unit that is acquired by the holder of a Permitted Mortgage made by Declarant and/or its designee(s) or the designee of a holder of such a Permitted Mortgage; or any Residential Unit for which there is a signed agreement with Declarant and/or its designee(s), but for which a closing has not yet occurred.

EXHIBIT D
TO THE DECLARATION OF CONDOMINIUM

BY-LAWS
OF
THE INFINITY 8 ON CHERRY CONDOMINIUM
136-04 CHERRY AVENUE
FLUSHING, NEW YORK 11355

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SCHEDULE A – RESIDENTIAL RULES AND REGULATIONS

BY-LAWS

ARTICLE 1.

GENERAL

1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of The Infinity 8 on Cherry Condominium (the “Condominium”). The Condominium covers the property (the “Property”) consisting of a lot of approximately 117.25 feet along Cherry Avenue and 208.28 feet long along Main Street (the “Land”) which forms a part of Block 5140 on the Tax Map of the Borough and County of Queens, City and State of New York, the building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (collectively, the “Building”), including, without limitation, the Commercial Units, the Residential Units, Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (as the same may be amended from time to time, the “Declaration”) in the Queens County Office of the Register of the City of New York (the “City Register’s Office”), together with these By-Laws. All terms used herein which are not separately defined herein, shall have the meanings given to those terms in the Declaration or in Exhibit C thereto.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Residential Rules and Regulations (as hereinafter defined), as applicable. The acceptance of a deed of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Residential Rules and Regulations and the Declaration are accepted, ratified and will be complied with.

1.3 Principal Office of Condominium. The principal office of the Condominium shall be located within the Property or at such other place reasonably convenient thereto, as may be designated from time to time by the Board (as hereinafter defined).

ARTICLE 2.

BOARD OF MANAGERS

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in Section 2.2 hereof, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the “Board”). From and after the first annual meeting of Unit Owners as provided in Section 3.1 hereof, the Board shall consist of 9 persons; 5 persons elected by the Residential Unit Owners (“Residential Board Members”) and 4 persons, in total, designated by the Commercial Unit Owners, of which 1 person shall be designated by the Garage Unit Owner (together “Commercial Board Members”), subject to Declarant’s rights under Subsection 3.9.3 and Subsection 3.9.4 hereof. The Commercial Unit Owners shall be entitled to designate a total of 4 Commercial Board Members; the Garage Unit Owner shall designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall collectively designate 3 Commercial Board Member. Notwithstanding the

foregoing the Board shall govern the affairs of the Condominium which affect both the Residential Unit Owners and the Commercial Unit Owners; the affairs of the Condominium which only affect the Residential Unit Owners shall be governed by the Residential Board Members only ("Residential Board"), and the affairs of the Condominium which only affect the Commercial Unit Owners shall be governed by the Commercial Board Members only ("Commercial Board"). Notwithstanding anything to the contrary set forth above, no Unit Owner may be elected to serve on the Board if the Board has perfected a lien against such Unit Owner's Unit, which lien has not been satisfied at the time of the election. For so long as the Declarant and/or its designee(s) shall own a Commercial Unit, including but not limited to the Garage Unit(s), the Board shall not take any action which would adversely affect the Declarant unless the Declarant consents to the action in writing.

2.1.2 Each Residential Board Member, except for the first Board as provided in Section 2.4 hereof and except as otherwise provided herein, shall be elected at the annual meeting of Residential Unit Owners and shall serve until the next annual meeting thereof and until successors have been elected and qualified.

2.1.3 There shall be no limit on the number of successive terms a Board member may serve.

2.1.4 Except for Board members nominated and elected or designated by Declarant and/or its designee(s), (a) all Board Members shall be either Residential Unit Owners or Commercial Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries or any other entities which own Residential Units, Permitted Mortgagees (as hereinafter defined), or family members of any of the foregoing. Other than Board members nominated and elected or designated by Declarant and/or its designee(s), no Board member shall continue to serve after such member ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage (a "Permitted Mortgage") of a Unit which is permitted to be placed thereon pursuant to these By-Laws.

2.2 Powers and Duties.

2.2.1 The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium, except such powers and duties which by Law, the Declaration or these By-Laws may not be delegated to the Board by the Unit Owners.

2.2.2 Subject to the provisions of Subsection 2.2.1 hereof and without limiting the generality thereof, the Board shall have all powers and duties expressly set forth elsewhere in the Declaration and these By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate the Board's obligations under the Declaration and these By-Laws.

2.2.2.1 The Board shall be entitled to make determinations with respect to the following matters in accordance with the Declaration and By-Laws:

(a) Operating, caring, maintaining, repairing and replacing the Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements.

(b) Determining the amount of Common Charges (as hereinafter defined).

(c) Employing and dismissing personnel in connection with the maintenance and operation of the Common Elements, Residential Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements.

(d) Adopting and amending the Residential Rules and Regulations.

(e) Making additions and improvements to, or alterations of, the Common Elements, Residential Common Elements, Residential Limited Common Elements or Commercial Limited Common Elements.

(f) Making repairs and restorations of the Common Elements, Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

(g) Enforcing obligations of Unit Owners.

(h) Levying fines against Residential Unit Owners for violations of the Residential Rules and Regulations as they pertain to the Residential Units, Common Elements, Residential Common Elements or Residential Limited Common Elements (any such fines shall constitute Common Charges payable by the Residential Unit Owner against which they are levied).

(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) as set forth in Section 6.2 hereof.

(k) Borrowing money on behalf of the Condominium, when required in connection with the operation and maintenance of the Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$200,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) the consent of the Declarant and/or its designee(s) shall be required for any borrowing made while Declarant and/or its designee(s) owns Unsold Units to which are appurtenant 10% or more of the Common Interests, (iii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements, Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements without consent of the owner of such Unit. If any sum borrowed by the Board pursuant to the authority contained in this subparagraph (k) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

(l) Borrowing money on behalf of the Residential Unit Owners, when required in connection with the operation and maintenance of the Residential Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Residential Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$75,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) the consent of the Declarant and/or its designee(s) shall be required for any borrowing made while Declarant and/or its designee(s) owns Unsold Residential Units to which are appurtenant 10% or more of the Residential Common Interests, (iii) no lien to secure repayment of any sum borrowed may be created on any Residential Unit or its appurtenant interest in the Common Elements, Residential Common Elements or Residential Limited Common

Elements without consent of the owner of such Residential Unit. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph (l) is not repaid by the Residential Board, a Residential Unit Owner who pays to the creditor such proportion thereof as such Residential Unit Owner's interest in the Residential Common Elements bears to the interest of all the Residential Unit Owners in the Residential Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Residential Unit Owner's Residential Unit.

(m) Organizing corporations to act as designees of the Board with respect to such matters as the Board may determine.

(n) Executing, acknowledging and delivering (i) any declaration or other instrument affecting the Property which the Board deems necessary or appropriate to comply with any Law 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 operation or maintenance of the Condominium or (ii) any consent, covenant, restriction, easement or declaration affecting the Property or any part thereof which the Board deems necessary or appropriate.

(o) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

(p) Obtaining and reviewing insurance for the Property, pursuant to the provisions of Section 6.2 hereof.

(q) Leasing or purchasing an apartment for use as the residence of the Superintendent of the Building, in addition to the Superintendent's Apartment, either in the Building or elsewhere (in compliance with applicable Law), and amending, modifying, extending, renewing and otherwise dealing in any way with respect to any such apartment.

(r) Licensing or leasing the Common Elements or Residential Common Elements (other than Storage Lockers licensed or to be licensed by Declarant and/or its designee(s)).

(s) Purchasing, leasing and otherwise acquiring in the name of the Board or its designee, on behalf of all Residential Unit Owners, any Residential Units offered for sale or lease or surrendered by their owners to the Board.

(t) Purchasing Residential Units at foreclosure or other similar sales, in the name of the Board or its designee, on behalf of all Residential Unit Owners.

(u) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units acquired by, and subleasing Residential Units leased by, the Board or its designee, on behalf of all Residential Unit Owners.

(v) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Board in writing from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

(w) Purchasing or leasing space, in the name of the Board, for the storage of personal property of Residential Unit Owners (other than the Storage Space and the Storage Lockers), and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof.

(x) Imposition of move-in fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit; provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant and/or its designee(s).

(y) Except for Units owned by the Declarant and/or its designee(s), reviewing and approving requests for alterations, additions, improvements, renovations and repairs by Commercial Unit Owners to their respective Commercial Units and Commercial Limited Common Elements, Residential Unit Owners to their respective Residential Units and Residential Limited Common Elements, and the Common Elements and Residential Common Elements and establishing rules and procedures with respect to such alterations, additions, improvements, renovations and repairs, excluding the Garage Unit(s), Commercial Units and Residential Units owned by the Declarant and/or its designee(s).

(z) To approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments and any special fees and assessments from Licensees (other than Declarant and/or its designee(s)) pursuant to the Storage Locker License.

(aa) To acquire in the name of the Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners, Storage Locker Licenses terminated or surrendered by the Licensee to the Condominium.

2.2.3 Any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board.

2.2.4 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant and/or its designee(s) continues to own at least 25% in number of, or 25% of the Residential Common Interests in Residential Units, but in no event later than 5 years from the First Closing of a sale made under the Offering Plan, the Board may not, without Declarant's and/or its designee's prior written approval: (i) make any addition, alteration or improvement to the Common Elements, Residential Common Elements, Residential Limited Common Elements, any Residential Unit, Commercial Limited Common Element or any Commercial Unit; (ii) increase or decrease the number or change the kind of employees initially hired for the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium; (v) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit provided that Declarant's or its designee's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if and only if the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Board to: (i) comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium; (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

2.2.5 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant and/or its designee(s) shall continue to own at least 1 Unsold Residential Unit, the Board may not, without the prior written consent of the Declarant and/or its designee(s), (i) reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as otherwise may

be required by Law, in such a manner as may result in the reduction of the rents or use and occupancy sums paid by such Non-Purchasing Tenants, (ii) separately assess a Residential Unit Owner for fees for such services (unless such services are separately assessed at the time of the filing of this Declaration) or (iii) to the extent that services to Non-Purchasing Tenants are currently individually assessed for the provision of additional services, assess Residential Unit Owners for an amount greater than can be charged by the owner of the Residential Unit to the Non-Purchasing Tenants under the Rent Laws.

2.2.6 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant and/or its designee(s) shall continue to own at least 1 Unsold Commercial Unit, including but not limited to the Garage Unit(s), the Board shall not take any action which would adversely affect Declarant and/or its designee(s) unless the Declarant and/or its designee(s) consent to the action in writing.

2.2.7 The Board shall not directly or indirectly assess the Commercial Unit Owners, including but not limited to the Garage Unit Owner, for any costs or expenses attributable to the Residential Common Elements or Residential Limited Common Elements.

2.2.8 Nothing contained herein shall be deemed to limit the right of Sponsor to cast its votes for individuals nominated to the Board who are not nominated or designated by Sponsor, which individuals, if elected, shall not be deemed Sponsor nominees or designees and shall not be deemed to cause Sponsor to control the Board after the Sponsor Control Period.

2.2.9 The number of the Board Members may not be increased from the numbers described in this Section, without the consent of Sponsor (or its designees) as owner of the Unsold Residential Units, for so long as there remain 1 Unsold Residential Unit.

2.3 Managing Agent and Manager. The Board may employ a managing agent and/or a manager at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to such managing agent or manager other powers granted to the Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (d), (k), (l), (m), (n), (o), (s), (t) and (v), (w) and (aa) hereof. Notwithstanding anything to the contrary set forth above, all Residential Units occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Residential Units in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis.

2.4 First Board. The Board shall initially consist of the 4 persons designated by Declarant and/or its designee(s) to initially comprise the Board. The Board members shall be deemed to have been "elected" as Board Members for the purposes of these By-Laws. Within 1 year after the date of the First Residential Unit Closing, the Board will call for the 1st annual meeting of Residential Unit Owners for the purpose of electing a new Residential Board in accordance with the provisions of Section 3.1 hereof and subject to the rights of the Commercial Unit Owners to designate 4 persons (the Garage Unit shall designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall designate 3 Commercial Board Member), and the rights of the Declarant and/or its designee(s) to designate (or nominate and elect) certain Board Members as more particularly described in Subsection 3.9.3 hereof, unless more than 50% of the Residential Units are sold, in which case the first annual meeting of Unit Owners will be called within 30 days after the sale of 50% of the Residential Units. The terms of each member of the Board shall expire annually.

The Garage Unit Owner shall be entitled to designate 1 Commercial Board Member. Declarant shall be entitled to designate 1 Commercial Board Member (in addition to the Commercial Board Member designated due to ownership of the Garage Unit) for so long as Declarant owns 1 Commercial Unit, excluding the Garage Unit. At the first annual meeting of Unit Owners after such time as Declarant owns less than 1 Commercial Unit, the Board will call for a meeting of Commercial Unit Owners, excluding

the Garage Unit Owner, for the purpose of electing 1 new Commercial Board Member in accordance with the provisions of Section 3.1 hereof.

2.5 Resignation and Removal. A Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of Subsection 3.9.3 hereof, a Board member elected by the Residential Unit Owners may be removed, with or without cause, by a majority vote of Residential Unit Owners present in person or by proxy at a regular or special meeting of Residential Unit Owners at which a quorum is present. The Residential Board Member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Board members designated, nominated or elected by Declarant and/or its designee(s) may only be removed by members other than Declarant and/or its designee(s) with cause and shall be replaced as described in Section 2.6 hereof. In addition, any member of the Board who is designated (or nominated and elected) as such by Declarant and/or its designee(s) may be removed by such designating or nominating and electing party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member. Any Commercial Board Member who is designated by the Commercial Unit Owners may be removed by the Commercial Unit Owners at any time, with or without cause, by an affirmative vote of a Majority of Commercial Unit Owners who are present at a meeting containing a quorum of Commercial Unit Owners; provided, however, that Commercial Board Members designated (or nominated and/or elected) by Declarant may only be removed with cause and replaced by another Declarant designee.

2.6 Vacancies. Subject to the provisions of Subsection 3.9.3 hereof, any vacancy on the Board by a Residential Board Member, for whatever reason, shall be filled by the Board Members then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board until the next annual meeting of the Residential Unit Owners when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on the Board created by the resignation, removal or any other cause which results in a Board member (i) designated (or nominated and elected) by Declarant and/or its designee(s) ceasing to be a member of the Board, Declarant and/or its designee(s), as the case may be, shall have the sole right to designate (or nominate or elect) a replacement for such member or (ii) designated by the Commercial Unit Owners and/or its designee(s) ceasing to be a member of the Board, Commercial Unit Owners and/or their designee(s), as the case may be, shall have the sole right to designate a replacement for such member.

2.7 Organizational Meeting of the Board. The first meeting of the Board following each annual meeting of the Residential Unit Owners shall be held immediately following each such annual meeting.

2.8 Regular Meetings of Board. Regular meetings of the Board may be held at such time and place in the Borough of Queens or the office of the Managing Agent as shall be determined from time to time by a majority of the members thereof. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or e-mail, at least 5 business days prior to the day named for such meeting. The notice shall specifically state if any matters to be discussed or determined will affect the Commercial Unit Owners.

2.9 Special Meetings of Board. Special meetings of the Board may be called by the President or Vice President of the Board by giving 5 business days' prior notice to each member of the Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place in the Borough of Queens and purpose of the meeting. Special meetings of the Board shall be called in like manner and on

like notice on the written request of at least 2 Board Members. The notice shall specifically state if any matters to be discussed or determined will affect the Commercial Unit Owners.

2.10 Waiver of Notice. Board members may at any time waive, in writing, notice of the Board meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.11 Determinations by Board; Quorum.

2.11.1 Except as otherwise set forth in Section 2.6 and Subsection 2.11.3 hereof, all determinations by the Board shall be made at a meeting of the Board at which a quorum thereof is present. At the Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of the Board.

2.11.1.1 The vote of a majority of the members attending a duly constituted meeting of the Board at which a quorum is present shall decide all matters on behalf of the Board relating solely to the Common Elements, the Common Expenses, or all or a portion of both the Residential Units and the Commercial Units. Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant and/or its designee(s) shall continue to own at least 1 Commercial Unit, including but not limited to the Garage Unit, the Board shall not take any action which would adversely affect Declarant and/or its designee(s) unless the Declarant and/or its designee(s) consent to the action in writing. The Board shall not directly or indirectly assess or otherwise charge the Commercial Unit Owners, including but not limited to the Garage Unit Owner, for any costs or expenses attributable to the Residential Common Elements or Residential Limited Common Elements.

2.11.1.2 The vote of a majority of those Residential Board Members attending a duly constituted meeting of the Board at which a quorum is present shall decide all matters on behalf of the Board relating solely to the Residential Common Expenses, the Residential Common Elements, the Residential Limited Common Elements or all or a portion of the Residential Units. The vote of a majority of those Commercial Board Members attending a duly constituted meeting of the Board at which a quorum is present shall decide all matters on behalf of the Board relating solely to the Commercial Limited Common Elements or all or a portion of the Commercial Units. Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant and/or its designee(s) shall continue to own at least 1 Unsold Commercial Unit, including but not limited to the Garage Unit(s), the Board shall not take any action which would adversely affect Declarant and/or its designee(s) unless the Declarant and/or its designee(s) consent to the action in writing. The Board shall not directly or indirectly assess or otherwise charge the Commercial Unit Owners, including but not limited to the Garage Unit Owner, for any costs or expenses attributable to the Residential Common Elements or Residential Limited Common Elements.

2.11.1.3 After the expiration of the Initial Control Period, in the event a vote of the Board Members is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Declarant designee Board Members (whether Residential or Commercial Members) voting will not exceed the number of elected Board Members entitled to vote on said issue who are not Declarant designees.

2.11.2 If there is less than a quorum present at the Board meeting, 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.

2.11.3 Board Members may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all of the Board Members consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of the Board.

2.12 Compensation. No member of the Board shall receive any compensation for acting as such.

2.13 Liability of Board and Unit Owners.

2.13.1 To the extent permitted by applicable Law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of the managing agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by the managing agent or manager thereof may state that it is made by the Board, managing agent or manager only as agent for all Unit Owners or all Residential Unit Owners, as the case may be, that the Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and may also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium, shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and, unless expressly stated to the contrary in such contract (as determined by the Board in its sole and absolute discretion), to the extent permitted by applicable Law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission; provided, however, that the Commercial Unit Owners shall have no liability with respect to any such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Board members shall have no liability to Unit Owners except that a Board member shall be liable for such Board member's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify the Board members against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with a Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.13.2 No Board member shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, the Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Board or any member thereof; or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit, any Common Element or any Residential Common Element or any Residential Limited Common Element or any Commercial Limited Common Element.

2.14 Fidelity Bonds. The Board shall obtain or ensure maintenance of fidelity bonds in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute a Common Expense.

2.15 Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint an Executive Committee and such other committees as the Board may deem appropriate, each to consist of as many members as the Board shall deem appropriate for the purpose of making such reports and studies as the Board deems appropriate. Any Executive Committee shall be required to consist

of at least 1 member of the Board. For so long as Declarant and/or its designee(s) is entitled to designate (or has nominated and elected) 1 or more members to the Board, any committee appointed by the Board shall have at least 1 of its members appointed by Declarant and/or its designee(s).

2.16 Principal Offices of Board. The principal offices of the Board shall be located within the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Board.

2.17 Status of Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act, the Board shall, to the extent permitted by applicable Law, be deemed to constitute a separate association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of Section 2.18 hereof, the provisions of this Section 2.17 shall no longer be applicable to the Board.

2.18 Incorporation of Board. To the extent and in the manner provided in the Condominium Act, the Board may, by action of the Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event the Board so incorporates, it shall have, to the extent permitted by applicable Law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and By-Laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and By-Laws.

2.19 Board as Agent of Unit Owners. In exercising their powers and performing their duties under the Declaration and these By-Laws, the Board shall act in good faith as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3.

UNIT OWNERS

3.1 Annual Meetings. The first annual meeting of Unit Owners shall be held on a date which is no later than 1 year after the First Residential Unit Closing. Such meeting shall be held on not less than 10 days' nor more than 40 days' written notice. At such meeting, the incumbent Board shall resign and the Residential Unit Owners shall elect (in accordance with the provisions otherwise provided in these By-Laws) 5 Residential Board Members. Thereafter, annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At such meetings, the Residential Board Members shall be elected and there shall also be transacted such other business as may properly come before such meetings. The Commercial Unit Owners shall be entitled to designate a total of 2 Commercial Board Members; the Garage Unit Owner shall be entitled to designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall collectively designate 1 Commercial Board Member as specified in Section 3.9.4 below.

3.2 Place of Meetings. Meetings of all or any Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place, as may be designated by the Board.

3.3 Special Meetings. The President of the Board shall call a special meeting of the Unit Owners upon a petition signed and presented to the Secretary of the Board by not less than 25% in Common Interest of Unit Owners.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the Secretary to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, regular mail or recognized overnight courier, at least 10 but no more than 40 days prior to the date named for the meeting and shall be given or sent to the Unit Owners of record as of the date of the notice, at their address at the Property or at such other address as any Unit Owner has designated by notice in writing to the Secretary at least 10 days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least 30 days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment. Only Unit Owners of record as of the date of a notice are entitled to vote at the meeting for which said notice is sent. The notice shall specifically state if any matters to be discussed or determined will affect the Commercial Unit Owners, including without limitation, any matters pertaining to the Common Elements.

3.5 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 Order of Business. The order of business at all meetings of Unit Owners shall be as follows:

- (a) Call to order;
- (b) Roll call;
- (c) Proof of notice of meeting;
- (d) Reading of minutes of preceding meeting;
- (e) Reports of officers;
- (f) Reports of the Board Members;
- (g) Reports of committees;
- (h) Election of inspectors of election (when so required);
- (i) Election of the Board Members(when so required);
- (j) Unfinished business;
- (k) New business; and
- (l) Adjournment.

3.7 Title to Units. Title to Units may be taken by individual, corporation, partnership, association, trust or other entity, or any 2 or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Board and shall be revocable at any time by written notice to the Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of 6 months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Residential Unit owned in a fiduciary capacity. The Board shall not be entitled to vote the interest appurtenant to any Residential Unit owned by the Board and the Common Interest of such Residential Unit shall be excluded from the total Common Interests when computing the interests of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, in all elections for the Residential Board Members, each Residential Unit Owner (or such Residential Unit Owner's proxy) entitled to vote (including Declarant and/or its designee(s) with respect to Residential Units owned by Declarant and/or its designee(s)) shall be entitled to cast the total of votes equal to: (i) one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Residential Unit Owner's Residential Unit, (ii) multiplied by the number of members to be elected to the Board; and to cast the votes represented by the product obtained by multiplying (i) by (ii) for a single member or distribute them among the number of members to be voted for, or any 2 or more of them, as he may see fit.

3.8.3 Notwithstanding anything to the contrary set forth above, Unit Owners may vote to amend the Declaration and these By-Laws pursuant to Article 19 of the Declaration and Article 12 hereof, without a meeting, provided that such Unit Owners receive no less than 30 days notification of such proposed amendment from the Board, together with a copy of the text of such proposed amendment and a proxy with respect to such vote.

3.9 Election of Board Members; Rights of Declarant.

3.9.1 All elections of Residential Board Members shall be determined by plurality vote.

3.9.2 When voting for Residential Board Members, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interest owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Unit Owners, Declarant and/or its designee(s) shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it until Declarant and/or its designee(s) has closed title to all of the Unsold Residential Units owned by it. Declarant and/or its designee(s) shall have the right to nominate and elect a majority of the Residential Board Members until the earlier to occur of (i) the closing of title with Purchasers with respect to more than 50% in number of, and comprising more than 50% of the Residential Common Interests in, all Residential Units, or (ii) 5 years after the First Closing (the "Initial Control Period"). After the Initial Control Period, Declarant and/or its designee(s) shall have the right to designate 2 Residential Board Members for so long as Residential Common Interests attributable to Unsold Residential Units equal, in the aggregate, more than 15% of the Residential Common Interests of all Residential Units; and for so long

as Declarant and/or its designee(s) owns at least 1 Unsold Residential Unit, Declarant and/or its designee(s) shall have the right to designate at least 1 Residential Board Member. In addition to Declarant and/or its designee(s) designating the aforesaid Residential Board Members, the Declarant and/or its designee(s) may cast its votes for individuals nominated to the Board who are not nominated or designated by Declarant and/or its designee(s), which individuals, if elected, shall not be deemed Declarant's and/or its designee's nominees or designees and shall not be deemed to cause Declarant and/or its designee(s) to control the Board. For so long as Declarant and/or its designee(s) is entitled to designate at least 1 Residential Board Member, the number of the Board Members may not be increased without the consent of Declarant and/or its designee(s). Any vacancy created by removal of a Residential Board Member designated (or nominated and elected) by Declarant and/or its designee(s), or by any other cause which results in a Residential Board Member designated (or nominated and elected) by Declarant and/or its designee(s) ceasing to be a member of the Board, shall be filled by a person designated by Declarant and/or its designee(s). Within 30 days after the Initial Control Period, the Board Members which were designated (or nominated and elected) by Declarant and/or its designee(s), to the extent such member(s) cause Declarant and/or its designee(s) to have a majority of the Residential Board Members, shall resign and the Board shall call a meeting of Residential Unit Owners, to be held within such 30-day period, to elect a new Residential Board Member(s).

3.9.4 The Commercial Unit Owners shall be entitled to designate a total of 4 Commercial Board Members; the Garage Unit Owner shall be entitled to designate 1 Commercial Board Member and the remaining Commercial Unit Owners shall be entitled to collectively designate 3 Commercial Board Member. Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Unit Owners, Declarant and/or its designee(s) shall have the right to vote all of the Common Interests attributable to Commercial Units owned by it until Declarant and/or its designee(s) has closed title to all of the Commercial Units owned by it. Declarant and/or its designee(s) shall have the right to designate 1 Commercial Board Members (in addition to the Garage Unit-designated Commercial Board Member for such time as Declarant and/or its designees owns not less than 1 Commercial Unit, excluding the Garage Unit. For so long as Declarant and/or its designee(s) owns at least 1 Commercial Unit, excluding the Garage Unit, Declarant and/or its designee(s) shall have the right to designate at least 1 Commercial Board Member, in addition to the 1 Commercial Board Member designated by Declarant as the Garage Unit Owner. In addition to Declarant and/or its designee(s) designating the aforesaid Commercial Board Members, the Declarant and/or its designee(s) may cast its votes for individuals nominated to the Board who are not nominated or designated by Declarant and/or its designee(s), which individuals, if elected, shall not be deemed Declarant's and/or its designee's nominees or designees. For so long as Declarant and/or its designee(s) is entitled to designate at least 1 Commercial Board Member, excluding the Commercial Board Member designated by the Garage Unit Owner, the number of Board Members may not be increased without the consent of Declarant and/or its designee(s). Any vacancy created by removal of a Commercial Board Member designated (or nominated and elected) by Declarant and/or its designee(s), or by any other cause which results in a Commercial Board Member designated (or nominated and elected) by Declarant and/or its designee(s) ceasing to be a member of the Board, shall be filled by a person designated by Declarant and/or its designee(s).

3.9.5 After the expiration of the Sponsor Control Period, in the event a vote of the Board Members is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Sponsor designee Board Members (whether Residential Members or Commercial Members) voting will not exceed the number of elected Board Members entitled to vote on said issue who are not Sponsor designees.

3.10 Majority of Unit Owners. Except as may otherwise be provided by Law, as used in these By-Laws, the term "Majority of Unit Owners" means those Unit Owners, having more than 50% of the total votes cast (in person or by proxy) at any meeting at which a quorum is present of Unit Owners determined in accordance with the provisions of Section 3.8 hereof.

3.11 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than 50% of the Common Interests attributable to the Units shall constitute a quorum at all meetings of Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Residential Unit Owners owning Residential Units to which 50% or more of the Residential Common Interests appertain shall constitute a quorum at all meetings of the Residential Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Commercial Unit Owners owning Commercial Units to which 50% or more of the Commercial Common Interests appurtenant to all Commercial Units shall constitute a quorum at all meetings of the Commercial Unit Owners.

3.12 Majority Vote. Except where otherwise provided by Law, the Declaration or these By-Laws, at all meetings of Unit Owners the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes. Except as otherwise provided by Law, the Declaration or these By-Laws, at all meetings of Residential Unit Owners the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes. Except as otherwise provided by Law, the Declaration or these By-Laws, at all meetings of Commercial Unit Owners the affirmative vote of a Majority of Commercial Unit Owners shall be binding upon all Commercial Unit Owners for all purposes.

ARTICLE 4.

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Board Members may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. None of the officers of the Board need be Residential Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Board after the first annual meeting of Unit Owners. Thereafter, all officers of the Board must be Unit Owners unless such officer is a member of the Board designated (or nominated and elected) by Declarant and/or its designee(s) or the Commercial Unit Owners.

4.2 Election of Officers. The officers of the Board shall be elected annually by the Board Members at the organizational meeting thereof and shall hold office at the pleasure of the Board until their successors are elected.

4.3 Resignation and Removal of Officers. Any officer may resign at any time by written notice personally delivered or sent by registered or certified mail, return receipt requested, to the office of the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the Board Members, any officer (other than an officer designated (or nominated or elected) by Declarant and/or its designee(s)) may be removed for cause. A successor officer may be elected or designated at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and at all meetings of the Board. The President shall have all of the 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 committees from among Unit Owners from time to time, as the President decides is appropriate to assist in the conduct of the affairs of the Condominium.

4.5 Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board shall appoint some member of the Board to act in the place of the President and Vice President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President.

4.6 Secretary. The Secretary of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Board. The Secretary shall have charge of such books and papers as the Board requires and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board (or in the name of the managing agent appointed by the Board) in such depositories as may from time to time be designated by the Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Execution of Documents. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof or by such other person or persons as may be designated by the Board. However, any expenditure by the Board in excess of \$10,000.00 must be countersigned by 2 Board Members. If for any reason whatsoever 1 member refuses to countersign such an expenditure which has been authorized, the Board shall designate and authorize another Board member to countersign the expenditure.

4.9 Compensation of Officers. No officer of the Condominium shall receive any compensation for acting as such.

ARTICLE 5.

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to the Board shall be personally delivered or sent by registered or certified mail, return receipt requested, to the office of the Board or to such other address as the Board may designate from time to time, by notice in writing to the Unit Owners and to all Permitted Mortgagees, as the case may be, and if there is a managing agent of the Board, a duplicate of any notice to the Board shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail, return receipt requested, to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Board or the managing agent. All notices to Permitted Mortgagees shall be personally delivered or sent by registered or certified mail, return receipt requested, to their respective addresses, as designated by them from time to time, in writing to the Board or the managing agent. All notices shall be deemed to have been given when personally delivered or mailed in postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever notice is required to be given by Law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6.

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the operation and maintenance of the Common Elements and the Residential Common Elements (collectively, "Common Expenses") shall be determined by the Board as set forth below. Common Expenses shall also include such amounts as the Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements or Residential Common Elements. The Board shall from time to time and at least annually prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners charges to meet Common Expenses ("Common Charges") pro rata in accordance with the aggregate respective Common Interests of the Unit Owners as set forth in the Declaration, except as otherwise provided in the Declaration or these By-Laws or to the extent a different method of allocation is described in Schedule B - Projected Budget for First Year of Condominium Operation, set forth in the Offering Plan. Such budget shall include such amounts for reserves as the Board deems appropriate. Common Charges shall also be deemed to include any special assessment imposed by the Board on Unit Owners. In addition to basing charges on Common Interests, the Board may also make allocations and assessments of Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law; provided, however, that the foregoing shall be subject to the provisions of Subsection 6.1.5 hereof. All special assessments relative to the Residential Limited Common Elements shall be levied against all of the Unit Owners having an interest such Residential Limited Common Elements in proportion to their Common Interests except with respect to any Special Assessments relative to the Storage Locker Licenses which shall be levied only against the Licensees of such areas in equal shares relative to the number of such Licensees in such affected areas. The Board shall not directly or indirectly assess or otherwise charge the Commercial Unit Owners, including but not limited to the Garage Unit Owner, for any costs or expenses attributable to the Residential Common Elements or Residential Limited Common Elements.

6.1.2 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any Common Element or Residential Common Elements remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Board as agent for and on behalf of the Unit Owners.

6.1.3 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.4 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing or providing management, maintenance and care of association property, and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Unit Owner or individual.

6.1.5 The Garage Unit Owner shall not be required to pay, at any time during the existence of the Condominium, including during the First Year of Condominium Operation, any portion of any of the Common Expenses (including any special assessments) other than the portion expressly set forth

in Schedule B - Projected Budget for the First Year of Condominium Operation, specifically, insurance, management fees and auditing fees. The Commercial Unit Owners will be responsible for the upkeep of the Commercial Units and any appurtenant Commercial Limited Common Elements. All utilities servicing the Commercial Units are or will be separately metered to the Commercial Units. The Commercial Unit Owners will not be liable for any repairs and/or maintenance of the Residential Common Elements or Residential Limited Common Elements.

6.1.6 Neither the Board (including Residential Board Members and Commercial Board Members), nor the Residential Board nor the Commercial Board will take any action impacting the Garage Unit without the Garage Unit Owner's prior written consent.

6.2 Insurance.

6.2.1 The Board shall be required to obtain and maintain, to the extent obtainable, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building, together with all service machinery contained therein and covering the interests of the Condominium and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to an agreed upon replacement cost of the Building (exclusive of foundation and footings and, at the election of the Board in its sole and absolute discretion, terrorism insurance), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss thereunder, if any, shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for 1 year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Board; (f) water damage insurance to the extent, if any, determined by the Board; (g) elevator liability and collision insurance (if appropriate); (h) fidelity insurance covering the Board and all officers, directors, managing agents and employees of the Condominium; (i) directors and officers liability insurance; and (j) such other insurance as the Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by the Board. Insurance proceeds with respect to any loss shall be payable to the Board, except that the proceeds of all policies of physical damage insurance, if in excess of \$1,000,000, shall be payable to a New York City bank or trust company designated by the Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 11.5 hereof.

6.2.3 The fire, casualty and general liability insurance policy will be on terms that provide: (1) that each Unit Owner is an additional insured party; (2) that there will be no cancellation without notice to the Board; (3) a waiver of subrogation; (4) a waiver of any defense based on co-insurance; (5) a waiver of invalidity because of the acts of the insured and Unit Owners; and (6) a waiver of pro-rata reduction if Unit Owners obtain additional coverage and shall provide that such policies may not lapse, be canceled or substantially modified without at least 10 days' prior written notice to all of the insured, including all Unit Owners and Permitted Mortgagees and any guarantor of a Permitted Mortgage who the Unit Owner making such mortgage, or the holder of any mortgage encumbering such Unit, shall have provided written notice to the Board. The Board and all Unit Owners hereby waive their subrogation rights.

6.2.4 The Board shall also be required to obtain and maintain comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Board may from time to time determine, covering (i) the Board, the managing agent or manager, (ii) each Board member and each officer and employee of the Condominium and (iii) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from

occurrences within such Unit Owner's own Unit or within the Residential Limited Common Elements, if any, or Commercial Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Board shall review such limits once each year. The insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of 1 insured against another.

6.2.5 Any insurance maintained by the Board may provide for such deductible amounts as the Board determines.

6.2.6 The Board is not required to obtain or maintain any insurance with respect to a Unit or Limited Common Element or any personal property contained in a Unit or Limited Common Element. A Residential Unit Owner shall, at the Residential Unit Owner's own cost and expense, obtain and keep in full force and effect (a) personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon or from the Residential Unit or any Residential Limited Common Element appurtenant thereto or any part thereof, with minimum combined single limits of liability of \$1,000,000 for bodily injury or death arising out of any 1 occurrence and \$1,000,000 for damage to property plus at least \$2,000,000 umbrella liability coverage and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon or from the Residential Unit or any Residential Limited Common Element appurtenant thereto part thereof (including, but not limited to, appropriate coverage for additions, alterations improvements and betterments and loss due to water damage as well as personal property). The limits of liability and other requirements relative to each Residential Unit Owner's insurance coverage may be modified by the Board from time to time. All policies shall provide that they cannot be canceled without at least 30 days' prior notice to the Board. Each Residential Unit Owner shall deliver a certificate of insurance and/or endorsement to the Managing Agent within 30 days of Closing, at each policy renewal and when requested by the Board. Upon 10 days' written notice from the Board or the managing agent, the Residential Unit Owner shall deliver to the Board a duplicate original of the aforesaid policies or certificates evidencing such insurance or such other confirmation satisfactory to the Board. All such policies shall contain waivers of subrogation against the Condominium and the Board and further provide that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of insurance carried by a Residential Unit Owner. Such Residential Unit Owners policies shall be endorsed as to state that they will in no way conflict with any insurance carried by the Board. In the event a Residential Unit Owner fails to obtain the requisite insurance or deliver evidence of same to the Board, as required, the Board may, in its sole and absolute discretion, (i) obtain such insurance on behalf of said defaulting Residential Unit Owner or (ii) impose such fines and penalties as the Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Residential Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Residential Unit Owner.

6.2.7 Each Commercial Unit Owner shall carry its own property and liability insurance policy at its own cost and expense. The Commercial Unit Owners shall:

(a) Maintain insurance on the Commercial Units and Commercial Limited Common Elements, if any, including personal property, under an "All Risk" policy or its equivalent.

(b) Provide and keep in force insurance against liability for bodily injury and death and property damage, all such insurance to be in such amounts as may from time to time be commercially reasonable. Such liability insurance shall be commercial general liability insurance, written on an occurrence basis with respect to the Commercial Units and Commercial Limited Common Elements, if any, and all operations related thereto, whether conducted on or off the Commercial Units and Commercial Limited Common Elements, if any, and coverage shall include specifically the Commercial Units and Commercial Limited Common Elements, if any, entrance and adjacent walkway. In any event insurance against liability for injury and death shall be no less than \$10,000,000 per occurrence, with a deductible of not more than \$25,000; and

(c) Keep in force Worker's Compensation insurance subject to statutory limits or better in respect of any work or other operations on or about the Commercial Units or Commercial Limited Common Elements, if any.

(d) Provide and keep in force such other insurance in such amounts as may from time to time be commercially reasonable against such other insurable hazards as at the time are commonly insured against in the case of premises similarly situated, due regard being given to the type of the improvements, its construction and its use and occupancy.

(e) All such policies shall contain waivers of subrogation against the Condominium and the Board and further provide that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of insurance carried by a Commercial Unit Owner. Such Commercial Unit Owners policies shall be endorsed as to state that they will in no way conflict with any insurance carried by the Board.

The Commercial Unit Owners and the Board shall cooperate in connection with the collection of any insurance moneys that may be due to the Commercial Unit Owners in the event of loss to the Commercial Units and Commercial Limited Common Elements, if any. It is understood and agreed that said policies may be blanket policies covering other locations operated by the Commercial Unit Owners or a tenant of the Commercial Unit Owners, its affiliates or subsidiaries, provided that (i) such blanket policies otherwise comply with the provisions of this Article 6, and provided further that such policies shall provide for a reserved amount thereunder with respect to the Commercial Units (which amount shall not be less than the amounts required to be carried by Commercial Units Owner hereunder) so as to assure that the amount of insurance required by the provisions of this Article will be available notwithstanding any losses with respect to other property covered by such blanket policies.

All premiums on policies referred to in this Subsection 6.2.7 shall be paid by the Commercial Unit Owners. The originals of such policies or certificates evidencing such policies, together with evidence of the payment of premiums thereon, shall be delivered to the Board upon receipt from the insurance company or companies (and such originals may be delivered by the Commercial Unit Owners to the holder of a mortgage). New or renewal policies or certificates replacing any expiring policies shall be delivered to the Board at least 30 days before the date of expiration, together with proof that the full premiums have been paid.

All insurance policies required to be carried by Commercial Unit Owners hereunder and each certificate therefor issued by the insurer shall contain an agreement by the insurer that no cancellation, non-renewal or reduction in the coverages afforded under said policies will be effective until at least 30 days' prior written notice of such cancellation, non-renewal or reduction has been given to the Board.

The "All Risk" property insurance policy required to be maintained by the Commercial Unit Owners shall include a waiver of the insurer's right of subrogation against the Condominium (and all named Mortgagees).

6.3 Repair or Reconstruction after Fire or Other Casualty or Condemnation.

6.3.1 In the event that either (i) the Building or any part thereof (other than the Units) is damaged or destroyed by fire or other casualty (a "Casualty Loss") or (ii) the Common Elements or Residential Common Elements or any part thereof is taken in condemnation or by eminent domain (a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Board pursuant to the terms of Section 6.2 hereof by reason of such Casualty Loss, or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Board, if the same shall be \$1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed \$1,000,000

in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 6.3. Notwithstanding anything to the contrary contained in this Section 6.3, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or its appurtenant Commercial Limited Common Elements, if any, or any portion thereof is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements or Residential Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof.

6.3.2 Except as otherwise provided in Subsection 6.3.3 hereof, the Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements or Residential Common Elements affected by such Taking. Damage or destruction to a Unit or a Residential Limited Common Element or a Commercial Limited Common Element shall be promptly repaired and reconstructed by the Owner of the affected Unit(s) or Residential Limited Common Elements or Commercial Limited Common Element. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements, that service or enclose Units and other Common Elements or Residential Common Elements or Residential Limited Common Elements or Commercial Limited Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements or Residential Common Elements that service or enclose Units and then in or to the balance of the Common Elements or Residential Common Elements or Residential Limited Common Element or Commercial Limited Common Elements. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit or Residential Limited Common Elements or Commercial Limited Common Elements, the Board may cause the Unit and/ or the Residential Limited Common Element and/or the Commercial Limited Common Element to be repaired or reconstructed and the costs incurred in connection therewith shall be charged to the defaulting Unit Owner as a special assessment.

6.3.3 In the event that Work shall be performed pursuant to the terms of Subsections 6.3.1 and 6.3.2 hereof, the Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Unit Owners, in proportion to their respective Common Interests, will bear the entire amount of the deficit as a Common Expense, or shall receive all the surplus, as the case may be. Any surplus payable to any Unit Owner pursuant to this Subsection 6.3.3 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order of priority of such liens.

6.3.4 If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Declarant and/or its designee(s), if Declarant and/or its designee(s) shall then own any Units), shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of Subsections 6.3.1 and 6.3.2 hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, to the extent allocated to destroyed or damaged portions of the Common Elements, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of

priority of such liens. The Board agrees to provide a Permitted Mortgagee, and any guarantor of a Permitted Mortgage who the Unit Owner making such mortgage, or the holder of any mortgage encumbering such Unit, shall have provided written notice to the Board, prompt notice of any condemnation or casualty loss that affects either a material portion of the Building or the Unit securing its mortgage. Notwithstanding anything to the contrary herein set forth or in the Declaration, any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons shall require the written consent of the Permitted Mortgagees representing at least 51% of the common interests of the Residential Units which are subject to the Permitted Mortgages.

6.3.5 If (a) a portion of any Unit shall be taken in condemnation or by eminent domain and (b) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of Subsection 6.3.4 hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements or Commercial Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements or Commercial Limited Common Elements, if any, prior to such Taking. The Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interests and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

6.3.6 As used in this Section 6.3, the terms:

(a) “Prompt repair or restoration” shall mean that the Work is to be commenced not more than the earlier of: (a) 60 days after the date upon which the Insurance Trustee notifies the Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, (b) 90 days after the date upon which the Insurance Trustee notifies the Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Board pursuant to the terms of Subsection 6.3.1 hereof, 60 days after the date upon which the Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(b) “Promptly resolve” shall mean that a resolution shall be duly made not more than 60 days after the date upon which the Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

6.3.7 Any dispute that may arise under this Section 6.3 between any Unit Owners shall be resolved by Arbitration.

6.4 Payment of Common Charges.

6.4.1 The Unit Owners shall be obligated to pay to the Board the Common Charges assessed to them pursuant to the provisions of Section 6.1 hereof at such time or times as the Board determines. No Unit Owner may be exempted from liability for such Unit Owner’s Common Charges by waiving use of any Common Elements or by abandonment of such Unit Owner’s Unit. Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property shall not be grounds for a Unit

Owner withholding or failing to pay all or any portion of the Common Charges or any other assessments. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages (which, at the time of such conveyance, shall not exceed the market value of the Unit being conveyed) and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Residential Rules and Regulations then exists with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Board or its designee, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Common Charges thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by Law, a purchaser of a Unit at a foreclosure sale by a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by Law, the Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit.

6.4.3 All liens provided for in Subsection 6.4.2 hereof, to the extent permitted by applicable Law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding the provisions of Subsection 6.4.2 hereof, neither the seller nor the purchaser of a Unit shall be liable, nor shall the Unit be conveyed subject to a lien, for any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, the Board pays real estate taxes on behalf of the Unit Owners, the amount of such real estate taxes shall be deemed to be Common Charges, and the Board shall have a lien (as provided in Subsection 6.4.2 hereof) for any such accrued and unpaid amounts.

6.4.6 A Unit Owner other than Declarant and/or its designee(s), owning a Residential Unit occupied by a Non-Purchasing Tenant, must deposit with the managing agent at acquisition of title to the Residential Unit, an amount equal to not less than the greater of (i) 2 months' Common Charges or (ii) 2 months' rent to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. Such Residential Unit Owner agrees that upon written notice by the then managing agent that such deposit has been diminished, the Residential Unit Owner shall replenish such fund within 30 days thereafter. In the event the Residential Unit Owner fails to so replenish such fund, the Board will have a lien against the Residential Unit Owner's Residential Unit in accordance with Subsection 6.4.2 hereof.

6.5 Collection of Common Charges. The Board or the Managing Agent shall take prompt action to collect any Common Charges due which remain unpaid for more than 30 days after the due date for payment thereof, including, without limitation, the institution of such actions and the recovery of interest and expenses as provided in this Article 6.

6.6 Default in Payment of Common Charges. In the event any Unit Owner fails to make payment of Common Charges by the 10th day of each month, such Unit Owner shall be obligated to pay a “late charge” equal to interest at the rate of 1.50% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date thereof, together with all expenses, including, without limitation, attorneys’ fees paid or incurred by the Board or by the managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. All such “late charges,” interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

6.7 Foreclosure of Liens for Unpaid Common Charges and Other Liens Held by the Board. In any action brought by the Board to foreclose a lien on a Residential Unit because of unpaid Common Charges, or the failure of a Residential Unit Owner to replenish the Working Capital Fund after notice from the Board to do so, the Residential Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Residential Unit Owner’s Residential Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Residential Unit Owners, shall have the power to purchase any Residential Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Residential Unit (but not to vote the votes appurtenant to such Residential Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Residential Unit Owner’s obligations, such Residential Unit Owner shall remain liable for the deficit.

6.8 Statement of Common Charges. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from such Unit Owner (but not more often than twice in any 12-month period).

6.9 Maintenance and Repairs.

6.9.1 (a) Except as otherwise provided in the Declaration or these By-Laws, all maintenance in or to any Residential Unit (including, but not limited to, the interior walls, partitions, ceilings and floors in the Residential Unit, kitchen and bathroom fixtures and appliances, all entrance doors and their frames and saddles, windows (including glass), exposed plumbing, gas and heating fixtures and equipment, any air conditioning in the Residential Units, lighting and electrical fixtures and any Common Elements or Residential Common Elements incorporated therein pursuant to Subsection 6.15.5 hereof or any other section in these By-Laws, but excluding any other Common Elements or Residential Common Elements contained therein) and any Residential Limited Common Elements appurtenant to such Residential Unit, shall be made by the owner of such Residential Unit or Residential Limited Common Element at such Residential Unit Owner’s sole cost and expense. Notwithstanding the foregoing, any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Board at the sole cost and expense of the Residential Unit Owner of such Residential Unit (unless such breakage is caused by the Board or the negligence of any other Residential Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Board or such Residential Unit Owner). No replacement, modification or alteration may be made to or of the windows (other than replacement of the window panes) without the consent of the Board.

(b) Except as otherwise provided in the Declaration or these By-Laws, all maintenance in or to the Commercial Units or Commercial Limited Common Elements (including, but not

limited to, interior walls, partitions, ceilings and floors in the Commercial Units, fixtures and appliances, if any, all entrance doors from the Building, all entrance doors to and from the Commercial Units or Commercial Limited Common Elements, any frames and saddles, windows (including glass), exposed plumbing, gas and heating fixtures and equipment, any air conditioning, fans, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to Section 6.12 hereof or any other section in these By-Laws, but excluding any other Common Elements contained therein) shall be made by the owner of the Commercial Units at the Commercial Unit Owners' sole cost and expense.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1 hereof:

6.9.2.1 In the event that any maintenance to the Property or any part thereof is substantially necessitated by the negligence, misuse or neglect of any Unit Owner or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and the windows may not be modified, altered or replaced without the consent of the Board. The Board may establish such other rules and regulations as it deems necessary to protect the Common Elements, Residential Common Elements, Residential Limited Common Elements and the Residential Units and to insure the integrity of the Building and the health and safety of the occupants.

6.9.2.3 The exterior surface of all windows in the Residential Units, if so determined by the Board, shall be washed and cleaned by the Board and the cost and expense thereof shall be a Common Expense of the Residential Unit Owners. The interior glass surfaces of all windows located in any Residential Unit shall be washed and cleaned by the Residential Unit Owner or occupant thereof at such Residential Unit Owner's sole cost and expense.

6.9.2.4 The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Board.

6.9.2.5 No awnings, air conditioning equipment, ventilators or other Facilities or equipment will be installed or modified in the Residential Units (other than with respect to the Unsold Residential Units) without the prior written approval of the Board.

6.9.3 Each Residential Unit, Residential Limited Common Element and all portions of the Common Elements and Residential Common Elements shall be kept in good condition by the Residential Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Residential Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance in connection therewith. In addition, those areas exposed to public view shall be kept in good, clean and neat appearance, by each Residential Unit Owner with respect to the Residential Unit (including, all windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Residential Unit must be white if visible from outside the Residential Unit).

6.9.4 The Board shall not be obligated to maintain any particular temperature and/or humidity in any Residential Unit.

6.10 Violations of Obligations.

6.10.1 In the event that any Unit Owner, within a reasonable time after receipt of written notice from the Board, fails to perform any of its obligations with respect to the maintenance of its Unit as provided in this Article 6 or of any Residential Limited Common Element or Commercial Limited Common Element for which a Unit Owner is responsible under the Declaration or these By-Laws, the Board may, but shall not be obligated to, perform or cause to be performed such maintenance unless such Unit Owner, within 30 days after receiving notice of such default from the Board (or sooner in the case of Emergency), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such maintenance by the Board, together with interest thereon at the rate of 1.50% per month from the date on which the Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

6.10.2 Each Unit Owner must strictly comply with the provisions of the Declaration and these By-Laws and additionally, Residential Unit Owners must strictly comply with the Residential Rules and Regulations. Failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief will not be exclusive of other remedies provided by Law.

6.11 Alterations, Additions, Improvements and Repairs of Units.

6.11.1 Except as otherwise provided in the Declaration, no Residential Unit Owner shall make any alteration, addition, improvement or repair in or to such Residential Unit Owner's Residential Unit involving non-structural work or structural work or which impact upon Building systems, or a neighboring Unit, without the prior written approval of the Board. The Board shall have the obligation to respond to any written request by Residential Unit Owners for approval of a proposed non-structural or structural alteration, addition, improvement or repair in or to such Residential Unit Owner's Residential Unit within 60 days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration, addition, improvement or repair. With respect to any alteration, addition, improvement or repair, the Board may exercise the right to reasonably approve the contractors and suppliers performing any alteration, addition, improvement or repair in any Residential Unit and may, at its option, require the Residential Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. In addition, the Board will have the right, as a condition to approving a Residential Unit Owner's request to renovate kitchens and bathrooms, to require such Residential Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Residential Unit or to contribute to the Condominium the sum necessary to enable the Condominium to perform such replacements. The Board may impose fees upon a Residential Unit Owner to reimburse the Board for its costs (and/or costs of its agents) incurred in reviewing or supervising the aforesaid work. The foregoing provisions shall not apply to Declarant and/or its designee(s) or a Permitted Mortgagee (or its designee) of Declarant and/or its assignee, which shall not be required to obtain the approval of the Board for any alteration, addition, improvement or repair, whether structural or non-structural in or to Unsold Residential Units or to enter into any alteration agreement with respect thereto or perform any additional work as a condition thereof or pay any costs in connection therewith.

6.11.1.1 Any walls or partitions contained in a Residential Unit which do not conform to the Floor Plans contained in Part II of the Offering Plan or with applicable law must be removed at the Residential Unit Owner's sole cost and expense in accordance with the provisions of Subsection 6.11.1 hereof. Any walls or partitions to be erected in a Residential Unit other than those shown on the

Floor Plans contained in Part II of the Offering Plan must conform with the requirements of Subsection 6.11.1 hereof and the Residential Unit Owner must obtain a valid work permit and a certificate of completion from the New York City Department of Buildings for such partition or wall.

6.11.2 Except as otherwise provided in the Declaration, no Commercial Unit Owner (other than the Garage Unit Owner(s) as stated in Article 10 of the Declaration and Section 6.11.3 of the By-Laws below) shall make any alteration, addition, improvement or repair in or to such Commercial Unit Owner's Commercial Unit involving non-structural work or structural work or which impact upon Building systems, or a neighboring Unit, without the prior written approval of the Board. The Board shall have the obligation to respond to any written request by a Commercial Unit Owner for approval of a proposed non-structural or structural alteration, addition, improvement or repair in or to such Commercial Unit Owner's Commercial Unit within 60 days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration, addition, improvement or repair. With respect to any alteration, addition, improvement or repair, the Board may exercise the right to reasonably approve the contractors and suppliers performing any alteration, addition, improvement or repair in any Commercial Unit and may, at its option, require the Commercial Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. In addition, the Board will have the right, as a condition to approving a Commercial Unit Owner's request to renovate bathrooms or other affected areas, to require such Commercial Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Commercial Unit or to contribute to the Condominium the sum necessary to enable the Condominium to perform such replacements. The Board may impose fees upon a Commercial Unit Owner to reimburse the Board for its costs (and/or costs of its agents) incurred in reviewing or supervising the aforesaid work. The foregoing provisions shall not apply to Declarant and/or its designee(s) or a Permitted Mortgagee (or its designee) of Declarant and/or its assignee, which shall not be required to obtain the approval of the Board for any alteration, addition, improvement or repair, whether structural or non-structural in or to Commercial Units or to enter into any alteration agreement with respect thereto or perform any additional work as a condition thereof or pay any costs in connection therewith.

6.11.2.1 Any walls or partitions contained in a Commercial Unit, excluding the Garage Unit, which do not conform to the Floor Plans contained in Part II of the Offering Plan or with applicable law must be removed at the Commercial Unit Owner's sole cost and expense in accordance with the provisions of Subsection 6.11.2 hereof. Any walls or partitions to be erected in a Commercial Unit, excluding the Garage Unit, other than those shown on the Floor Plans contained in Part II of the Offering Plan must conform with the requirements of Subsection 6.11.2 hereof and the Commercial Unit Owner must obtain a valid work permit and a certificate of completion from the New York City Department of Buildings for such partition or wall.

6.11.3 The Garage Unit Owner(s) shall have the right, pursuant to the terms of Article 10 of the Declaration, to (i) make any alterations, additions, improvements or repairs in or to the Garage Unit(s), whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of the Garage Unit(s), all without the approval of the Board.

6.11.4 All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all Laws. A Unit Owner (and his successors), excluding the Garage Unit Owner(s), making or causing to be made any alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to be liable for all future maintenance and the cost thereof relative to any such alteration, addition, improvement or repair and to hold the Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.5 Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make an alteration, addition, improvement or repair in or to any Unit, excluding the Garage Unit(s), so approved by the Board (if such approval is required) shall, if required by Law or such department or authority, be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant and/or its designee(s) is hereby authorized on behalf of the Board to execute the Required Documentation as may be required to undertake, perform and complete such work to the Unsold Residential Units, Commercial Units and Common Elements and Residential Common Elements as Declarant and/or its designee(s) is entitled to perform in accordance with the terms of the Declaration and these By-Laws (including, without limitation, any certificates as may be required to amend the existing certificate of occupancy to reflect a reconfiguration of the Residential Units or Commercial Units and/or a change in use) and to obtain such certificates of completion as may then be required by Law and the Board, if requested by Declarant and/or its designee(s), shall execute the Required Documentation.

6.12 Alterations, Additions, Improvements or Repairs to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to (i) the Common Elements shall be made by the Board and the cost and expense thereof shall be charged to the Unit Owners (excluding the Garage Unit Owner) as a Common Expense, (ii) the Residential Common Elements shall be made by the Board and the cost and expense thereof shall be charged to the Residential Unit Owners as a Common Expense, (iii) a Residential Unit shall be made by the Residential Unit Owner thereof at the Residential Unit Owner's sole cost and expense, (iv) a Residential Limited Common Element shall be made by the Residential Unit Owner thereof at the Residential Unit Owner's sole cost and expense, (v) a Commercial Limited Common Element shall be made by the Commercial Unit Owner thereof at the Commercial Unit Owner's sole cost and expense, and (vi) the Commercial Units shall be made by the Commercial Unit Owners at the Commercial Unit Owners' sole cost and expense.

6.13 Alterations of Certain Common Elements.

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by the Board, Mortgage Representative or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (collectively, an "Alteration"), proposed to be made by Declarant and/or its designee(s) (collectively, the "Proponent"), such consent shall not be unreasonably withheld or delayed by the Board, Mortgage Representative or Unit Owner (collectively, the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30 day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses, (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party and (c) the proposed Alteration would not materially weaken the structure of the Building.

6.13.2 Nothing contained in Subsection 6.13.1 hereof shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.14 Restrictions on Use of Units.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Residential Units, each Residential Unit shall be used for residential purposes only; provided, however, that with the consent of the Board or Declarant, up to 25% of the usable floor space of any Residential Unit (but not to exceed 500 square feet) may be used for certain home occupation or professional office use, provided such use does not interfere with the use and enjoyment of other Residential Units by their respective Residential Unit Owners.

6.14.1.1 Notwithstanding anything to the contrary set forth above, the Board or the Declarant and/or its designee(s) (in connection with the conveyance of an Unsold Residential Unit) may, in their respective discretion, grant permission for the use of a Residential Unit as a professional office or for any other purpose, provided such use (1) is permitted by Law, (2) does not violate any then existing certificate of occupancy for the Building, (3) complies with all applicable governmental regulations and (4) does not interfere with the use and enjoyment of other Residential Units by their respective Residential Unit Owners. Such permission by the Board or the Declarant and/or its designee(s), as the case may be, shall be in writing and shall be personal to the Residential Unit Owner. Any successor in title to such Residential Unit shall be required to obtain the prior written approval of the Board or Declarant and/or its designee(s), as the case may be, before using such Residential Unit as a professional office or for any other purpose. No portion of a Residential Unit (other than the entire Residential Unit) may be sold, conveyed, leased or subleased, and no transient occupant may be accommodated therein.

6.14.1.2 Each Residential Unit Owner shall notify the managing agent in writing when a child or children under the age of 10 years lives or resides (even temporarily) in the Residential Unit. Each Residential Unit Owner shall install, at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the managing agent. See the Section of the Plan entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" for further details.

6.14.1.3 The Commercial Units may be used for any lawful purpose.

6.15 Use of Common Elements.

6.15.1 The Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 The Residential Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.3 Without the prior consent of the Board, no furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the Common Elements, Residential Common Elements or Residential Limited Common Elements, if any, other than in any (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in areas designated as storage areas, if any, including without limitation the Storage

Lockers. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Under no circumstances shall the entrances to the Commercial Units and or the Commercial Limited Common Elements, if any, be obstructed.

6.15.4 Residential Unit Owners and Commercial Unit Owners, other than the Declarant and/or its designee(s) shall require their tradesmen to utilize exclusively the elevator (if any) and entrance designated by the Board for transporting packages, merchandise or other objects.

6.15.5 The owner of any 2 or more Residential Units, which Residential Units are serviced or benefited by any Common Element or Residential Common Element adjacent or appurtenant to such Residential Units (or serviced or benefited by any Common Element or Residential Common Element adjacent or appurtenant to such Residential Units located on opposite sides of such hallway) shall, to the extent permitted by Law and with the consent of the Board (which consent may be withheld in the absolute discretion of the Board), have the exclusive right of use of such Common Element or Residential Common Element as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation and maintenance of such Common Element or Residential Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element or Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Residential Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys its Residential Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.15.6 Each Storage Locker shall be used only for the storage of personal effects of the Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any material which will pose a health or safety threat or which will result in the cancellation of insurance on the Building, or the contents thereof, or which would otherwise create a nuisance, be stored therein. Except for Declarant, no Storage Locker may be licensed independently of the ownership of a Residential Unit.

6.15.7 The Board has the authority to promulgate additional rules regarding the use of and access to the Storage Lockers and the procedures for assigning such Storage Lockers (other than Storage Lockers that have not yet been licensed by Declarant). A Residential Unit Owner may transfer or surrender the Storage License to the Board which shall be authorized to reissue such Storage Locker License to another Residential Unit Owner for such consideration as the Board shall deem appropriate.

6.15.8 Notwithstanding anything to the contrary contained in this Section 6.15, Declarant and/or its designee(s) may, without the consent of either the Condominium or the Unit Owners, use any unlicensed Storage Locker for any purpose, provided such use is permitted by law, and the Board shall not charge Declarant and/or its designee(s) any fees in connection with Declarant's and/or its designee(s) exercise of its rights to use or Storage Lockers.

6.16 Other Provisions as to Use. No nuisance shall be allowed in any Residential Unit, nor shall any use or practice be allowed in the Residential Unit, which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of any Residential Unit or any portion thereof. All Laws relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

6.17 Right of Access. Each Unit Owner shall grant a right of access to such Unit Owner's Unit, Residential Limited Common Elements and Storage Locker, if any, to the Declarant and/or its designee(s) for the completion of any work to be performed in the Building including but not limited to any punch list work in Residential Units, and to the Board, the Managing Agent, Superintendent and/or any other person authorized by the Declarant and/or its designee(s). In case of an Emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.18 Residential Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are residential rules and regulations (collectively, the "Residential Rules and Regulations") concerning the use of the Residential Units and the Common Elements and Residential Common Elements and Residential Limited Common Elements. The Board may from time to time, modify, amend or add to the Residential Rules and Regulations. In addition to the authority set forth in Section 6.15.7 above, the Board shall also have the authority to promulgate special rules and regulations concerning the use of a Storage Locker, if any, for the personal property of the Residential Unit Owners.

6.19 Real Estate Taxes, Water Charges and Sewer Rents. Water and sewer services shall be supplied to and for all of the Residential and Commercial Units (other than the Garage Unit) and any Residential Limited Common Elements through one or more building systems by the City of New York or such other utility servicing the Residential Unit. Except to the extent Unit Owners are billed directly by the City Collector, the Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. Until the Units are separately assessed for real estate tax purposes, the Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property (in the proportion that the Common Interest of each Unit bears to the Common Interests of all Units) to the Board as Common Charges, which will in turn pay such taxes to the proper authorities of the City of New York. In the event of a proposed sale of any Unit, the Board, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as the Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities.

6.20 Fuel. The cost and expense of fuel serving or benefiting the Building and the Residential Units will be borne by the Residential Unit Owners as a Common Charge.

6.21 Gas. Gas for the Units (including without limitation, gas for hot water) will be supplied by the utility company servicing the gas distribution system in the Building. The Units are not separately metered for gas. The Condominium will pay the gas cost as a Common Expense.

6.22 Electricity. Electricity for each Unit shall be supplied by the utility company servicing the Units and metered or submetered for each Unit (or portion thereof). Each Residential Unit Owner shall be required to pay the bills for electricity consumed or used in such Residential Unit Owner's Residential Unit (or portion thereof) and any Residential Limited Common Elements to which such Residential Unit has exclusive access, directly to the utility company or as directed by the Board. The Commercial Units are or will be separately metered for electric and the Commercial Unit Owners will pay the cost of such directly to the utility.

6.23 Utilities Serving the Common Elements. Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Element, (ii) determined by the Board, and (iii) charged as a Common Expense. Electricity for the Common Elements and

Residential Common Elements shall be supplied through one or more separate meters or submeters therefor and the cost thereof will be paid by the Board and will be borne by the Residential Unit Owners accordingly as Common Charges.

6.24 Abatement and Enjoinment of Violations by Unit Owners.

6.24.1 The violation of any of the Residential Rules and Regulations or the breach of these By-Laws or the breach of any provision of the Declaration, shall give the Board the right, but not the obligation, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or any Common Element, Residential Common Element or Residential Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Residential Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.24.2 The violation or the breach of these By-Laws or the breach of any provision of the Declaration, shall give the Board the right, but not the obligation, in addition to such other rights set forth in these By-Laws, (i) to enter any Commercial Unit or any Common Element or Commercial Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Commercial Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than 1 days' notice, except that no notice will be necessary in the case of an Emergency.

6.24.3 The violation or breach of any of the provisions of these By-Laws, any of the Residential Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant and/or its designee(s) shall give to Declarant and/or its designee(s) the right, in addition to any other rights set forth in these By-Laws or the Declaration, the right to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7.

MORTGAGES

7.1 Notice to Board. A Unit Owner who mortgages such Unit Owner's Unit or the holder of any mortgage encumbering such Unit, shall notify the Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board. For Residential Units, the mortgage shall be substantially in the form of the New York Board of Title Underwriters or such other forms customarily used by lenders making loans secured by individual condominium Units. Such Residential Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage covering such Unit Owner's Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. The Board shall maintain such information in a book entitled "Mortgages of Units." The provisions of this Article 7.1 shall not apply to Declarant and/or its designees.

7.2 Notice of Default and Unpaid Common Charges. The Board shall promptly report to such Permitted Mortgagee any default in the payment of Common Charges or any other default by the Unit

Owner of such Unit under the provisions of the Declaration or these By-Laws which may to the Board's knowledge then exist. The Board agrees to provide a Permitted Mortgagee, and any guarantor of a Permitted Mortgage who the Unit Owner making such mortgage, or the holder of any mortgage encumbering such Unit, has provided written notice to the Board, prompt notice of any 60 day delinquency in the payment of assessments or charges owed by any Unit Owner on which it holds a Permitted Mortgage. However, the Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any Unit Owner default under the Condominium's Declaration or By-Laws, provided that if the Board shall foreclose a lien on a Unit by reason of a default, the Board shall pay the permitted Mortgagee of the Unit any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

7.3 Performance by Permitted Mortgagees. The Board shall accept from any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Residential Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner and in such event and receipt by the Permitted Mortgagee of notice of any such default, the Permitted Mortgagee shall be entitled to an additional 10 day period after expiration of applicable notice and cure periods within which to cure any monetary default by a Unit Owner hereunder and an additional 30 days after expiration of applicable notice and cure periods within which to cure any non-monetary default by a Unit Owner hereunder; provided, however, that in the case of a non-monetary default that cannot, in the exercise of due diligence, be cured within such 30 day period, the Permitted Mortgagee shall have such time as is reasonably necessary to cure such non-monetary default (including any time reasonably necessary to obtain possession of the Unit(s) covered by such Permitted Mortgage if possession is necessary to enable such Permitted Mortgagee to cure or remedy such default or event of default), provided that such Permitted Mortgagee proceeds with all due diligence to cure or remedy such breach or default and/or obtain possession. In the event that more than 1 Permitted Mortgage is secured by a Unit, the senior Permitted Mortgagee shall be entitled to take all actions permitted under this Article unless all the Permitted Mortgagees otherwise designate a different Permitted Mortgagee to so act, by notice to the Board.

7.4 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, and upon reasonable notice, on business days, but not more than once a month.

7.5 Representatives of Mortgagees.

7.5.1 In the manner more particularly set forth in Subsection 7.5.2 hereof, the holders of Institutional Mortgages (as hereinafter defined) may, at their election, designate 1 or more, but not more than 3, representatives ("Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Mortgage Representatives are so designated and notice thereof is given to the Board, the act of any such Representative (or a majority of such Representatives if more than 1 is so designated) shall be deemed binding upon the holders of all Institutional Mortgages.

7.5.2 Any designation of a Mortgage Representative made by the holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages shall be binding upon the holders of all Institutional Mortgages. Any such designation of any Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the Board. Unless otherwise required by Law, all Permitted Mortgagees other than holders of an Institutional Mortgage shall have no right to participate in the selection of Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.5.3 The Board agrees to provide a Permitted Mortgagee, and any guarantor of a Permitted Mortgage who the Unit Owner making such mortgage, or the holder of any mortgage encumbering such Unit, has provided written notice to the Board, prompt notice of any proposed action that requires the consent of the Mortgagee Representative.

7.6 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Board, any officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against such Unit Owner's mortgagor.

ARTICLE 8.

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 Selling and Leasing.

No Residential Unit Owner, other than Declarant (to whom the following shall not apply), may sell or lease such Residential Unit Owner's Residential Unit except by complying with the following provisions.

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase such Residential Unit Owner's Residential Unit together with its appurtenant Common Interest, or (b) lease such Residential Unit Owner's Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, an "Outside Offer," the party making any such Outside Offer, an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made, an "Offeree Residential Unit Owner"), which the Offeree Residential Unit Owner intends to accept, shall give notice by hand delivery or certified or registered mail, return receipt requested, to the Residential Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as the Residential Board may reasonably require. The giving of such notice to the Residential Board shall constitute an offer by the Offeree Residential Unit Owner to sell such Residential Unit Owner's Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit Owner's Residential Unit to the Residential Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Residential Unit Owner to the Residential Board acting on behalf of all Residential Unit Owners that the Offeree Residential Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Residential Unit Owner shall submit in writing such further information with respect thereto as the Residential Board may reasonably request. Not later than 30 days after receipt of such notice together with such information as may have been requested, the Residential Board may elect, by sending written notice to such Offeree Residential Unit Owner before the expiration of said 30 day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Residential Unit Owners represented by the Residential Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Residential Unit Owner.

8.1.2 In the event the Residential Board (either directly or through a designee) shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for the Residential Board, in

accordance with the terms of the Outside Offer, within 45 days after the giving of notice by the Residential Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date the Residential Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by the Residential Board of its election to accept the aforesaid offer, the Residential Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to the Residential Board referred to in Subsection 8.1.1 hereof as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Residential Unit Owner's existing mortgage or mortgages, the Residential Board may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Residential Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Residential Board, or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Residential Unit Owner, who shall also pay all other taxes arising out of such sale (other than the "Mansion Tax," if any, which shall be paid by the Residential Board). Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Residential Unit Owner and the Residential Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Residential Unit Owner shall execute and deliver to the Residential Board, or to its designee, corporate or otherwise, a lease between the Offeree Residential Unit Owner, as landlord, and the Residential Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Residential Board or its designee shall fail to accept such offer within 30 days after receipt of notice, as aforesaid, the Offeree Residential Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Residential Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Residential Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Residential Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Residential Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Residential Board, in its discretion, may waive the Offeree Residential Unit Owner's obligation to comply with either or both of the 60-day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Residential Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that it may not be materially modified, amended or extended without the prior written consent of the Residential Board, that the tenant shall not assign such Residential Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior written consent of the Residential Board and that the Residential Board, if

permitted by applicable Law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Residential Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Residential Board which governs the Residential Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Board. Any lease executed by the Residential Board, as tenant, shall provide that the Residential Board may enter into a sublease of the demised premises without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall not apply to the Unsold Residential Units or Residential Units rented to or by Declarant and/or its designee(s). Declarant and/or its designee(s) shall have the right to freely sell their respective Unsold Residential Units, or to freely lease all or any part of the Unsold Residential Units, without having to first offer the same for sale or lease to the Residential Board.

No Commercial Unit Owner, other than Declarant (to whom the following shall not apply), may sell or lease such Commercial Unit Owner's Commercial Unit except by complying with the following provisions.

8.1.8 Any Commercial Unit Owner who receives a bona fide offer to (a) purchase such Commercial Unit Owner's Commercial Unit together with its appurtenant Common Interest, or (b) lease such Commercial Unit Owner's Commercial Unit (such offer to purchase or lease a Commercial Unit, as the case may be, an "Outside Offer," the party making any such Outside Offer, an "Outside Offeror" and the Commercial Unit Owner to whom the Outside Offer is made, an "Offeree Commercial Unit Owner"), which the Offeree Commercial Unit Owner intends to accept, shall give notice by hand delivery or certified or registered mail, return receipt requested, to the Commercial Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as the Commercial Board may reasonably require. The giving of such notice to the Commercial Board shall constitute an offer by the Offeree Commercial Unit Owner to sell such Commercial Unit Owner's Commercial Unit together with its appurtenant Common Interest or to lease such Commercial Unit Owner's Commercial Unit to the Commercial Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Commercial Unit Owner to the Commercial Board acting on behalf of all Commercial Unit Owners that the Offeree Commercial Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Commercial Unit Owner shall submit in writing such further information with respect thereto as the Commercial Board may reasonably request. Not later than 30 days after receipt of such notice together with such information as may have been requested, the Commercial Board may elect, by sending written notice to such Offeree Commercial Unit Owner before the expiration of said 30 day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Commercial Unit together with its appurtenant Common Interest or to lease such Commercial Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Commercial Unit Owners represented by the Commercial Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Commercial Unit Owner. The Offeree Commercial Unit Owner may not participate in any vote held by the Commercial Board to determine if the Commercial Board will purchase the Commercial Unit.

8.1.9 In the event the Commercial Board (either directly or through a designee) shall timely elect to purchase a Commercial Unit together with its appurtenant Common Interest or to lease such Commercial Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for the Commercial Board, in accordance with the terms of the Outside Offer, within 45 days after the giving of notice by the Commercial Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date the Commercial Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by the Commercial Board of its election to accept the aforesaid offer, the Commercial Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to the Commercial Board referred to in Subsection 8.1.8 hereof as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Commercial Unit subject to the Offeree Commercial Unit Owner's existing mortgage or mortgages, the Commercial Board may purchase the Commercial Unit and assume or take title to the Commercial Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Commercial Unit Owner, if such Commercial Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Commercial Board, or to its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Commercial Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Commercial Unit Owner and the Commercial Board, or its designee, corporate or otherwise, as of the closing date. In the event such Commercial Unit is to be leased, the Offeree Commercial Unit Owner shall execute and deliver to the Commercial Board, or to its designee, corporate or otherwise, a lease between the Offeree Commercial Unit Owner, as landlord, and the Commercial Board, or its designee, corporate or otherwise, as tenant, covering such Commercial Unit, for the rental and term contained in such Outside Offer.

8.1.10 In the event the Commercial Board or its designee shall fail to accept such offer within 30 days after receipt of notice, as aforesaid, the Offeree Commercial Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Commercial Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Commercial Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Commercial Unit Owner thereafter elect to sell such Commercial Unit together with its appurtenant Common Interest or to lease such Commercial Unit, as the case may be, the Offeree Commercial Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Commercial Board, in its discretion, may waive the Offeree Commercial Unit Owner's obligation to comply with either or both of the 60-day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.11 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as they may apply, as the same may be amended from time to time.

8.1.12 Any lease executed in connection with the acceptance of any Outside Offer to lease a Commercial Unit shall be consistent with these By-Laws and shall provide that it may not be materially

modified, amended or extended without the prior written consent of the Commercial Board, that the tenant shall not assign such Commercial Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior written consent of the Commercial Board and that the Commercial Board, if permitted by applicable Law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.13 Except as hereinbefore set forth, the form of any such lease executed by the Commercial Board or an Outside Offeror shall be a printed, reasonably applicable form of commercial lease which is generally approved by the Commercial Board which governs the Commercial Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Commercial Board. Any lease executed by the Commercial Board, as tenant, shall provide that the Commercial Board may enter into a sublease of the demised premises without the consent of the landlord.

8.1.14 The Commercial Units shall not be used: (i) in connection with the sale, distribution, display, use, preparation or printing of any pornographic, obscene (as defined in Section 235.00 of the New York Penal Law) or "adult" books, films, videos, recordings, telephone services or similar material, (ii) as a methadone or other drug treatment facility or testing facility, (iii) as a nightclub or discotheque, (iv) as a gambling or gaming establishment, (v) as a delivery or messenger service, (vi) as a car service or limousine service, (vii) as a dry cleaning or laundry facility where dry cleaning or laundry is done on site, (viii) as an abortion clinic, (ix) as a funeral home or any other use which would impair the reputation of the Building or (x) for any other use of a similar nature.

8.1.15 The foregoing restrictions of this Section 8.1 shall not apply to the Commercial Units rented to or by Declarant and/or its designee(s). Declarant and/or its designee(s) shall have the right to freely sell their respective Commercial Units, or to freely lease all or any part of the Commercial Units, without having to first offer the same for sale or lease to the Board.

8.2 Sovereign Immunity. Notwithstanding anything to the contrary set forth above, before any Residential Unit is conveyed to a government or governmental mission, or to a department, agency or consulate of a government, or to any other party who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act, as the same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable) (such grantee, a "Governmental Entity"), from any legal or equitable proceedings in the United States of America or elsewhere, the Board may require that the potential grantee enter into an agreement with the Board, on terms acceptable to the Board and its counsel, in which the potential grantee (i) agrees to a specified arrangement for service of process, (ii) expressly and irrevocably waives, to the full extent permitted by law (including, without limitation, the United States Foreign Sovereign Immunities Act, as same may be amended), with respect to the potential grantee, and with respect to any and all other intended occupants of the Residential Unit, any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (and diplomatic and consular immunity, if applicable) from any legal or equitable proceedings in the United States of America or elsewhere, brought by the Board or any other party claiming with respect to the Residential Unit (including without limitation, immunity from service of process, immunity from jurisdiction of any court or tribunal and immunity of any of that party's property from attachment prior to entry of judgment and from attachment in aid of execution, and from execution itself, upon a judgment), (iii) agrees that any legal action or proceeding with respect to the Residential Unit may be brought in the courts of the State of New York and in the City of New York or in the United States

District Court for the Southern District of New York, as the Board shall elect, and (iv) permits execution and enforcement of any judgment obtained by the Board.

8.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein its appurtenant Common Interest, it being the intention 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 Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the leasing of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4 Release by Board of Right of First Refusal. The right of first refusal contained in Section 8.1 hereof may be released or waived by the relevant Board only in the manner provided in Section 8.5 hereof. In the event the relevant Board shall release or waive its right of first refusal as to any Unit, such Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1.1 and 8.1.2 hereof, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3 hereof.

8.5 Certificate of Termination of Right of First Refusal. A certificate executed by an officer of the relevant Board stating that the provisions of Subsection 8.1.1 or Subsection 8.1.8 hereof have been met by a Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the relevant Board, and that as a result thereof the rights of the relevant Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3 or Subsection 8.1.9 hereof), shall be conclusive upon the relevant Board and the Unit Owners in favor of all persons who rely on such certificate in good faith. The Board shall furnish such certificate upon request to any Unit Owner with respect to whom the provisions of Subsection 8.1.1 or Subsection 8.1.8 hereof apply.

8.6 Financing of Purchase of Units by Board. The purchase of any Unit by the relevant Board or its designee, on behalf of all Residential Unit Owners or all Commercial Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the relevant Board. If the funds in such accounts are insufficient to effectuate any such purchase (taking into account the need to maintain a reserve in such accounts), the relevant Board may levy an assessment against each Residential Unit Owner or Commercial Unit Owner (excluding the Garage Unit Owner) in proportion to such Unit Owner's respective Common Interest, as a Common Charge, and/or the relevant Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the financed Unit (s) to be purchased together with its (their) appurtenant Common Interest(s).

8.7 Exceptions. The provisions of Section 8.1 hereof shall not apply with respect to any lease, sale or conveyance of any Residential Unit together with its appurtenant Common Interest by (a) the Residential Unit Owner thereof to such Residential Unit Owner's spouse, life partner, adult children or grandchildren, parents, grandparents, adult siblings or to any 1 or more of them, (b) Declarant and/or its designee(s), (c) the Board, (d) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or its assignees, who has acquired title to any Residential Unit at any foreclosure sale of such Residential Unit Owner's Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall

be bound by, and such Residential Unit Owner's Residential Unit subject to, the provisions of this Article 8.

8.8 Gifts and Devises, etc. Any Residential Unit Owner shall be free to lease, sell or convey, gift, devise or have pass by intestacy the Residential Unit to a spouse, life partner, adult child or grandchild, parent, grandparent or adult sibling, without being subject to the restrictions of Section 8.1 hereof; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Residential Unit Owner's Residential Unit shall remain subject to, the provisions of this Article 8.

8.9 Unauthorized Sales or Leases of Units. Any purported sale or lease of a Unit consummated in violation of Sections 8.1, 8.2 or 8.3 hereof shall be voidable at the election of the relevant Board and if the relevant Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the relevant Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized lease), in the name of the said Unit Owner as the owner or landlord, as the case may be. Said Unit Owner shall reimburse the relevant Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 Charges Imposed on Sale or Lease of Units. If permitted by Law, the relevant Board shall be entitled to fix by resolution and collect, before any sale or lease of a Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the relevant Board, in connection with the sale or lease. Additionally, with the consent of the Declarant and/or its designee(s) (for so long as there are any Unsold Units), the Board may, if permitted by Law, by resolution adopt a "flip" tax in connection with such sale in order to create a reserve fund which will provide reserves for the Condominium to use in the future for capital improvements, emergency repairs and working capital. If such charges are adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charges shall not apply to the lease of a Unit to Declarant and/or its designee(s), to the sale or lease of Unsold Units by Declarant and/or its designee(s), or to the sale or lease of Unsold Units by a Permitted Mortgagee of Declarant and/or its designee(s) that acquires title to Unsold Units.

8.11 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 16 of the Declaration, in the form set forth as Exhibit E to the Declaration.

8.12 Notices Concerning Residential Unit Ownership and Occupancy. Within 5 days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Residential Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Residential Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Residential Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent. For so long as any Residential Units are occupied by Non-Purchasing Tenants, a purchaser of such Residential Unit, promptly after acquiring title to the Residential Unit, shall notify the Non-Purchasing Tenant of the change in ownership and the name of the new Residential Unit Owner and the Board shall make available such information to the Non-Purchasing Tenant. Additionally, each purchaser of a Residential Unit occupied by a Non-Purchasing Tenant must: (a) deposit with the Managing Agent at the closing of title to the Residential Unit, a sum not less than an amount equal to the greater of (i) 2 months' Common Charges or (ii) 2 months' rent to be used as working capital to furnish those services and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL, and (b) upon written notice by the Managing Agent that the deposit has been diminished, replenish such fund within a 30 day period.

8.13 Waiver of Right of Partition with Respect to Residential Units Acquired on Behalf of Residential Unit Owners as Tenants-in-Common. In the event that any Residential Unit shall be acquired by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners as tenants-in-common, all such Residential Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Residential Unit as herein provided.

8.14 Mortgage of Units. Subject to Article 7 hereof, each Unit Owner shall have the right to mortgage such Unit Owner's Unit without restriction, provided that the Unit Owner making such mortgage shall notify in writing the Board of the making of such mortgage.

8.15 Lease or Purchase of a Residential Unit or Other Apartment for the Superintendent's Residence. The Residential Board shall have the right to lease or purchase and finance the purchase of a Residential Unit or other apartment, in addition to the Superintendent's Apartment, for the Superintendent's use and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease, purchase or financing.

8.16 Assignment of Licenses. No Residential Unit Owner, other than the Declarant and/or its designee(s), shall be permitted to assign or convey a Storage Locker License to anyone other than a Residential Unit Owner. Such Storage Locker License may be assigned by a Residential Unit Owner at any time (and not subject to any right of first refusal by the Board) provided (i) the assignee is a Residential Unit Owner; (ii) the assignee assumes the obligations under the Storage Locker License; (iii) notification of the assignment is promptly delivered to the Board in compliance with its requirements; and (iv) all Special Assessments and other obligations due to the Condominium have been paid in full.

ARTICLE 9.

RECORDS AND AUDITS

9.1 Records. The Board or the Managing Agent, if any, shall keep detailed records of the actions of the Board, minutes of the meetings of the Unit Owners and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board shall keep a separate account for each Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Board against each Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

9.2 Audits. Within 4 months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by the Board to all Unit Owners and, if so requested, to any Permitted Mortgagee. The cost of such report submitted by the Board shall be paid by the Unit Owners as a Common Expense.

9.3 Availability of Documents. Copies of the Declaration, these By-Laws, the Residential Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 10.

ARBITRATION

10.1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted before 1 arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before 1 arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of Queens. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's appointment. Any arbitrator appointed or selected in connection with arbitration under this Article 10 shall be a lawyer or real estate developer or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than 15 years.

10.2 Costs and Expenses. The fees, costs and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants. Each disputant will also bear the fees and expenses of its own counsel and expert witnesses. All costs and expenses paid or incurred by the Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses will constitute Common Expenses.

10.3 Agreement by Parties. The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 10.1 hereof with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 11.

MISCELLANEOUS

11.1 Waiver. No provision contained in these By-Laws or the Residential Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

11.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

11.3 Certain References.

11.3.1 A reference in these By-Laws to any 1 gender, masculine, feminine or neuter, includes the other 2, and the singular includes the plural, and vice versa, unless the context otherwise requires.

11.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

11.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

11.4 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. In the event any provision of these By-Laws or the Residential Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

11.5 Insurance Trustee. As used herein, the term “Insurance Trustee” shall refer to a bank or trust company in the City of New York, designated by the Board and having a capital surplus and undivided profits of \$500,000,000 or more. In the event the Insurance Trustee resigns or the Board wishes to replace it, the Board shall promptly appoint a new Insurance Trustee. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York.

11.6 Successors and Assigns. Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant and/or its designee(s) as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant and/or its designee(s), and with the consent of Declarant and/or its designee(s), any transferee of some or all of the Unsold Residential Units or Unsold Commercial Units owned by Declarant and/or its designee(s), as the case may be. Subject to the foregoing, the Commercial Unit Owners and the Declarant and/or their designee(s) shall have the right, at any time in their sole discretion to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease assignment or otherwise. The rights and/or obligations of the Commercial Unit Owners and/or their designee(s) as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners and/or their designee(s) or, with the consent of Declarant and/or its designee(s), any transferee of some or all of the Unsold Commercial Units then owned by Declarant and/or its designee(s), as the case may be. The rights and/or obligations of the Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Unit Owners.

11.7 Covenant of Further Assurances.

11.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, upon prior reasonable written request and (except if the requesting party is the Board) at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

11.7.2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails, within 10 days (or 60 days, where the other party is a Permitted Mortgagee) after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery (with a copy to the Board) stating the reasons why such Unit Owner or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Board or other party is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver

such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

11.7.3 If any Unit Owner, the Board or other party which is subject to the terms of these By-Laws fails, within ten 10 days (or 60 days, where the other party is a Permitted Mortgagee) after written request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, the Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant and/or its designee(s) or (ii) to deliver a written notice to Declarant and/or its designee(s), as applicable (with a copy to the Board), stating the reasons why such Unit Owner, the Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant and/or its designee(s) are hereby authorized, as attorney-in-fact for such Unit Owner, the Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, the Board or other party and such document or action shall be binding on such Unit Owner, the Board or other party, as the case may be.

ARTICLE 12.

AMENDMENT TO BY-LAWS

12.1 Amendments by Unit Owners. Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), or any Unsold Residential Units or Unsold Commercial Units, any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), Permitted Mortgagees or any Unsold Residential Units or any Unsold Commercial Units, any such amendment, modification, addition or deletion shall be executed by the Board, as attorney-in-fact for the Unit Owners, coupled with an interest, which the Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant and/or its designee(s) or any Unsold Residential Units, or any Unsold Commercial Units (i) no amendment, modification, addition or deletion pursuant to the provisions of the first sentence hereof shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any, or Declarant and/or its designee(s), and (ii) the provisions of this Section 12.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, as the case may be), 80% in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

12.2 Amendments Affecting Declarant and/or its designee(s). Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Residential Rules and Regulations shall be effective in any way (a) without the prior written consent of Declarant and/or its designee(s) or the owner of any Unsold Residential Unit or Unsold Commercial Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Residential Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant and/or its designee(s) or the owner of any Unsold Residential Unit or Unsold Commercial Unit, as the case may be, or otherwise adversely affecting Declarant and/or its designee(s) or the owner of any Unsold Residential Unit or any Unsold Commercial Unit, as the case may be, or (b) without the prior written consent of the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Residential Units or any Unsold Commercial Units, if required

under the terms of such mortgage, pledge or other lien or security interest, with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration, or the Residential Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or Unsold Commercial Units, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Unsold Commercial Units. Declarant and/or its designee(s) shall have the right to amend these By-Laws, without the consent of the Board or any other Unit Owner, to effectuate the rights otherwise granted to Declarant and/or its designee(s) under the terms of the Declaration and these By-Laws.

12.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or Sections 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e) or 8.10 hereof shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

SCHEDULE A
RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Residential Units and the Commercial Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Building.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators (if any), vestibules, corridors, stairways or fire towers of the Building.

4. No public hall or public elevator vestibule (if any) of the Building shall be decorated or furnished by any Residential Unit Owner in any manner.

5. Each Residential Unit Owner shall keep such Residential Unit Owner's Residential Unit and any Residential Limited Common Elements appurtenant thereto in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. No window guards or window decorations shall be used in or about any Residential Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Board or the managing agent of the Condominium, which approval shall not be unreasonably withheld or delayed.

7. No radio, television aerial, satellite, disk or similar devices shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Building except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Board or the managing agent of the Building, nor shall anything be projected from any door or window of the Building without similar approval except as may otherwise be required by Law.

8. No heat, ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Residential Unit.

10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in the elevators other than the elevators (if any) designated by the Board or the managing agent of the Condominium for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Building.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Building or do or permit anything to be done therein, which will unreasonably interfere with the rights, comfort or convenience of other Residential Unit Owners. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television computer, stereo or other loudspeaker in such Residential Unit Owner's Residential Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Board. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an Emergency or unless such work is performed by Declarant and/or its designee(s).

12. No pets other than dogs, caged birds, cats and fish (which do not and are not reasonably expected to cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in a Residential Unit or a Storage Locker without the same in each instance having been expressly permitted in writing by the Board or the managing agent of the Building and such consent, if given, shall be revocable by the Board or such managing agent in their sole discretion, at any time. In no event shall any Residential Unit Owner maintain more than 1 pet in a Residential Unit without the consent of the Board nor shall any bird, reptile or animal be permitted in any public elevator in the Building, other than the elevators designated by the Board or the managing agent Building for that purpose, or in any of the public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in such Residential Unit Owner's Residential Unit may be required to enter into an agreement with the Board setting forth such other rules regarding pets as the Board shall deem suitable and indemnifying and holding harmless the Condominium, all Residential Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. Messengers and trades people visiting in the Building may be required to use the elevators (if any) designated by the Board or the managing agent of the Condominium for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses in the employ of Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Residential Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Residential Unit Owner.

14. All service and delivery persons may be required to use the service entrance (if any). All packages, whenever feasible, may be required to be delivered by outside personnel to the package room (if any) in the lobby where such packages will be held for pick-up by Residential Unit Owners.

15. Trunks and heavy baggage shall be taken in or out of the Building by the elevators designated by the Board or the managing agent of the Building for that purpose, and through a designated entrance only.

16. No refuse from the Residential Units shall be sent to the Lower Level of the Building except at such times and in such manner as the Board or the managing agent may direct.

17. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Residential Unit.

14. No occupant of the Building shall send any employee of the Building or of the managing agent thereof out of the Condominium on any private business.

19. The agents of the Board or the managing agent, and any contractor or worker authorized by the Board or the managing agent, may enter any room or Residential Unit at any reasonable hour of the day, on at least 1 day's prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

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

21. The Board or the managing agent may retain a passkey to each Residential Unit that has locks. If any lock is altered or a new lock is installed, the Board or the managing agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to such Residential Unit Owner's Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-Laws and has not furnished a key to the Board or the managing agent, then the Board or the managing agent (but, except in an Emergency, only when specifically authorized by an officer of the Board or an officer of the managing agent) may forcibly enter such Residential Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Residential Unit Owner's property).

22. No vehicle belonging to a Residential Unit Owner or to a member of the family or guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building.

23. Complaints regarding the services of the Building shall be made in writing to the Board or to the managing agent.

24. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Board (or the managing agent if authorized by the Board), at any time by resolution of the Board. Further, any such consent or approval may, in the discretion of the Board, be conditional in nature.

25. Residential Unit Owners will faithfully observe the following procedures with respect to the use of any compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; (f) refrain from depositing waste of an explosive nature therein; and (g) observe all Laws regarding the recycling of refuse then imposed by governmental agencies having jurisdiction thereover.

26. Except as expressly permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

27. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Residential Units or Residential Limited Common Elements.

28. No Residential Unit Owner or any of such Residential Unit Owner's agents, servants, employees, tenants, sublessees or visitors shall at any time bring into or keep in such Residential Unit Owner's Residential Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except in the minimum quantities as shall be necessary and appropriate for the permitted uses of such Residential Unit.

29. If any key or keys are entrusted by a Residential Unit Owner or by any member of such Residential Unit Owner's family or by such Residential Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Board or the managing agent whether for such Residential Unit Owner's Residential Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Board nor the managing agent shall (except as provided in paragraph 21 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

30. Nothing shall be done or kept in any Residential Unit or in the Common Elements or Residential Common Elements or Residential Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. No Residential Unit Owner shall permit anything to be done or kept in such Residential Unit Owner's Residential Unit or in the Common Elements or Residential Common Elements or Residential Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any Law. No waste shall be committed in the Common Elements or Residential Common Elements.

31. Subject to the provisions in the Condominium Documents governing the Storage Space and the Storage Lockers including Declarant's right to install additional Storage Lockers, the Board shall have the right from time to time to relocate any portion of the Common Elements or Residential Common Elements devoted to storage or service purposes, if any.

32. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the prior consent of the Board or the managing agent.

33. In the event that any Residential Unit is used for a doctor's office or other home occupation purposes which is permitted by Law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

34. Unless expressly authorized by the Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs carpeting or equally effective noise-reducing material.

35. There will be no barbecuing in the Residential Units or in any Residential Limited Common Elements or the Common Elements or the Residential Common Elements, except for those areas (if any) specifically designated for barbecuing by the Board.

36. The Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Building when, in the reasonable judgment of the Board, the Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Building, or the preservation of good order therein, or the operation or maintenance of the Building, or the equipment thereof, or the comfort of Residential Unit Owners, occupants or others in the Building. No rescission, alteration, waiver or addition of any rule or regulation in respect of 1 Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

EXHIBIT E**TO THE DECLARATION OF THE CONDOMINIUM****POWER OF ATTORNEY**

(to be executed in triplicate)

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by Cherry Associates LLC ("Declarant") establishing a plan for condominium ownership of the premises known as The Infinity 8 on Cherry Condominium (the "Condominium") and by the street number 136-04 Cherry Avenue, Flushing, New York 11355 under Article 9-B of the Real Property Law of the State of New York dated _____ 20__, and recorded in the Queens County Office of the Register of the City of New York on _____ as Instrument No. _____ 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, _____, the owner of the Condominium Unit (the "Residential Unit" or "Commercial Unit") in the Condominium which is designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot ____, in Block 5140 of the Borough of Queens on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as Board Members or in the name of their designee (corporate or otherwise), on behalf of all Residential Unit Owners, in accordance with such Residential Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) to acquire any Residential Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board or its designee, corporate or otherwise on behalf of all Residential Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired by them, or to sublease any Residential Unit so leased by them without the necessity of further authorization by the Residential Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in such Residential Unit which the undersigned could do if the undersigned were personally present, (2) upon determination by the Board, to commence, pursue, appeal, settle and/or terminate administrative and/or certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units including retaining counsel and taking any other actions which the Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Building as the Board deems necessary or appropriate or (c) any consent, covenant, restriction, easement or declaration, or any

amendment thereto, affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

The undersigned hereby nominates, constitutes and appoints the Declarant or its designee true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Residential Unit Owners, in accordance with such Residential Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Residential Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Residential Units or Common Elements or Residential Common Elements or Residential Limited Common Elements or the Commercial Units or Commercial Limited Common Elements by Declarant when such amendment (i) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the aforesaid Residential Units resulting therefrom made by the Declarant or its designee in accordance with the Declaration or (ii) shall be required by (x) any holder of an Institutional Mortgage designated by the Declarant or its designee to make a mortgage loan secured by a mortgage on any Residential Unit or the Commercial Units, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Declarant or its designee to insure title to any Residential Unit or the Commercial Units; provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Residential Unit, (ii) require a material or physical modification to the undersigned's Residential Unit or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by a holder of an Institutional Mortgage covering the undersigned's Residential Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20__

State of New York)
) ss.:
 County of _____)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of _____)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

EXHIBIT 6

UNIT POWER OF ATTORNEY

**ALSO EXHIBIT E
TO THE DECLARATION OF THE CONDOMINIUM**

POWER OF ATTORNEY
(to be executed in triplicate)

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by Cherry Associates LLC ("Declarant") establishing a plan for condominium ownership of the premises known as The Infinity 8 on Cherry Condominium (the "Condominium") and by the street number 136-04 Cherry Avenue, Flushing, New York 11355 under Article 9-B of the Real Property Law of the State of New York dated _____ 20__, and recorded in the Queens County Office of the Register of the City of New York on _____ as Instrument No. _____ 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, _____, the owner of the Condominium Unit (the "Residential Unit" or "Commercial Unit") in the Condominium which is designated and described as Unit No. ____ in the Declaration and also designated as Tax Lot ____, in Block 5140 of the Borough of Queens on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of all Residential Unit Owners, in accordance with such Residential Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) to acquire any Residential Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board or its designee, corporate or otherwise on behalf of all Residential Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired by them, or to sublease any Residential Unit so leased by them without the necessity of further authorization by the Residential Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in such Residential Unit which the undersigned could do if the undersigned were personally present, (2) upon determination by the Board, to commence, pursue, appeal, settle and/or terminate administrative and/or certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units including retaining counsel and taking any other actions which the Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Building as the Board deems necessary or appropriate or (c) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

The undersigned hereby nominates, constitutes and appoints the Declarant or its designee true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Residential Unit Owners, in accordance with such Residential Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Residential Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Residential Units or Common Elements or Residential Common Elements or Residential Limited Common Elements or the Commercial Units or Commercial Limited Common Elements by Declarant when such amendment (i) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the aforesaid Residential Units resulting therefrom made by the Declarant or its designee in accordance with the Declaration or (ii) shall be required by (x) any holder of an Institutional Mortgage designated by the Declarant or its designee to make a mortgage loan secured by a mortgage on any Residential Unit or the Commercial Units, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Declarant or its designee to insure title to any Residential Unit or the Commercial Units; provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Residential Unit, (ii) require a material or physical modification to the undersigned's Residential Unit or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by a holder of an Institutional Mortgage covering the undersigned's Residential Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20__

State of New York)
) ss.:
 County of _____)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of _____)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

EXHIBIT 7

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS

New York State Department of Law
Investment Protection Bureau
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

**Re: The Infinity 8 on Cherry Condominium
 136-04 Cherry Avenue
 Flushing, New York 11355**

Ladies / Gentlemen:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we are responsible 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 making this certification. We jointly and severally certify that all documents submitted hereafter by us which further 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 of sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to

ascertain the truth; or (d) did not have knowledge concerning the representations 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.

Dated as of August 16, 2018

SPONSOR

CHERRY ASSOCIATES LLC

By: _____

Name: Joel Wiener

Title: Authorized Signatory

SPONSOR'S PRINCIPALS:

Joel Wiener

Sherry Wiener

Sworn to before me this
16 day of August, 2018

Notary Public

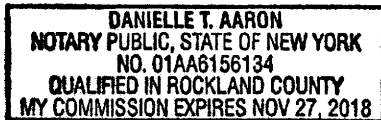
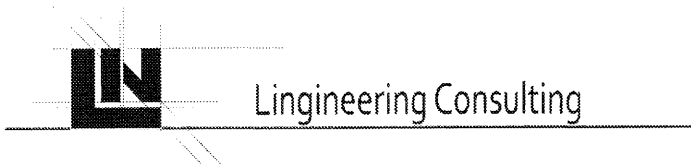


EXHIBIT 8

CERTIFICATION OF SPONSOR'S ENGINEER



CERTIFICATION OF SPONSOR'S ENGINEER

November 8, 2019

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

RE: 136-04 Cherry Avenue
Queens, New York 11355

Ladies/Gentlemen:

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 visually inspected the property on November 20th, November 29th, and December 15th of 2017, July 12th of 2018, April 11th and November 8th of 2019, and prepared the report dated November 8th, 2019, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the report.

I am a registered licensed engineer in the state in which the property is located.

I understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to this Report (addendum).

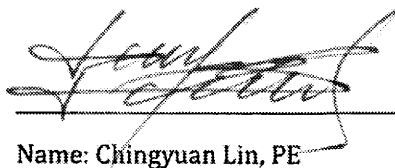
I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I certify that the report and all documents prepared by me disclose all 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 certify that the Report based on my visual inspection:

- i. sets forth in narrative form the physical condition of the entire property and is current and accurate as of the date of inspection;
- ii. in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;
- iii. does not omit any material fact;
- iv. does not contain any untrue statement of a material fact;
- v. does not contain any fraud, deception, concealment, or suppression;

- vi. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii. does not contain any representation or statement which is false, where I:
 - a. knew the truth;
 - b. with reasonable effort could have known the truth
 - c. made no reasonable effort to ascertain the truth; or
 - d. did not have knowledge concerning the representation or statement made.

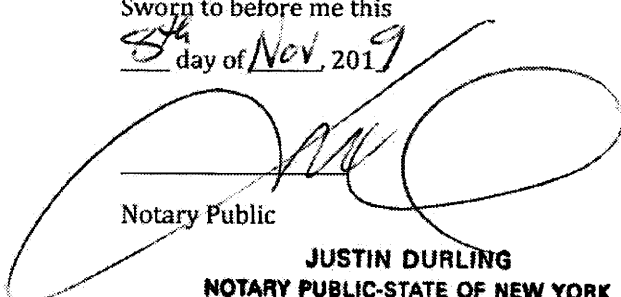
It is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I further certify that I am are not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.


Name: Chingyuan Lin, PE



Sworn to before me this
5th day of Nov, 2019


Notary Public

JUSTIN DURLING
NOTARY PUBLIC-STATE OF NEW YORK
No. 01DU6324295
Qualified in New York County
My Commission Expires 05-11-2023



EXHIBIT 9

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

NU-PLACE REALTY

INVESTMENTS FOR LIVING

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

Real Estate Finance Bureau
Office of the New York State Attorney General
28 Liberty Street
New York, New York 10005
Attention: Real Estate Financing Bureau

**Re: The Infinity 8 on Cherry Condominium
136-04 Cherry Avenue
Flushing, New York 11355**

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to review the Schedule B containing projections of income and expenses for the first year of condominium operation. Nu-Place Realty has been actively engaged in the management of residential buildings, including cooperatives, condominiums and rentals for in excess of 25 years and has managed in excess of 25 residential buildings..

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in 13 NYCRR Part 23 insofar as they are applicable to Schedule B.

We have reviewed the Schedule B and investigated the facts set forth in the Schedule B and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in the 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 first year of condominium operation.

We certify that the 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;

NU-PLACE REALTY

INVESTMENTS FOR LIVING

- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the sponsor. 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 of condominium operation 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. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Dated as of October 30, 2019

By: Nathan Fridman
 Name: Nathan Fridman
 Title: Licensed Real Estate Broker

Sworn to before me this
30 day of October, 2019

Marcus Lee Graham
 Notary Public

MARCUS LEE GRAHAM
 NOTARY PUBLIC-STATE OF NEW YORK
 No 01GR6295673
 Qualified in Queens County
 My Commission Expires 01-06-2022

**CERTIFICATION OF SPONSOR'S EXPERT CONCERNNG ADEQUACY OF
COMMON CHARGES**

NU-PLACE REALTY

INVESTMENTS FOR LIVING

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES

Real Estate Finance Bureau
Office of the New York State Attorney General
28 Liberty Street
New York, New York 10005
Attention: Real Estate Financing Bureau

**Re: The Infinity 8 on Cherry Condominium
136-04 Cherry Avenue
Flushing, New York 11355**

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to review the Budget for the first year of operations which includes projections of common charges payable by the owners of the commercial units. Nu-Place Realty has been actively engaged in the management of mixed use buildings for 25 years and has managed in excess of 25 residential buildings.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in 13 NYCRR Part 23 insofar as they are applicable to the commercial units listed in the Schedule B.

We have reviewed the Budget for the first year of operations as it impacts upon the commercial unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing New York residential buildings.

We certify that the projections in the Schedule B for common charges payable by the owner of the commercial unit appears reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses fairly attributable to the commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in the Schedule B for the common charges payable by the owners of the commercial units:

- (i) set forth in detail the projected common charges for the commercial units for the first year of the condominium operation;

NU-PLACE REALTY

INVESTMENTS FOR LIVING

- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

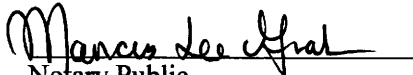
We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges attributable to the commercial units for the first year of the condominium operation.

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.

Dated as of Oct 30, 2019

By: 
 Name: Nathan Fridman
 Title: Licensed Real Estate Broker

Sworn to before me this
30 day of October, 2019


 Notary Public

MARCUS LEE GRAHAM
 NOTARY PUBLIC-STATE OF NEW YORK
 No 01GR6295673
 Qualified in Queens County
 My Commission Expires 01-06-2018
22

EXHIBIT 10

FORM W-9

Form

W-9

(Rev. October 2018)

Department of the Treasury
Internal Revenue Service**Request for Taxpayer
Identification Number and Certification**► Go to www.irs.gov/FormW9 for instructions and the latest information.**Give Form to the
requester. Do not
send to the IRS.**

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ►	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

**Sign
Here**Signature of
U.S. person ►

Date ►

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual	Individual/sole proprietor or single-member LLC
• Sole proprietorship, or	
• Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	
• LLC treated as a partnership for U.S. federal tax purposes,	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or	
• LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

EXHIBIT 11

FORM W-8BEN

Form **W-8BEN**

(Rev. July 2017)

Department of the Treasury
Internal Revenue Service**Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)**

- For use by individuals. Entities must use Form W-8BEN-E.
 ► Go to www.irs.gov/FormW8BEN for instructions and the latest information.
 ► Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do NOT use this form if:

- You are NOT an individual W-8BEN-E
- You are a U.S. citizen or other U.S. person, including a resident alien individual W-9
- You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services) W-8ECI
- You are a beneficial owner who is receiving compensation for personal services performed in the United States 8233 or W-4
- You are a person acting as an intermediary W-8IMY

Instead, use Form:

Note: If you are resident in a FATCA partner jurisdiction (i.e., a Model 1 IGA jurisdiction with reciprocity), certain tax account information may be provided to your jurisdiction of residence.

Part I Identification of Beneficial Owner (see instructions)

1 Name of individual who is the beneficial owner	2 Country of citizenship
3 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address.	
City or town, state or province. Include postal code where appropriate.	Country
4 Mailing address (if different from above)	
City or town, state or province. Include postal code where appropriate.	Country
5 U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)	6 Foreign tax identifying number (see instructions)
7 Reference number(s) (see instructions)	8 Date of birth (MM-DD-YYYY) (see instructions)

Part II Claim of Tax Treaty Benefits (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article and paragraph _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____

Explain the additional conditions in the Article and paragraph the beneficial owner meets to be eligible for the rate of withholding: _____

Part III Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself for chapter 4 purposes,
 - The person named on line 1 of this form is not a U.S. person,
 - The income to which this form relates is:
 - (a) not effectively connected with the conduct of a trade or business in the United States,
 - (b) effectively connected but is not subject to tax under an applicable income tax treaty, or
 - (c) the partner's share of a partnership's effectively connected income,
 - The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
 - For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.
- Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here

Signature of beneficial owner (or individual authorized to sign for beneficial owner)

Date (MM-DD-YYYY)

Print name of signer

Capacity in which acting (if form is not signed by beneficial owner)

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 25047Z

Form **W-8BEN** (Rev. 7-2017)



Department of the Treasury
Internal Revenue Service

Instructions for Form W-8BEN

(Rev. July 2017)

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form W-8BEN and its instructions, such as legislation enacted after they were published, go to [IRS.gov/FormW8BEN](https://www.irs.gov/FormW8BEN).

What's New

Minor updates are made to Form W-8BEN to conform with Form W-8BEN-E. A note on reciprocal exchange is added before Part I; Part II, line 10, is updated to match Form W-8BEN-E; and the first bullet in Part III is revised for clarity. These instructions have been updated to reflect temporary and final regulations under chapters 3 and 4 published in January 2017. These instructions include additional information on when a foreign TIN and date of birth are required to be included on Form W-8BEN. In addition, these instructions include information about the use of electronic signatures.

More information. For more information on FATCA, go to [IRS.gov/FATCA](https://www.irs.gov/FATCA).

General Instructions

For definitions of terms used throughout these instructions, see *Definitions*, later.

Purpose of Form

Establishing status for chapter 3 purposes. Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of:

- Interest (including certain original issue discount (OID));
- Dividends;
- Rents;
- Royalties;
- Premiums;
- Annuities;
- Compensation for, or in expectation of, services performed;
- Substitute payments in a securities lending transaction; or
- Other fixed or determinable annual or periodical gains, profits, or income.

This tax is imposed on the gross amount paid and is generally collected by withholding under section 1441. A payment is considered to have been made whether it is made directly to the beneficial owner or to another person, such as an intermediary, agent, or partnership, for the benefit of the beneficial owner.

In addition, section 1446 requires a partnership conducting a trade or business in the United States to withhold tax on a foreign partner's distributive share of the partnership's effectively connected taxable income. Generally, a foreign person that is a partner in a partnership that submits a Form W-8BEN for purposes of section 1441 or 1442 will satisfy the documentation requirements under section 1446 as well. However, in some cases the documentation requirements of sections 1441 and 1442 do not match the documentation requirements of section 1446. See Regulations sections 1.1446-1 through 1.1446-6.

Note. The owner of a disregarded entity (including an individual), rather than the disregarded entity itself, must submit the appropriate Form W-8BEN for purposes of section 1446.

If you receive certain types of income, you must provide Form W-8BEN to:

- Establish that you are not a U.S. person;
- Claim that you are the beneficial owner of the income for which Form W-8BEN is being provided or a foreign partner in a partnership subject to section 1446; and
- If applicable, claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty and who is eligible for treaty benefits.

You may also be required to submit Form W-8BEN to claim an exception from domestic information reporting and backup withholding (at the backup withholding rate under section 3406) for certain types of income that are not subject to foreign-person withholding at a rate of 30% under section 1441. Such income includes:

- Broker proceeds;
- Short-term (183 days or less) OID;
- Bank deposit interest;
- Foreign source interest, dividends, rents, or royalties; and
- Proceeds from a wager placed by a nonresident alien individual in the games of blackjack, baccarat, craps, roulette, or big-6 wheel.

A withholding agent or payer of the income may rely on a properly completed Form W-8BEN to treat a payment associated with the Form W-8BEN as a payment to a foreign person who beneficially owns the amounts paid. If applicable, the withholding agent may rely on the Form W-8BEN to apply a reduced rate of, or exemption from, withholding at source.

Provide Form W-8BEN to the withholding agent or payer before income is paid or credited to you. Failure to provide a Form W-8BEN when requested may lead to withholding at the foreign-person withholding rate of 30% or the backup withholding rate under section 3406.

Establishing status for chapter 4 purposes. A foreign financial institution (FFI) may rely on a properly completed Form W-8BEN to establish your chapter 4 status as a foreign person. The Form W-8BEN should be provided to the FFI when requested. Failure to do so could result in 30% withholding on income paid or credited to you as a recalcitrant account holder from sources within the United States. See the definition of amounts subject to withholding, later.

Additional information. For additional information and instructions for the withholding agent, see the Instructions for the Requester of Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, and W-8IMY.

Who Must Provide Form W-8BEN

You must give Form W-8BEN to the withholding agent or payer if you are a nonresident alien who is the beneficial owner of an amount subject to withholding, or if you are an account holder of an FFI documenting yourself as a nonresident alien. If you are the single owner of a disregarded entity, you are considered the beneficial owner of income received by the disregarded entity. Submit Form W-8BEN when requested by the withholding agent, payer, or FFI whether or not you are claiming a reduced rate of, or exemption from, withholding.

You should also provide Form W-8BEN to a payment settlement entity (PSE) requesting this form if you are a foreign individual receiving payments subject to reporting under section 6050W (payment card transactions and third-party network transactions) as a participating payee. However, if the payments are income which is effectively connected to the conduct of a U.S. trade or business, you should instead provide the PSE with a Form W-8ECI.

Do not use Form W-8BEN if you are described below.

- You are a foreign entity documenting your foreign status, documenting your chapter 4 status, or claiming treaty benefits. Instead, use Form W-8BEN-E.
- You are a U.S. citizen (even if you reside outside the United States) or other U.S. person (including a resident alien individual). Instead, use Form W-9 to document your status as a U.S. person.
- You are acting as a foreign intermediary (that is, acting not for your own account, but for the account of others as an agent, nominee, or custodian). Instead, provide Form W-8IMY.
- You are a nonresident alien individual who claims exemption from withholding on compensation for independent or dependent personal services performed in the United States. Instead, provide Form 8233 or Form W-4.
- You are receiving income that is effectively connected with the conduct of a trade or business in the United States, unless it is allocable to you through a partnership. Instead, provide Form W-8ECI. If any of the income for which you have provided a Form W-8BEN becomes effectively connected, this is a change in circumstances and Form W-8BEN is no longer valid with respect to such income. You must file Form W-8ECI. See *Change in circumstances*, later.

Giving Form W-8BEN to the withholding agent. Do not send Form W-8BEN to the IRS. Instead, give it to the

person who is requesting it from you. Generally, this will be the person from whom you receive the payment, who credits your account, or a partnership that allocates income to you. An FFI may also request this form from you to document your account as other than a U.S. account. Give Form W-8BEN to the person requesting it before the payment is made to you, credited to your account, or allocated. If you do not provide this form, the withholding agent may have to withhold at the 30% rate (under chapters 3 and 4), backup withholding rate, or the rate applicable under section 1446. If you receive more than one type of income from a single withholding agent for which you claim different benefits, the withholding agent may, at its option, require you to submit a Form W-8BEN for each different type of income. Generally, a separate Form W-8BEN must be given to each withholding agent.

Note. If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person that is a beneficial owner of a payment only if Forms W-8BEN or W-8BEN-E are provided by all of the owners. If the withholding agent or financial institution receives a Form W-9 from any of the joint owners, however, the payment must be treated as made to a U.S. person and the account treated as a U.S. account.

Expiration of Form W-8BEN. Generally, a Form W-8BEN will remain in effect for purposes of establishing foreign status for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. For example, a Form W-8BEN signed on September 30, 2015, remains valid through December 31, 2018.

However, under certain conditions a Form W-8BEN will remain in effect indefinitely until a change of circumstances occurs. To determine the period of validity for Form W-8BEN for purposes of chapter 4, see Regulations section 1.1471-3(c)(6)(ii). To determine the period of validity for Form W-8BEN for purposes of chapter 3, see Regulations section 1.1441-1(e)(4)(ii).

Change in circumstances. If a change in circumstances makes any information on the Form W-8BEN you have submitted incorrect, you must notify the withholding agent, payer, or FFI with which you hold an account within 30 days of the change in circumstances and you must file a new Form W-8BEN or other appropriate form.

If you use Form W-8BEN to certify that you are a foreign person, a change of address to an address in the United States is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. However, if you use Form W-8BEN to claim treaty benefits, a move to the United States or outside the country where you have been claiming treaty benefits is a change in circumstances. In that case, you must notify the withholding agent, payer, or FFI within 30 days of the move.

If you become a U.S. citizen or resident alien after you submit Form W-8BEN, you are no longer subject to the 30% withholding rate under section 1441 or the withholding tax on a foreign partner's share of effectively

connected income under section 1446. To the extent you have an account with an FFI, your account may be subject to reporting by the FFI under chapter 4. You must notify the withholding agent, payer, or FFI within 30 days of becoming a U.S. citizen or resident alien. You may be required to provide a Form W-9. For more information, see Form W-9 and its instructions.



You may be a U.S. resident for tax purposes depending on the number of days you are physically present in the United States over a 3-year period. See Pub. 519, available at [IRS.gov/Pub519](https://www.irs.gov/pub/irs519). If you satisfy the substantial presence test, you must notify the withholding agent, payer, or financial institution with which you have an account within 30 days and provide a Form W-9.

Definitions

Account holder. An account holder is generally the person listed or identified as the holder or owner of a financial account. For example, if a partnership is listed as the holder or owner of a financial account, then the partnership is the account holder, rather than the partners of the partnership (subject to some exceptions). However, an account that is held by a single-member disregarded entity is treated as held by the entity's single owner.

Amounts subject to withholding. Generally, an amount subject to chapter 3 withholding is an amount from sources within the United States that is fixed or determinable annual or periodical (FDAP) income. FDAP income is all income included in gross income, including interest (as well as OID), dividends, rents, royalties, and compensation. FDAP income does not include most gains from the sale of property (including market discount and option premiums), as well as other specific items of income described in Regulations section 1.1441-2 (such as interest on bank deposits and short-term OID).

For purposes of section 1446, the amount subject to withholding is the foreign partner's share of the partnership's effectively connected taxable income.

Generally, an amount subject to chapter 4 withholding is an amount of U.S. source FDAP income that is also a withholdable payment as defined in Regulations section 1.1473-1(a). The exemptions from withholding provided for under chapter 3 are not applicable when determining whether withholding applies under chapter 4. For specific exceptions applicable to the definition of a withholdable payment, see Regulations section 1.1473-1(a)(4) (exempting, for example, certain nonfinancial payments).

Beneficial owner. For payments other than those for which a reduced rate of, or exemption from, withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the payment in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee, or other agent. The beneficial owners of income paid to a foreign simple trust (that is, a foreign trust that is described in section 651(a)) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee, or other agent. The beneficial owners of a foreign grantor trust (that is, a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (that is, a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

For purposes of section 1446, the same beneficial owner rules apply, except that under section 1446 a foreign simple trust rather than the beneficiary provides the form to the partnership.

The beneficial owner of income paid to a foreign estate is the estate itself.

Note. A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% withholding under chapter 3 or 4. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9. For purposes of section 1446, a U.S. grantor trust or disregarded entity shall not provide the withholding agent a Form W-9 in its own right. Rather, the grantor or other owner shall provide the withholding agent the appropriate form.

Chapter 3. Chapter 3 means chapter 3 of the Internal Revenue Code (Withholding of Tax on Nonresident Aliens and Foreign Corporations). Chapter 3 contains sections 1441 through 1464.

Chapter 4. Chapter 4 means chapter 4 of the Internal Revenue Code (Taxes to Enforce Reporting on Certain Foreign Accounts). Chapter 4 contains sections 1471 through 1474.

Deemed-compliant FFI. Under section 1471(b)(2), certain FFIs are deemed to comply with the regulations under chapter 4 without the need to enter into an FFI agreement with the IRS. However, certain deemed-compliant FFIs are required to register with the IRS and obtain a Global Intermediary Identification Number (GIIN). These FFIs are referred to as **registered deemed-compliant FFIs**. See Regulations section 1.1471-5(f).

Disregarded entity. A business entity that has a single owner and is not a corporation under Regulations section 301.7701-2(b) is disregarded as an entity separate from its owner. A disregarded entity does not submit this Form W-8BEN to a partnership for purposes of section 1446 or to an FFI for purposes of chapter 4. Instead, the owner of such entity provides appropriate documentation. See Regulations section 1.1446-1 and section 1.1471-3(a)(3)(v), respectively.

Certain entities that are disregarded for U.S. tax purposes may be recognized for purposes of claiming treaty benefits under an applicable tax treaty (see the definition of hybrid entity below). A hybrid entity claiming treaty benefits is required to complete Form W-8BEN-E. See Form W-8BEN-E and its instructions.

Financial account. A financial account includes:

- A depository account maintained by a financial institution;
- A custodial account maintained by a financial institution;
- Equity or debt interests (other than interests regularly traded on an established securities market) in investment entities and certain holding companies, treasury centers, or financial institutions as defined in Regulations section 1.1471-5(e);
- Cash value insurance contracts; and
- Annuity contracts.

For purposes of chapter 4, exceptions are provided for accounts such as certain tax-favored savings accounts; term life insurance contracts; accounts held by estates; escrow accounts; and annuity contracts. These exceptions are subject to certain conditions. See Regulations section 1.1471-5(b)(2). Accounts may also be excluded from the definition of financial account under an applicable IGA.

Financial institution. A financial institution generally means an entity that is a depository institution, custodial institution, investment entity, or an insurance company (or holding company of an insurance company) that issues cash value insurance or annuity contracts.

Foreign financial institution (FFI). An FFI generally means a foreign entity that is a financial institution.

Foreign person. A foreign person includes a nonresident alien individual and certain foreign entities that are not U.S. persons (entities should complete Form W-8BEN-E rather than this Form W-8BEN).

Hybrid entity. A hybrid entity is any person (other than an individual) that is treated as fiscally transparent for purposes of its status under the Code but is not treated as fiscally transparent by a country with which the United States has an income tax treaty. Hybrid status is relevant for claiming treaty benefits.

Intergovernmental agreement (IGA). An IGA means a Model 1 IGA or a Model 2 IGA. For a list of jurisdictions treated as having in effect a Model 1 or Model 2 IGA, see the list of jurisdictions at www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx.

A **Model 1 IGA** means an agreement between the United States or the Treasury Department and a foreign government or one or more agencies to implement FATCA through reporting by FFIs to such foreign government or agency, followed by automatic exchange of the reported information with the IRS. An FFI in a Model 1 IGA jurisdiction that performs account reporting to the jurisdiction's government is referred to as a **reporting Model 1 FFI**.

A **Model 2 IGA** means an agreement or arrangement between the United States or the Treasury Department and a foreign government or one or more agencies to

implement FATCA through reporting by FFIs directly to the IRS in accordance with the requirements of an FFI agreement, supplemented by the exchange of information between such foreign government or agency and the IRS. An FFI in a Model 2 IGA jurisdiction that has entered into an FFI agreement with respect to a branch is a participating FFI, but may be referred to as a **reporting Model 2 FFI**.

Nonresident alien individual. Any individual who is not a citizen or resident alien of the United States is a nonresident alien individual. An alien individual meeting either the "green card test" or the "substantial presence test" for the calendar year is a resident alien. Any person not meeting either test is a nonresident alien individual. Additionally, an alien individual who is treated as a nonresident alien pursuant to Regulations section 301.7701(b)-7 for purposes figuring the individual's U.S. tax liability, or an alien individual who is a bona fide resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa is a nonresident alien individual. See Pub. 519 for more information on resident and nonresident alien status.



Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (for example, filing a joint income tax return), such individual is still treated as a nonresident alien for chapter 3 withholding tax purposes on all income except wages. For purposes of chapter 4, a nonresident alien individual who holds a joint account with a U.S. person will be considered a holder of a U.S. account for chapter 4 purposes.

Participating FFI. A participating FFI is an FFI that has agreed to comply with the terms of an FFI agreement with respect to all branches of the FFI, other than a branch that is a reporting Model 1 FFI or a U.S. branch. The term "participating FFI" also includes a reporting Model 2 FFI and a qualified intermediary (QI) branch of a U.S. financial institution, unless such branch is a reporting Model 1 FFI.

Participating payee. A participating payee means any person that accepts a payment card as payment or accepts payment from a third-party settlement organization in settlement of a third-party network transaction.

Payment settlement entity (PSE). A PSE is a merchant acquiring entity or third-party settlement organization. Under section 6050W, a PSE is generally required to report payments made in settlement of payment card transactions or third-party network transactions. However, a PSE is not required to report payments made to a beneficial owner that is documented as foreign with an applicable Form W-8.

Recalcitrant account holder. A recalcitrant account holder includes an individual who fails to comply with the requests of an FFI for documentation and information for determining the U.S. or foreign status of the individual's account, including furnishing this Form W-8BEN when requested.

U.S. person. A U.S. person is defined in section 7701(a) (30) and includes an individual who is a citizen or resident of the United States. For purposes of chapter 4, a U.S. person is defined in Regulations section 1.1471-1(b) (141).

Withholding agent. Any person, U.S. or foreign, that has control, receipt, custody, disposal, or payment of U.S. source FDAP income subject to chapter 3 or 4 withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies.

For purposes of section 1446, the withholding agent is the partnership conducting the trade or business in the United States. For a publicly traded partnership, the withholding agent may be the partnership, a nominee holding an interest on behalf of a foreign person, or both. See Regulations sections 1.1446-1 through 1.1446-6.

Specific Instructions

Part I

Line 1. Enter your name. If you are a foreign individual who is the single owner of a disregarded entity that is not claiming treaty benefits as a hybrid entity, with respect to a payment, you should complete this form with your name and information. If the account to which a payment is made or credited is in the name of the disregarded entity, you should inform the withholding agent of this fact. This may be done by including the name and account number of the disregarded entity on line 7 (reference number) of the form. However, if the disregarded entity is claiming treaty benefits as a hybrid entity, it should complete Form W-8BEN-E instead of this Form W-8BEN.

Line 2. Enter your country of citizenship. If you are a dual citizen, enter the country where you are both a citizen and a resident at the time you complete this form. If you are not a resident in any country in which you have citizenship, enter the country where you were most recently a resident. However, if you are a U. S. citizen, you should not complete this form even if you hold citizenship in another jurisdiction. Instead, provide Form W-9.

Line 3. Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. If you are completing Form W-8BEN to claim a reduced rate of withholding under an income tax treaty, you must determine your residency in the manner required by the treaty. Do not show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you do not have a tax residence in any country, your permanent residence is where you normally reside.

If you reside in a country that does not use street addresses, you may enter a descriptive address on line 3. The address must accurately indicate your permanent residence in the manner used in your jurisdiction.

Line 4. Enter your mailing address only if it is different from the address you show on line 3.

Line 5. If you have a social security number (SSN), enter it here. To apply for an SSN, get Form SS-5 from a Social Security Administration (SSA) office or online at www.ssa.gov/forms/ss-5.pdf. If you are in the United States, you can call the SSA at 1-800-772-1213. Complete Form SS-5 and return it to the SSA.

If you do not have an SSN and are not eligible to get one, you can get an individual taxpayer identification number (ITIN). To apply for an ITIN, file Form W-7 with the IRS. It usually takes 4–6 weeks to get an ITIN. To claim certain treaty benefits, you must complete line 5 by submitting an SSN or ITIN, or line 6 by providing a foreign tax identification number (foreign TIN).



An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

A partner in a partnership conducting a trade or business in the United States will likely be allocated effectively connected taxable income. The partner is required to file a U.S. federal income tax return and must have a U.S. taxpayer identification number (TIN).

You must provide an SSN or TIN if you are:

- Claiming an exemption from withholding under section 871(f) for certain annuities received under qualified plans, or
- Submitting the form to a partnership that conducts a trade or business in the United States.

If you are claiming treaty benefits, you are generally required to provide an ITIN if you do not provide a tax identifying number issued to you by your jurisdiction of tax residence on line 6. However, an ITIN is not required to claim treaty benefits relating to:

- Dividends and interest from stocks and debt obligations that are actively traded;
- Dividends from any redeemable security issued by an investment company registered under the Investment Company Act of 1940 (mutual fund);
- Dividends, interest, or royalties from units of beneficial interest in a unit investment trust that are (or were upon issuance) publicly offered and are registered with the SEC under the Securities Act of 1933; and
- Income related to loans of any of the above securities.

Line 6. If you are providing this Form W-8BEN to document yourself as an account holder with respect to a financial account (as defined in Regulations section 1.1471-5(b)) that you hold at a U.S. office of a financial institution (including a U.S. branch of an FFI) and you receive U.S. source income reportable on Form 1042-S associated with this form, you must provide the TIN issued to you by your jurisdiction of tax residence identified on line 3 unless:

- You have not been issued a TIN (including if the jurisdiction does not issue TINs), or
- You are a resident of a U.S. possession.

If you are providing this form to document a financial account described above but you do not enter a TIN on line 6, and you are not a resident of a U.S. possession, you must provide the withholding agent with an explanation for why you have not been issued a TIN. For this purpose, an explanation is a statement that you are

not legally required to obtain a TIN in your jurisdiction of tax residence. The explanation may be written on line 6, in the margins of the form, or on a separate attached statement associated with the form. If you are writing the explanation on line 6, you may shorten it to "not legally required." Do not write "not applicable."

In addition, if you are not using this form to document a financial account described above, you may provide the TIN issued to you by your jurisdiction of tax residence on line 6 for purposes of claiming treaty benefits (rather than providing a U.S. TIN on line 5, if required).

Line 7. This line may be used by the filer of Form W-8BEN or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. For example, withholding agents who are required to associate the Form W-8BEN with a particular Form W-8IMY may want to use line 7 for a referencing number or code that will make the association clear. A beneficial owner can use line 7 to include the number of the account for which he or she is providing the form. A foreign single owner of a disregarded entity can use line 7 to inform the withholding agent that the account to which a payment is made or credited is in the name of the disregarded entity (see the instructions for line 1).

Line 8. If you are providing this Form W-8BEN to document yourself as an account holder with respect to a financial account as described above in line 6 that you hold with a U.S. office of a financial institution (including a U.S. branch of an FFI), provide your date of birth. Use the following format to input your information: MM-DD-YYYY. For example, if you were born on April 15, 1956, you would enter 04-15-1956.

Part II

Line 9. If you are claiming treaty benefits as a resident of a foreign country with which the United States has an income tax treaty for payments subject to withholding under chapter 3, identify the country where you claim to be a resident for income tax treaty purposes. For treaty purposes, a person is a resident of a treaty country if the person is a resident of that country under the terms of the treaty. A list of U.S. tax treaties is available at [IRS.gov/Individuals/International-Taxpayers/Tax-Treaties](https://www.irs.gov/Individuals/International-Taxpayers/Tax-Treaties).



CAUTION If you are related to the withholding agent within the meaning of section 267(b) or 707(b) and the aggregate amount subject to withholding received during the calendar year exceeds \$500,000, then you are generally required to file Form 8833, *Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)*, available at [IRS.gov/Form8833](https://www.irs.gov/Form8833). See the Instructions for Form 8833 for more information on the filing requirements.

Line 10. Line 10 must be used only if you are claiming treaty benefits that require that you meet conditions not covered by the representations you make on line 9 and Part III. For example, persons claiming treaty benefits on royalties must complete this line if the treaty contains different withholding rates for different types of royalties. However, this line should always be completed by foreign students and researchers claiming treaty benefits. See

Scholarship and fellowship grants, later, for more information.

This line is generally not applicable to treaty benefits under an interest or dividends (other than dividends subject to a preferential rate based on ownership) article of a treaty.

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual can use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause" which preserves or "saves" the right of each country to tax its own residents as if no tax treaty existed. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes. The individual must use Form W-9 to claim the tax treaty benefit. See the instructions for Form W-9 for more information. Also see *Nonresident alien student or researcher who becomes a resident alien*, later, for an example.

Scholarship and fellowship grants. A nonresident alien student (including a trainee or business apprentice) or researcher who receives noncompensatory scholarship or fellowship income can use Form W-8BEN to claim benefits under a tax treaty that apply to reduce or eliminate U.S. tax on such income. No Form W-8BEN is required unless a treaty benefit is being claimed. A nonresident alien student or researcher who receives compensatory scholarship or fellowship income must use Form 8233, instead of Form W-8BEN, to claim any benefits of a tax treaty that apply to that income. The student or researcher must use Form W-4 for any part of such income for which he or she is not claiming a tax treaty withholding exemption. Do not use Form W-8BEN for compensatory scholarship or fellowship income. See *Compensation for Dependent Personal Services* in the Instructions for Form 8233.



TIP If you are a nonresident alien individual who received noncompensatory scholarship or fellowship income and personal services income (including compensatory scholarship or fellowship income) from the same withholding agent, you may use Form 8233 to claim a tax treaty withholding exemption for part or all of both types of income.

Completing lines 3 and 9. Most tax treaties that contain an article exempting scholarship or fellowship grant income from taxation require that the recipient be a resident of the other treaty country at the time of, or immediately prior to, entry into the United States. Thus, a student or researcher may claim the exemption even if he or she no longer has a permanent address in the other treaty country after entry into the United States. If this is the case, you can provide a U.S. address on line 3 and still be eligible for the exemption if all other conditions required by the tax treaty are met. You must also identify on line 9 the tax treaty country of which you were a resident at the time of, or immediately prior to, your entry into the United States.

Completing line 10. You must complete line 10 if you are a student or researcher claiming an exemption from

taxation on your noncompensatory scholarship or fellowship grant income under a tax treaty.

Nonresident alien student or researcher who becomes a resident alien. You must use Form W-9 to claim an exception to a saving clause. See *Nonresident alien who becomes a resident alien*, earlier, for a general explanation of saving clauses and exceptions to them.

Example. Article 20 of the United States-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first protocol to the United States-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would complete Form W-9.

Part III

Form W-8BEN must be signed and dated by the beneficial owner of the amount subject to withholding or the account holder of an FFI (or an agent with legal authority to act on the person's behalf). If Form W-8BEN is completed by an agent acting under a duly authorized power of attorney for the beneficial owner or account holder, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form. Form 2848 can be used for this purpose. The agent, as well as the beneficial owner or account holder, may incur liability for the penalties provided for an erroneous, false, or fraudulent form.

A withholding agent may allow you to provide this form with an electronic signature. The electronic signature must indicate that the form was electronically signed by a person authorized to do so (for example, with a time and date stamp and statement that the form has been electronically signed). Simply typing your name into the signature line is not an electronic signature.



If any information on Form W-8BEN becomes incorrect, you must submit a new form within 30 days unless you are no longer an account holder of the requester that is an FFI and you will not receive a future payment with respect to the account.

Broker transactions or barter exchanges. Income from transactions with a broker or a barter exchange is

subject to reporting rules and backup withholding unless Form W-8BEN or a substitute form is filed to notify the broker or barter exchange that you are an exempt foreign person.

You are an exempt foreign person for a calendar year in which:

- You are a nonresident alien individual or a foreign corporation, partnership, estate, or trust;
- You are an individual who has not been, and does not plan to be, present in the United States for a total of 183 days or more during the calendar year; and
- You are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for business taxpayers filing this form is approved under OMB control number 1545-0123. The estimated burden for all other taxpayers who file this form is:

Recordkeeping, 2 hr., 52 min.; **Learning about the law or the form**, 2 hr., 05 min.; **Preparing the form**, 2 hr., 13 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments).

You can write to Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send Form W-8BEN to this office. Instead, give it to your withholding agent.

EXHIBIT 12

SECTION 352-~~eeee~~ OF THE GENERAL BUSINESS LAW

§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 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 or the shares allocated thereto 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 in good faith without fraud and with no 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 condominium 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 inducement.

(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 or 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.

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.

EXHIBIT 13

RESERVE FUND LAW

LOCAL LAW 70

To amend the administrative code of the city of New York, in relation to the conversion of residential rental housing to cooperative or condominium ownership.

Be it enacted by the Council as follows:

Section 1. Legislative declaration The council finds that the protection of the health, safety and welfare of persons within the city who reside in residential buildings being converted from rental status to cooperative or condominium ownership requires that such persons be informed of the physical condition of such buildings and of any outstanding notices of code violations issued with respect to such buildings. The council further finds that for the health, safety and welfare of residents of the city and for the preservation and improvement of this substantial and increasing form of housing accommodation it is essential that funds be set aside for the purpose of making capital repairs, replacements and improvements to such buildings.

Section 2. Chapter fifty-one of the administrative code of the city of New York is amended by adding a new title YYYY to read as follows:

TITLE YYYY

COOPERATIVE AND CONDOMINIUM CONVERSIONS

§ YYYY51-1.0 Application.

The provisions of this title 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

§ YYYY51-2.0 Definitions.

As used in this title 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) windows;

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 nominees, assignees and successors in interest.

§YYYY51-3.0 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 minim 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 5 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 30 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 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.

§YYYY51-4.0 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 YYYY51-3.0.

§ YYYY51-5.0 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.

§ YYYY51-6.0 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.

§ YYYY51-7.0 No waiver of rights.

Any provision purporting to waive the provisions of this title 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.

§ YYYY5 -8.0 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 title 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 title 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 YYYY 51-3.0 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 YYYY 51-3.0 which was not so reserved. Any person who violates or assists in the violation of section YYYY 51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY 51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY 51-3.0.

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 title 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 title, mandating compliance with the provisions of this title 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 title, mandating compliance with the provisions of this title, 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 title.

Section 3. If any provision of this local law or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

Section 4. This local law shall take effect February first nineteen hundred eighty-three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two eeee of the general business law as of that date.

EXHIBIT 14

RPL SECTION 339-kk

§ 3. The real property law is amended by adding a new section 339-kk to read as follows:

§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION “NON-OCCUPYING OWNER” SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION’S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER’S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT THE BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

The Legislature of the STATE OF NEW YORK SS:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER
SPEAKER OF THE ASSEMBLY

EXHIBIT 15

SPECIMEN TITLE POLICY



Policy No.: NY180476

OWNER'S POLICY OF TITLE INSURANCE

Issued by
Commonwealth Land Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, A FLORIDA CORPORATION (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to-
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;



Policy No.: NY180476

- (c) the subdivision of land; or
- (d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed with the facsimile signatures of its President and Secretary and sealed as required by its By-Laws.

Issued by:

**COMMONWEALTH LAND TITLE INSURANCE
COMPANY**

By:

Raymond R. Quirk
Raymond R. Quirk
President

By:

Michael L. Gravelle
Michael L. Gravelle
Secretary



Countersigned:

Authorized Signature





SCHEDULE A

Amount of Insurance: TBA

Policy/Title No. NY180476

Date of Policy: ___/___/2018

1. **Name of Insured:** TBA
2. **The estate or interest in the land which is covered by this policy is:**
Fee Simple
3. **Title to the estate or interest in the land is vested in the Insured by means of:**
Deed made by 181 Avenue A LLC to Cherry Associates LLC, dated ___/___/2018 and to be duly recorded in the Office of the City Register, Queens County.
4. **The land referred to in this policy is described on the annexed schedule.**

This is a Pro Forma Policy. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

Commonwealth Land Title Insurance Company

Countersigned: _____

Authorized Officer or Agent

Valid Only if Schedule B and Cover Are Attached

ALTA Owner's Policy (6-17-06)

Date Printed July 17, 2018

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SCHEDULE A - ITEM 4

The Condominium Unit (the "Unit") in the Building known as The Infinity 8 on Cherry Condominium, located at and known as and by street number 136-04 Cherry Avenue, Flushing, New York, designated and described as Unit No. _____ in the Declaration establishing a plan for condominium ownership of said Building and the land upon which it is situate (the "Land") under Article 9-B of the Real Property Law of the State of New York, dated _____ and recorded _____ in the Office of the Register of the City of New York, County of Queens under _____, said Unit also being designated as Tax Lot _____ in Block 5140 of Section _____ of the Borough of Queens, on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the said Building filed in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____ and also filed in the City Register's Office on _____ as Condominium Map No. _____.

TOGETHER with an undivided _____ percent interest in Common Elements of the Condominium as described in the Declaration.

The land upon which the Building containing the Unit is situate is described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Queens, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Main Street with the southerly side of Cherry Avenue as said Street and Avenue are shown on the Final Topographical Map of City of New York;

RUNNING THENCE easterly along the southerly side of Cherry Street, 117.25 feet to the corner formed by the intersection of the westerly side of Byrd Street, 40 feet wide and southerly side of Cherry Avenue;

THENCE southerly along the westerly side of Byrd Street, 139.71 feet;

THENCE westerly at right angles to the westerly side of Byrd Street, 90 feet;

THENCE southerly at right angles to the previous course, 45.86 feet;

THENCE westerly along a line forming an interior angle of 82 degrees 55 minutes 10.7 seconds with the previous course, 50.08 feet to the easterly side of Main Street and at right angles thereto;

THENCE northerly along the easterly side of Main Street, 208.28 feet to the corner, the point or place of BEGINNING.



SCHEDULE B

Exceptions from Coverage

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of the following:

1. Any state of facts which an accurate survey of the building and the unit would show, but policy insures that any encroachments by the Insured Unit on any adjoining Unit or on common areas may remain undisturbed as long as it shall stand.
2. Covenants, conditions, easements, agreements of records, etc., as follows:
 - a. Telephone Easement in Liber 3844 Page 25.
3. The most easterly 5 feet more or less of the premises lies within the bed of Byrd Street as shown on the Final Sections Maps. This portion of the premises is subject to the restrictive use imposed by Section 35, as amended by Section 35A of the General City Law.
4. Terms, covenants and conditions set forth in the Declaration of Condominium and By-Laws dated _____ and recorded _____ on _____, but policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9B of the Real Property Law.
5. Unit Power of Attorney made by the Board of Managers of The Infinity 8 on Cherry Condominium, dated ____/____/2018 and recorded on ____/____/2018 under CRFN _____.





Policy/Title No. NY180476

**COMMONWEALTH LAND TITLE INSURANCE COMPANY
STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)**

Attached to and made a part of Policy No. NY180476

1. The following is added as a Covered Risk:

"11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."
2. Exclusion Number 5 is deleted, and the following is substituted:

5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown on Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Dated: ___/___/2018

Countersigned: _____



By: _____

Raymond R. Quirk
Raymond R. Quirk
President

By: _____

Michael L. Gravelle
Michael L. Gravelle
Secretary

Authorized Signatory



Title/Policy No: NY180476

**COMMONWEALTH LAND TITLE INSURANCE COMPANY
POLICY AUTHENTICATION ENDORSEMENT**

Attached to and made a part of Policy No. NY180476

When the policy is issued by the Company with a policy number and Date of Policy, the Company will not deny liability under the policy or any endorsements issued with the policy solely on the grounds that the policy or endorsements were issued electronically or lack signatures in accordance with the Conditions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: __/__/2018

Countersigned:

Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory.

COMMONWEALTH LAND TITLE INSURANCE COMPANY



By:

Raymond R. Quirk
Raymond R. Quirk
President

By:

Michael L. Gravelle
Michael L. Gravelle
Secretary

Policy No.: NY180476

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS**1. DEFINITION OF TERMS**

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 11 and 12 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
 - (i) the term "Insured" also includes
 - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (C) successors to an Insured by its conversion to another kind of Entity;
 - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
 - (1) if the stock shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured,
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
 - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
 - (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as



CONDITIONS CONTINUED

Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title of any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured

Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payments required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by



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CONDITIONS CONTINUED

the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy.

All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision of such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at:

Commonwealth Land Title Insurance Company
National Claims Administration
PO Box 45023
Jacksonville, Florida 32232-5023.



**COMMONWEALTH
LAND TITLE
INSURANCE
COMPANY**



Commonwealth Land Title Insurance Company
P.O. Box 45023, Jacksonville, Florida 32232-5023

EXHIBIT 16

NEW YORK CITY LOCAL LAW 1

**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 I 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 I of section 27-2115 of this code; and

(5) procedures to implement and to enforce compliance with paragraph two of subdivision I 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.

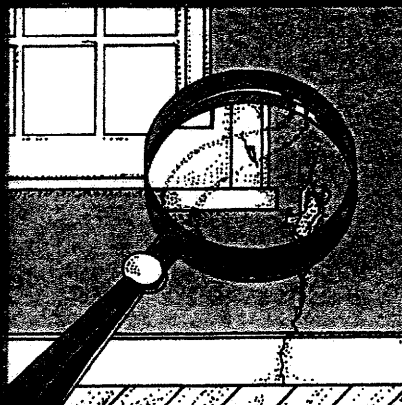
Was returned to the City Clerk on December 19, 2003.

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

EXHIBIT 17

LEAD BASED PAINT BOOKLET



Protect Your Family From Lead In Your Home



United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
September 2001

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure form about lead-based paint.



SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure form about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS have to give you this pamphlet before starting work.

IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Center at **1-800-424-LEAD (424-5323)**.

This document is in the public domain. It may be reproduced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

- FACT:** Lead exposure can harm young children and babies even before they are born.
- FACT:** Even children who seem healthy can have high levels of lead in their bodies.
- FACT:** People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- FACT:** People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.
- FACT:** Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

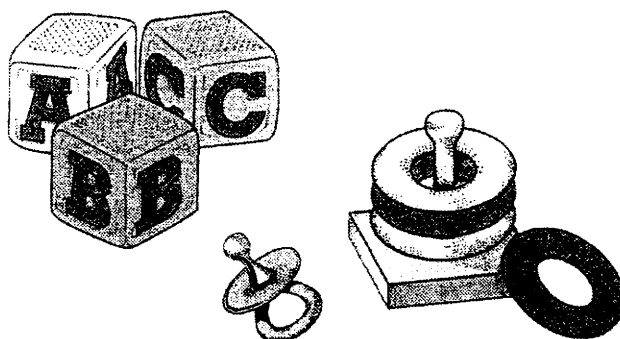
Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).
- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contains lead.

Lead is even more dangerous to children than adults because:

- ◆ 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.



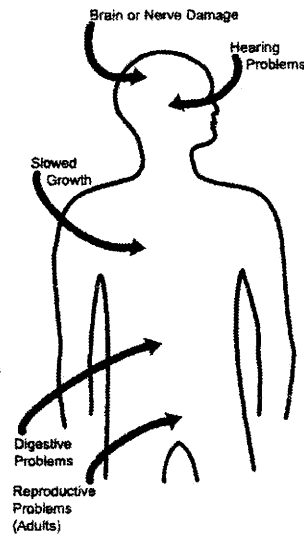
Lead's Effects

If not detected early, children with high levels of lead in their bodies can suffer from:

- ◆ Damage to the brain and nervous system
- ◆ Behavior and learning problems (such as hyperactivity)
- ◆ Slowed growth
- ◆ Hearing problems
- ◆ Headaches

Lead is also harmful to adults. Adults can suffer from:

- ◆ Difficulties during pregnancy
- ◆ Other reproductive problems (in both men and women)
- ◆ High blood pressure
- ◆ Digestive problems
- ◆ Nerve disorders
- ◆ Memory and concentration problems
- ◆ Muscle and joint pain



*Lead affects
the body in
many ways.*

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- ◆ In homes in the city, country, or suburbs.
- ◆ In apartments, single-family homes, and both private and public housing.
- ◆ Inside and outside of the house.
- ◆ 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.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. 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 high levels of lead. Blood 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.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- ◆ Windows and window sills.
- ◆ Doors and door frames.
- ◆ Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors.
- ◆ 250 $\mu\text{g}/\text{ft}^2$ 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. The following two federal standards have been set for lead hazards in residential soil:

- ◆ 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.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead in one of two ways, or both:

- ◆ A paint **inspection** tells you the lead content of every different type of painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- ◆ A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Hire a trained, certified professional who will use a range of reliable methods when checking your home, such as:

- ◆ Visual inspection of paint condition and location.
- ◆ A portable x-ray fluorescence (XRF) machine.
- ◆ Lab tests of paint, dust, and soil samples.

There are standards in place to ensure the work is done safely, reliably, and effectively. Contact your local lead poisoning prevention program for more information, or call **1-800-424-LEAD** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these tests before doing renovations or to assure safety.



What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- ◆ If you rent, notify your landlord of peeling or chipping paint.
- ◆ Clean up paint chips immediately.
- ◆ Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- ◆ Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- ◆ Wash 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.
- ◆ 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.



Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



in addition to day-to-day cleaning and good nutrition:

- ◆ You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- ◆ To **permanently** remove lead hazards, 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 removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this 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.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors;
- ◆ 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills; and
- ◆ 400 $\mu\text{g}/\text{ft}^2$ for window troughs.

Call your local agency (see page 11) for help with locating certified contractors in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

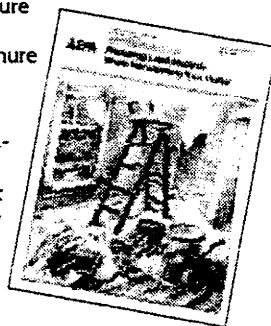
Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- ◆ **Have the area tested for lead-based paint.**
- ◆ **Do not use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- ◆ **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- ◆ **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



If not conducted properly, certain types of renovations can release lead from paint and dust into the air.



Other Sources of Lead



While paint, dust, and soil are the most common lead hazards, other lead sources also exist.

◆ **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:

- 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.

◆ **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.



◆ **Old painted toys and furniture.**

◆ **Food and liquids stored in lead crystal or lead-glazed pottery or porcelain.**

◆ **Lead smelters** or other industries that release lead into the air.

◆ **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.

◆ **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.



For More Information

The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/**.

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** and ask for the National Lead Information Center at **1-800-424-LEAD**.

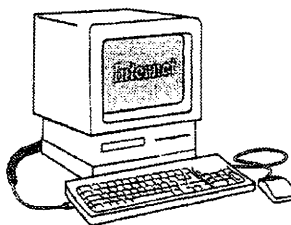


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

To request information on lead in 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: **www.cpsc.gov**.



Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. 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 local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD**.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

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
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
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) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALJ)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
 Consumer Product Safety Commission
 201 Varick Street, Room 903
 New York, NY 10014
 (212) 620-4120

Western Regional Center
 Consumer Product Safety Commission
 1301 Clay Street, Suite 610-N
 Oakland, CA 94612
 (510) 637-4050

Central Regional Center
 Consumer Product Safety Commission
 230 South Dearborn Street, Room 2944
 Chicago, IL 60604
 (312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
 Office of Healthy Homes and Lead Hazard Control
 451 Seventh Street, SW, P-3206
 Washington, DC 20410
 (202) 755-1785

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high
levels of lead:

- ◆ Get your young children tested for lead, even if they seem healthy.
- ◆ Wash children's hands, bottles, pacifiers, and toys often.
- ◆ Make sure children eat healthy, low-fat foods.
- ◆ Get your home checked for lead hazards.
- ◆ Regularly clean floors, window sills, and other surfaces.
- ◆ Wipe soil off shoes before entering house.
- ◆ Talk to your landlord about fixing surfaces with peeling or chipping paint.
- ◆ Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- ◆ Don't use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.



Recycled/Recyclable

Printed with vegetable oil based inks on recycled paper (minimum 50% postconsumer) process chlorine free.