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

THE SPENCER STREET CONDOMINIUM

175 and 192 Spencer Street
Brooklyn, New York 11205
Kings County

Cash Amount of Initial Offering to Non-Tenant Purchasers for 82 Residential Units:	$59,780,000
Cash Amount of Initial Offering to Tenant Purchasers for 82 Residential Units:	$50,813,000
Cash Amount of Initial Offering to Purchasers for 42 Parking Units:	$2,310,000
Total Initial Offering Price of the 64 Storage Bin Licenses:	$64,000
Less: Capital Reserve Fund to be Retained by Condominium*:	$1,524,390
Net Purchase Price of Units Due Sponsor:	$60,629,610
Less: Working Capital Fund**:	$115,088

* The Capital Reserve Fund will be determined with specificity when the Plan is declared effective. See Section 25.

** Working Capital shall be funded by Purchasers at Closing and may be diminished by closing adjustments; see Section 26.

Sponsor:
BSP Spencer LLC
80 Fifth Avenue, Suite 1201
New York, NY 10011

Selling Agent:
MNS
97 North 10th Street
Brooklyn NY 11249

The date of acceptance of this Offering Plan for filing is _____ 2020.

The term of the offer is twelve (12) months from the date of acceptance, unless amended or extended by a duly filed amendment.

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR (SEE SPECIAL RISKS SECTION OF THE PLAN.)

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN.

SEE PAGE (v) FOR SPECIAL RISKS TO PURCHASERS.

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SPECIAL RISKS

1. Time of the Essence. **TIME IS OF THE ESSENCE AS TO PAYING THE BALANCE DUE UNDER THE PURCHASE AGREEMENT, AND AS TO CURING ALL DEFAULTS WITHIN ANY GRACE PERIODS GRANTED HEREUNDER. FAILURE TO MAKE A PAYMENT AT THE TIME WHEN A PURCHASER IS CALLED UPON TO MAKE SUCH PAYMENT MAY RESULT IN LOSS OF THE DEPOSIT AND CANCELLATION OF THE PURCHASE AGREEMENT.** Should the Purchase Agreement be canceled, Sponsor shall have the right to sell the Unit to others as though the Purchase Agreement had never been made (and without accounting to Purchaser for the proceeds of such sale), and Purchaser and Sponsor shall each be relieved of all further liability thereunder and under the Plan. Purchasers should consult their own attorneys prior to executing a Purchase Agreement. See Section 12 entitled "Procedure to Purchase" for further details.

2. Payment for Closing Adjustments with Condominium. At closing, the Sponsor will adjust with the Condominium certain ongoing costs that had been prepaid by the Sponsor for the first year of Condominium operation, largely insurance for the Condominium. The Condominium will reimburse the Sponsor for net adjustments in favor of the Sponsor at the First Unit Closing. The cost of reimbursement may be paid from the Condominium Working Capital Fund, as Units close. In the event the Condominium's working capital fund does not have sufficient money to reimburse the Sponsor, then Common Charges may be increased accordingly. The Sponsor estimates that net adjustments will not exceed $60,000. See Section 16 entitled "Unit Closing Costs and Adjustments" for further details.

3. Control by Sponsor. The Sponsor shall relinquish voting control of the Board of Managers on the first to occur of the following for more than five (5) years from the closing of the first unit, or whenever the unsold units constitute less than fifty percent (50 percent) of the common interests, whichever is sooner (the "Control Period"). The Sponsor shall arrange for a meeting of the Unit Owners within thirty (30) days after the expiration of the Control Period. After the Sponsor surrenders voting control of the Board, the Board will have five (5) members, of which two will be elected by the 175 Spencer Street unit owners, two will be elected by 192 Spencer Street unit owners, and one will be designated by the Sponsor. After the Sponsor ceases to own a Unit at the Condominium, the number of Board members shall be set at four (4). Disputes between Board Members resulting in a deadlock will be dealt with through mediation and expedited arbitration. For further information, see Section 19(B) below and Article XIII of the By-laws. While the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interests allocated to all of its Units to elect members of the Board of Managers.

As long as the Sponsor or any Sponsor-designee shall continue to own at least twenty-five percent (25%) of the percentage of common interest of the Units, but in no event longer than five (5) years after the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to

the Common Elements or to any Unit at the expense of the Condominium (except for necessary repairs or maintenance work, or repairs required to comply with legal requirements); (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except to the extent that the aggregate fund does not exceed three percent (3%) of the budgeted expenses of the Property; (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient); or (iv) hire any employee or enter into any service or maintenance contract to perform services or work not set forth in Schedule B.

Notwithstanding the foregoing restrictions, the Sponsor or Sponsor-designee may not exercise veto power over the expenses of Condominium operation described in Schedule B, or expenses required to (a) comply with applicable law or regulations; (b) remedy any notice of violation; or (c) remedy any work order by an insurer.

As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designees, (ii) interfere with the offer and sale or lease of Units at the Property or any actions necessary for construction, renovation, repair or correction at the Property required by Sponsor, or fulfillment of the Sponsor's obligations under the Plan, or (iii) change or reduce any services provided to owners or tenants at the Property so as to expose the Sponsor to any claims by tenants for diminution of services or rent reduction under the applicable law. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions.

See Section 18 entitled "Control by Sponsor" for further details.

4. Minimum Sales Requirements. Pursuant to existing law and regulation, the Sponsor may declare the Plan effective when Purchase Agreements thirteen (13) Residential Units representing a minimum of fifteen percent (15%) of the Residential Units in the Building to either Tenants in occupancy or to bona fide Purchasers who represent that they intend to occupy the Residential Unit. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the Building with fewer than the minimum required number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Residential Unit.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of building be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and

investor ownership restrictions.. See Section 14 entitled "Effective Date of Plan" for further details.

5. Limited Financing Contingency. The obligations of a purchaser under a Purchase Agreement are NOT conditioned on obtaining financing unless the Purchaser has sought financing through the Sponsor Designated Lender (as defined below). Any prospective purchaser who executes a Purchase Agreement and does not obtain financing (unless the Purchaser has been rejected for financing by the Sponsor Designated Lender) may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing from other sources are advised to consult with a lending institution before execution of a Purchase Agreement. The Purchase Agreement will be contingent on financing only if a Purchaser obtains financing for not more than eighty percent (80%) of the purchase price of the Unit from a lender designated by Sponsor (the "**Sponsor Designated Lender**") within forty-five (45) days after the date of the Purchase Agreement (referred to hereinafter as the "Contingency Period").

The Sponsor Designated Lenders are either (i) First Republic Bank, 1230 Avenue of the Americas, 2nd floor, New York, NY 10020 Att: Scott van der Marck, Senior Managing Director [(212)-259-3630 (o); (631)-836-1800 (c)] or (ii) Chase Bank, 41-22 Bell Boulevard, Bayside, NY 11361, Att: Justin Keesey [718-614-5610]. If a Purchaser seeks to make their purchase contingent on financing, the Purchaser shall apply to the Sponsor Designated Lender within ten (10) days after the date of the Purchase Agreement, and shall cooperate fully with the Sponsor's Designated Lender to obtain the loan. If the Purchaser cooperates with the Sponsor Designated Lender and no commitment has been issued by the end of the Contingency Period, the Purchaser shall have the right to cancel the Purchase Agreement by giving notice to the Sponsor within five (5) days thereafter, or the Purchaser's right to cancel the Agreement for failure to obtain financing shall be deemed waived. Upon cancellation, the Deposit and accrued interest shall be promptly refunded to Purchaser, and neither party shall have any further rights against, or obligations or liabilities to the other by reason of the Purchase Agreement.

If the commitment lapses or expires before the actual closing date through no fault of Purchaser, Purchaser shall make a good faith effort to extend the commitment, including payment of a reasonable and customary extension fee to the Lender and acceptance of changes in the interest rate to reflect prevailing market conditions. If the Lender is still unwilling to extend the commitment on those terms, though, Purchaser shall have the right to cancel the Purchase Agreement by notice given to Sponsor within ten (10) days after receiving the Lender's notice of refusal to extend the commitment.

Use of the Sponsor Designated Lender is not required to purchase a Unit or to obtain financing. A Purchaser may choose any lender to provide financing for the purchase of the Unit. However, if a Purchaser uses a lender other than the Sponsor Designated Lender, no financing contingency will apply to the Purchase Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's mortgage financing lapses or is canceled.

For further details, see the form of Purchase Agreement reproduced in Part II.

6. Restrictions on Resale of Units by Purchasers for Two Years. In order to allow for the orderly sale of Units at the Property in connection with this offering, the Purchase Agreement will include a covenant by Purchasers that they will not resell their units until the second anniversary of the date of their closing without the consent of the Sponsor, which consent may be withheld in the sole good faith discretion of the Sponsor. The covenant contained in the Purchase Agreement shall survive the closing of title to Purchasers' Units and be binding on the Purchaser for that two-year period.

Notwithstanding the foregoing covenant, Purchaser may lease the Unit subject to the Declaration and By-laws. Purchaser may also make a gift of the Unit, and transfer the Unit to trusts or LLC's formed for the benefit of the Purchaser or members of their immediate family, provided that Purchaser does not receive any payment (also known as "consideration") in return for such transfer. In addition, the foregoing covenant shall not be binding on conveyances made by the Condominium (if the Condominium acquires the Unit), the Sponsor, or the holder of the Purchaser's first mortgage, if any.

7. Deposits in Excess of $250,000 Not Insured by the Federal Deposit Insurance Corporation. The Sponsor shall deposit Deposits into a master escrow account (with sub-accounts for each Unit) at a bank that is insured by the Federal Deposit Insurance Corporation ("FDIC"). All Deposits deposited by the Escrow Agent into the FDIC-insured bank on behalf of a Purchaser are added to the Purchaser's other accounts (if any) at the same insured bank and the total is insured up to $250,000. Any portion of the deposit in excess of $250,000 is not covered by insurance. See Section 12 entitled "Procedure to Purchase" for further details.

8. Payment of Transfer Taxes by Purchasers. *New York State and New York City transfer taxes relating to the Unit are normally paid by the Seller. However, under the Purchase Agreement that obligation is transferred to the Purchaser.* Purchasers shall pay New York State and New York City transfer taxes relating to the Unit, as follows: for the purchase of a single Unit, the state transfer tax is $2.00 per $500 of the purchase price ("NYS Tax") if the purchase price is below $3,000,000, and $3.25 per $500 if the purchase price exceeds $3,000,000. The New York City transfer tax is one percent (1%) of the purchase price, if the purchase price is less than $500,000, and 1.425% if the purchase price equals or exceeds $500,000 ("RPT Tax"). For purposes of calculating the transfer taxes payable, the amounts of such taxes are added to the Unit's taxable consideration. See Section 16 entitled "Unit Closing Costs and Adjustments" for further details.

9. Majority of the Board of Managers Not Limited to Owner-Occupants. After the initial Sponsor voting control period expires, a majority of the Board of Managers may be comprised of both owner-occupants and non-resident owners or members of their households unrelated to the Sponsor and its principal. Owner-occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing. For example, an owner-occupant who is purchasing a Unit as a primary residence may have views on repairs and capital expenditures which differ from a non-resident Purchaser who has purchased of the purposes of an investment. See Section 19 entitled "Board of Managers" for further details.

10. Unconditional Right of Sponsor to Offer Units for Rent. The Sponsor is not limiting the conditions under which it will rent rather than sell Units and therefore makes no commitment to sell more than the fifteen percent (15%) necessary to declare the Plan effective. Consequently, owner-occupants may never gain effective control and management of the Condominium. See Section 17 entitled "Rights and Obligations of Sponsor" for further details.

11. Payments for Upgrades or Extras. All funds received by Sponsor for upgrades or extras will be initially placed in the Special Account maintained by Sponsor's counsel. Such funds may be released from the Special Account by Sponsor's counsel as long as Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, Purchaser will not be entitled to receive a refund of any funds which were used or owed for upgrades or extras, unless the Plan is abandoned. However , if the Plan is abandoned, a full refund of any custom work funds paid to Sponsor will be provided. See Section 12 of the Plan entitled "Procedure to Purchase" for further details.

12. No Bond or Security for Performance of Sponsor Obligations. No bond or other security has been furnished to secure the performance of Sponsor's obligations. At the time the Offering Plan is accepted for filing, Sponsor represents that it will be financially capable of performing Sponsor's obligations, including its obligations with respect to Unsold Units. However, the subsequent ability of Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. At this time, the project is being financed with Sponsor's own funds. If Sponsor cannot perform Sponsor's financial and construction obligations hereunder, Sponsor will amend the Plan, cease selling Units and offer a right of rescission to Purchasers of Units. See Section 17 entitled "Rights and Obligations of Sponsor."

13. Dimensions of Units Exceed Usable Floor Area. The "gross square footage" for Residential Units shown on Schedule A is the horizontal square footage measured within reasonable tolerances horizontally from the exterior face of exterior walls or windows to the midpoint of the demising faces between Units or the outside face of the partition between a Unit and any Common Elements. Interior walls and any fire stair vestibules within the Unit, partitions, shafts, chases and similar inaccessible areas entirely within a Unit are included in the measurement of the gross square footage of that Unit. Ceiling height is measured vertically from the underside of the Unit's finished flooring to the exposed painted face of a concrete ceiling or the unexposed side of the Unit's drywall or plaster ceiling, as applicable. The floor plans shown on Exhibit D in Part II of the Plan are based on the foregoing measurements. Usable square footage measured to the exposed face of interior walls will be significantly less than the gross square footages measured within reasonable tolerances as set forth in Schedule A and the Floor Plans. A decrease in an apartment's area of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. If the area of an apartment decreases by more than 5%, Purchaser's sole and exclusive remedy shall be to cancel the Purchase Agreement and the Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon. Each Unit should be inspected prior to purchase so that any prospective Purchaser will be able to inspect the interior dimensions, layout and physical condition. See Schedule A, and Part II Exhibits D and E.

14. Statutory Reserve Fund. Pursuant to Title YYYY-51 of the New York City Administrative Code (the "Reserve Fund Statute"), Sponsors are required to establish a reserve fund equal to three percent (3%) of the lowest aggregate price offered to tenants in occupancy prior to the effective date of the Plan (the "Statutory Reserve Fund"). The Statutory Reserve Fund is to be used by the Condominium for a building-wide replacement of a major component of any of the following systems: elevator; heating, ventilation and air conditioning; plumbing, wiring, window, or a major structural component to the building (other than replacements to cure code violations). If the Sponsor lowers the aggregate price offered to tenants in occupancy prior to the effective date of the Plan or performs certain types of work in the Building, the amount of the Statutory Reserve Fund established by Sponsor will be correspondingly reduced. Purchasers will not be offered a right of rescission under their Purchase Agreements in the event that the amount of the Statutory Reserve Fund is decreased prior to the effective date of the Plan.

The minimum Statutory Reserve Fund cannot be determined with particularity as of the date of this Plan. When the amount of the Statutory Reserve Fund has been accurately determined (in accordance with the procedures summarized in Section 25), the Sponsor will amend the Plan to disclose the amount in the amendment disclosing that the Plan has been declared effective.

The Statutory Reserve Fund is separate and distinct from the "Capital Replacement Reserve" described in Special Risk #21 and Footnote #11 to Schedule B. The Statutory Reserve Fund is a mandatory reserve fund established under the New York City Administrative Code. The "Capital Replacement Reserve" is a suggested contribution to the capital reserves of the Condominium in order to comply with the recommendations of the Reserve Study procured by the Sponsor to fund the costs of replacing all capital components of the Property (not only the building systems specified above) as they reach the ends of their useful lives. Although compliance with the recommendations also satisfy the recommendations of FNMA in order to insure mortgage loans made at the Property, the Capital Replacement Reserve may be modified by the Board of Managers at any time.

The Sponsor believes that the amount of the Statutory Reserve Fund (plus amounts budgeted for repairs and maintenance and contingencies in the Condominium Board, including any contributions made to the Capital Replacement Reserve) will be sufficient to pay for the major capital improvements or replacements to the Building which are reasonably foreseeable within five (5) years from the date of this Plan as disclosed in the Description of Property and Building Condition. However, the Sponsor makes no representation or warranty to that effect. Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the fund.

If additional funds are required, the Condominium has several options to raise funds. It may increase Common Charges, assess the Unit Owners, or borrow money on an unsecured basis. In addition, under State law, the Condominium has the right to borrow money and place a lien on the Common Charges of the Condominium to secure repayment, provided that more than fifty percent (50%) of the Unit Owners have consented to such lien or have granted to the Board

of Managers such right under the By-laws or by power of attorney. See Section 25 entitled "Reserve Fund" for further details.

15. Rights of Sponsor to Evict Deregulated Tenants with Expired Leases. In a recent case entitled MH Residential 1, LLC v. Barrett, 78 A.D.2d 99, 908 N.Y.S.2d 6 (App. Div. 1st Dept. 2010), the First Department held that the expiration of the lease of a tenant not subject to rent regulation terminated the landlord-tenant relationship provided that the tenant was not a "non-purchasing tenant", i.e., the person was not a tenant entitled to possession at the time that the Plan was declared effective. The losing parties moved for re-argument and sought permission to appeal the decision. Both motions were denied. Accordingly, the Sponsor reserves all rights to evict tenants whose leases have expired prior to the date that the Plan has been declared effective pursuant to applicable law. See Section 12 of the Plan entitled "Rights of Existing Tenants".

16. Adjournment Fees. If Purchaser adjourns the Closing, the Purchaser will be liable for Sponsor's carrying costs for the Unit in addition to all common charges, and real estate taxes assessed against the Unit from and after the scheduled Closing Date, and interest on the purchase price at the rate of twelve percent (12%) per annum from the scheduled Closing Date until the actual Closing Date, to reimburse the Sponsor for loan interest (if any) and its lost opportunity costs with respect to the unpaid purchase price. Purchaser shall be allowed one (1) fifteen (15) day closing adjournment without penalty; however, if the closing is adjourned by Purchaser or their lender on less than 48 hours' notice, then the Purchaser shall pay an adjournment fee of $250 to Sponsor's Counsel. See Section 12 of the Plan entitled "Procedure to Purchase".

17. Window Guards. Unit Owners must notify the Managing Agent when a child or children ten years of age or below take(s) occupancy in a Unit, even if such occupancy is temporary. In such case, each Unit Owner shall install window guards in each window of the Unit at his or her expense and shall not remove them until permitted by law and upon notice to the Managing Agent. Any violations issued to the Condominium or the managing agent because of a Unit Owner's non-compliance with this regulation shall be removed at the sole cost and expense of the non-complying Unit Owner. The Condominium may direct the managing agent to remedy and remove such violation and charge the offending Unit Owner with the full cost and expense of same. See Section 20 of the Plan entitled "Rights and Obligations of Unit Owners".

18. Force Majeure. The obligation of the Sponsor to convey title to the first unit within twelve (12) months after the projected date for the first Unit closing under the Plan is subject to (i) delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing the Sponsor from obtaining necessary supplies or materials, or (ii) Purchaser's default. However, the foregoing does not affect the right of rescission afforded to purchasers if the first unit closing does not occur within such twelve month period. See Section 15 of the Plan entitled "Terms of Sale".

19. Contribution to Working Capital Fund by Purchasers at Closing of Title to Units; No Minimum Working Capital Fund. At the closing of title to their Units, each Purchaser will make a mandatory contribution to the Working Capital Fund of the Condominium equal to two months common charges. The Working Capital Fund will be used to reimburse the Sponsor for

certain ongoing costs that had been pre-paid by Sponsor for the first year of Condominium Operation, such as prepaid insurance or water and sewer charges. There is no minimum Working Capital Fund. Therefore, if the Sponsor has not been fully reimbursed from the Working Capital Fund after all Units have closed, common charges may need to be increased accordingly. For further details, see Section 26, "Working Capital Fund."

20. Escrow of Taxes at Closing by Unit Owners. If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to a Unit, then at closing, real estate taxes for the tax year in which the closing occurs will be adjusted with the Sponsor as per Section 16(A). In addition, the Unit Owner will place in escrow with the Condominium an amount equal to the real estate taxes allocable to the Unit for the next succeeding half tax year. For example, if the closing occurs on July 1, 2019, pro-rata taxes for the half tax year July 1, 2019 – December 31, 2019 will be collected at closing, and the Unit Owner will place in escrow with the Condominium the projected allocable taxes for the tax period January 1, 2020 – June 30, 2020. The Condominium will then apply such payments toward the portion of the taxes due for the Property allocated to the Unit for the applicable tax year. When the Units are separately assessed, any amounts held in escrow on behalf of a particular Unit will be returned to the Unit Owner or as he or she may direct. If for any reason the Units are not separately assessed by the time the next tax payment is due, and the escrowed amounts are insufficient to pay the escrowing Unit Owners' shares of real estate taxes, any deficiency will be collectable by the Condominium as a Common Expense.

The Sponsor will also place in escrow its share of real estate taxes for any Unsold Units within thirty (30) days after the first Unit Closing, unless the Sponsor is already escrowing for real estate taxes for the Property with its existing lender. In that event, if the Sponsor's lender pays the real estate taxes for the entire Property on the next due date for taxes, the Sponsor will be reimbursed out of the tax escrow account described in the previous paragraph for each Unit Owner's share of such taxes. In addition, the Sponsor will be entitled to reimbursement at each closing for real estate taxes that the Sponsor has previously paid or escrowed on behalf of the Unit Owner. See Section of the Plan 16 entitled "Unit Closing Costs and Adjustments".

21. Capital Replacement Reserve. The budget for operations of the Condominium includes an annual contribution to a replacement reserve for capital repairs and replacements required at the Property as components reach the end of their useful life, based on a "Reserve Study" performed by Strategic Inspections, LLC. Unlike the Statutory Reserve Fund, the use of the Capital Replacement Reserve is not limited to components of major building systems. The Reserve Study recommended that amounts ranging between $140,171 and $162,265 be contributed annually to the replacement reserve. Initially the contributions to the Capital Replacement Reserve through the 5th anniversary of the First Unit Closing (above the $10,000 per year budgeted in Schedule B) will be made by virtue of the Sponsor's contributions to the statutory Reserve Fund required under Local Law 70 of the City of New York. These contributions are currently set at $1,524,390 and may vary, but will never total less than $811,325 (five times the maximum aggregate recommended contributions in the Reserve Study.) For additional information regarding the Local Law 70 Reserve Fund, See Special Risk #13 and Section 25 of the Plan.

The Sponsor believes that the amount of the Capital Replacement Reserve, including the Local Law 70 Reserve Fund (plus amounts budgeted by the Condominium Board for repairs and maintenance and contingencies) will be sufficient to pay for the major capital improvements or replacements to the Building which are reasonably foreseeable within five (5) years from the date of this Plan, as disclosed in the Description of Property and Building Condition. However, the Sponsor makes no representation or warranty to that effect. If additional funds are required, the Condominium has several options to raise funds. It may increase Common Charges, assess the Unit Owners or borrow money either on an unsecured basis, or secured by a lien on Common Charges. See Note 11 to Section 5 of the Plan entitled "Projected Budget for First Year of Operations."

Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the budgeted reserve funds. The Property is offered in its present condition as set forth in the Plan.

22. Homeowners Insurance to be Carried by Unit Owners. Individual Unit Owners are required to carry homeowners insurance covering damage to their floors, interior or partition walls, alterations improvements and betterments made to individual Units by the Unit Owner or his or her predecessor in interest, appliances, fixtures, furniture, furnishings, or other personal property of Unit Owner, and liability insurance covering any personal injury or property damage occurring within their Unit and property damage outside their units caused in whole or in part by such Unit Owner, in such amounts and covering such risks as the Board of Managers may reasonably require. For further information, see Section 21(B)(3).

23. Renovations to be Performed to Vacant Units.

The Sponsor intends to renovate units as they become vacant in anticipation of sales or at the request of prospective purchasers. The architect's Description of Property & Building Condition describes both existing conditions and the characteristics of renovated Units if the proposed renovations are performed. The renovations will be made in accordance with the configurations indicated on the floor plans entitled "Planned Post-Vacancy Renovation" and annexed hereto in Exhibit D following the floor plans of existing Units. The schedule for the renovation work will be 9 a.m. to 5 p.m., Monday through Friday. Proper precautions will be taken to ensure minimal disruption to other tenants and Unit owners. All contemplated renovations of units will be performed in accordance with the requirements of the Department of Buildings and applicable law.

If a non-Tenant Purchaser executes a Purchase Agreement for a Unit which provides for such renovation, the Sponsor will perform such renovation in accordance with such floor plans. However, the Sponsor specifically reserves the right not to perform such renovations unless and until mutually agreed with a prospective purchaser. For further details regarding the renovations, See Section 33 and Exhibit D, Description of Building and Property Condition and the floor plans that follow.

24. Income Tax Deductions to Unit Owners. On January 1, 2018, the "Tax Cuts and Jobs Act of 2017" went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. As a

result, unit owners' ability to deduct mortgage interest and state and local taxes (including real estate taxes) could be significantly limited. Moreover, the "Tax Cuts and Jobs Act of 2017" has not been interpreted by applicable governmental or judicial authorities and no regulations have been issued by the Internal Revenue Service or the Treasury Department with respect to particular provisions of the Act. Neither the Sponsor nor the Counsel to the Sponsor will be liable if it is determined that the income tax deductions referred to herein are not allowable in whole or in part based on rulings or interpretations issued by any judicial or governmental authority after the date hereof. For more details, see Section 23 of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of Condominium."

25. Real Estate Taxes and 421-a Benefits. The Sponsor received a Final Certificate of Eligibility for 421-a benefits on November 15, 2011 for 175 Spencer Street (the "175 421-a Final Certificate") and received a Final Certificate of Eligibility for 421-a benefits on November 9, 2011 for 192 Spencer Street (the "192 421-a Final Certificate", together with the 175 421-a Final Certificate, the "421-a Final Certificates") under Section 421-a of the Real Property Tax Law and Section 11-245 of the Administrative Code of the City of New York which exempts certain properties from some or all of the increase in assessed value resulting from the construction of the building over the assessed value of the property for the tax years prior to commencement of construction. This means that the assessed value of the property has been "frozen" at the level of the assessed value prior to construction for the duration of the exemption. In this instance, 421-a benefits were granted for 25 years, with a current 100% exemption during the first twenty years (until 2031) and a 20% phase-out every year thereafter. The exemption will expire completely in 2036. In other words, beginning in 2031, real estate taxes attributable to the construction of the building will rise at the rate of 20% per year from the level at which they had been "frozen", until the Property reaches its full 2036 assessed value.

While 421-a benefits remain in effect, the leases for all apartments that are owned by the Sponsor or a successor sponsor will continue to be subject to the RSL, and the leases of "non-purchasing tenants" will continue to be subject to the RSL regardless of who owns the Unit. Upon expiration, and provided that appropriate notice has been given by the landlord, all apartments which were subject to the RSL shall become deregulated, rents at the expiration of the current lease may be increased to market values, and tenants who are not "Non-Purchasing Tenants" will not be entitled to automatic lease renewals.

Unit Owners of Units occupied by rent-regulated tenants are required to include in each lease and renewal lease a notice in at least twelve point type informing the tenant that the apartment shall become deregulated upon the expiration of the last lease entered into during the tax benefit period. The notice also needs to state the approximate date on which such tax benefit period is scheduled to expire. The inclusion of the required notice in all leases results in the deregulation of the apartment from the RSL at the end of the last lease entered into during the tax benefit period. In addition, aside from what the lease itself may state, if the Unit Owner intends to raise the rent above 5% or intends to not renew the tenancy, the Unit Owner must send prior notice. If the tenant has occupied the Unit for less than one year, 30 days' notice is required. For a tenant that occupies a Unit for more than one year but less than two and has a lease of more than one year but less than two, 60 days' notice is required. For tenants that have occupied a Unit more than two years or a lease term or at least two years, 90 days' notice is required. If the requisite

notice has not been provided, the Unit will remain rent-stabilized until the requisite notice has been provided.

For more information, see Section 22, "Real Estate Taxes," and Section 14, "Rights of Existing Tenants", Subsection 7.

26. Storage Bins for Personal Effects of Unit Owners Only. Storage bins are offered by the Sponsor on a "first come, first served" basis. Storage bins may only be used for the storage of personal effects of a Unit Owner, and in no event shall any food or other perishable item, or any hazardous substance, or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Storage bins may not be used as dwelling space; neglect of this requirement may result in violations placed against the building which will be the obligation of the individual Unit Owner responsible for such negligence to remove.

Use of a storage bin is governed by a license agreement which may be revoked if the Unit Owner defaults under the License Agreement or the Condominium Documents, or ceases to own a Unit. Initially Unit Owners will pay a license fee of $10.00 per month per storage bin. The fee may be changed from time to time by the Board of Managers. The form of License Agreement appears in Exhibit I. For further details, see also Section 7 of the Plan entitled "Parking Units and Storage Bins".

27. Limitations on Use of Terraces, Balconies and Storage Bins. Terraces, balconies, storage bins and areas may not be used for any type of occupancy, including but not limited to sleeping, living rooms, recreation rooms, offices and storage (on balconies or terraces). To do so may result in the authorities having jurisdiction issuing a violation against the property. See Section 20 of the Plan entitled "Rights and Obligations of Unit Owners".

28. Sponsor's Right to Substitute Storage Bins. At or prior to delivery of the Storage Bin License to Purchaser, Sponsor has the right, with or without prior notice to Purchaser, to substitute the Storage Bin designated in the Storage Bin License (the "Original Storage Bin") or in the Storage Bin Rider therefor for an alternate Storage Bin (the "Substituted Storage Bin"), provided that such Substituted Storage Bin is of equal or larger size than the Original Storage Bin and provided further, any monthly license fees payable by Purchaser to the Condominium in connection with such Substituted Storage Bin are comparable per square foot to those payable in connection with the Original Storage Bin. Any exercise of Sponsor's rights to designate a Substituted Storage Bin shall not result in an increased Storage Deposit or purchase price and shall not afford Purchaser any abatement in purchase price or excuse Purchaser from its obligations under the Storage Bin License. See Section 7 of the Plan entitled "Parking Units and Storage Bins".

29. Smoking Disclosure Policy. In accordance with Section 17-502 of the NYC Administrative Code, the Sponsor has adopted a smoking policy ("Smoking Policy") with respect to smoking on the property which applies to all unit owners and their tenants. Please refer to Rights and Obligations of Unit Owners, Section 20 and the By-laws of the Condominium, as set forth in Part II for more details.

30. Restrictions on Use of Cellar. The cellars of the Units are not deemed to be habitable space and may not be used for sleeping or dining purposes. Cellars also have less light and air than ordinary living spaces and may be more susceptible to dampness. See the Description of Property and Building Condition, Exhibit D in Part II for more information.

31. Rights to Use Parking Units. Multiple Dwelling Law Section 60 provides in part as follows:

> "[A parking space] or structure shall be used solely for the storage of passenger motor vehicles of the occupants of the multiple dwelling or of multiple dwellings under common ownership, except that, in the event such space or structure or part thereof is not used by such occupants, it may be rented by the owner or owners of such dwelling or dwellings to persons other than the occupants thereof. The space which has thus been rented shall be made available to an occupant within thirty days after written request therefor..."

There is no case law interpreting whether the "owner" for these purposes refers to the owner of the Parking Unit or the Board of Managers of the Condominium. However, since the Parking Unit is owned and controlled by an individual Unit Owner as opposed to the Board of Managers, based on analogous case law it is likely that the individual Unit Owner would be deemed the "owner" for these purposes. Accordingly, the tenant of a Unit Owner who also owns a Parking Unit may have the right to demand that the owner of that Parking Unit lease the Parking Unit to the tenant (at fair market value) rather than to another person. It is also possible that a court would interpret the statute to require a Parking Unit Owner to lease a Parking Unit to a resident other than the tenant of the Parking Unit Owner within thirty (30) days after written request made to the Parking Unit Owner by such resident.

The Sponsor has the right to lease a Parking Unit to a non-occupant for periods of not less than one week and not more than one month (i.e., on a weekly or monthly basis). However, accessory off-street parking spaces owned by the Sponsor shall be made available to residents within thirty (30) days after written request made to the Sponsor by such residents.

32. Potential Surrender of Use of Handicapped Parking Space to Disabled Unit Owner. Parking Units 4 and 5 at 175 Spencer Street and Parking Units 1 and 2 at 192 Spencer Street have been designated as "Handicapped Parking Spaces." They will be the last spaces sold to purchasers who do not already have handicapped license plates. If a future Unit Owner (or member of his or her family) becomes handicapped and requires the use of a handicapped parking space, the Board may require that a Unit Owner who owns a Handicapped Parking Space to sell that space to the disabled Unit Owner, at fair market value, on thirty days prior written notice. For further information, see Section 7, "Parking Units and Storage Bins."

33. Effectiveness of Plan. If the Plan is not declared effective within fifteen (15) months after the date the Plan was accepted for filing, it will be declared abandoned. If the Plan is abandoned, no new Plan may be presented for twelve (12) months after the date of abandonment. See Section 14.

34. Special Rights of Sponsor in Connection with Sales, Leases and Alterations of Units. The Sponsor is not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners in order to exercise a number of rights described in the By-Laws. Included among these are the right to use a Unit as a model and display "For Sale," "For Rent," or "For Lease" signs, or similar signs, the right to alter a Unit without obtaining the prior consent of the Board of Managers, and the right to amend the Declaration without a vote for the purpose of filing the Floor Plans as required by Section 339-p of the Real Property Law of the State of New York. For as long as the Sponsor or its designee own title to one or more Units, the rules and regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee give their written consent to such an amendment.

The foregoing is not a comprehensive list of the special rights of the Sponsor. See Section 17 entitled "Rights and Obligations of Sponsor" and Article Sixth of the Declaration, as set forth in Part II, for further details.

35. Certification of Budget by Selling Agent. The budget for the Condominium has been certified by MNS, the Selling Agent under the Plan. The Regulations contained in 13 NYCRR Part 23 (pursuant to which this offering is being made) require that the budget certification be based on the management experience of the expert making the certification. MNS does not manage condominium or cooperative buildings, but has been involved with the marketing and sales of over one hundred (100) cooperative and condominium associations similar in size to The Spencer Street Condominium over the past fifteen (15) years, and has developed and reviewed budgets for the operation of numerous condominiums similar in size to The Spencer Street Condominium based on the data provided by the owners and managing agents of such buildings.

If the Sponsor updates the budget, the Sponsor will procure a certification of the budget by an expert whose experience conforms to the requirements of the foregoing Regulations.

36. Roof Guarantee. The roof is approximately six (6) years into a useful life of fifteen (15) years. There is no roof guarantee in effect at this time.

PARTS I AND II TOGETHER CONSTITUTE THE ENTIRE OFFERING PLAN. ALL DOCUMENTS REFERRED TO IN THE OFFERING PLAN ARE IMPORTANT. IT IS SUGGESTED THAT YOU CONSULT YOUR ATTORNEY OR FINANCIAL ADVISOR BEFORE PURCHASING AND PROVIDE HIM WITH A COPY OF THIS OFFERING PLAN.

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1. INTRODUCTION

The Sponsor, BSP Spencer LLC ("Sponsor"), a New York limited liability company, presents this offering plan ("Plan" or "Offering Plan") with the intention of setting forth herein all material information relating to the conversion to Condominium ownership of the land and building located at 175 & 192 Spencer Street, Brooklyn, NY 11205, and to be known as "The Spencer Street Condominium." The land, building and appurtenances are hereinafter sometimes referred to collectively as either the "Property," "Building" or the "Condominium." The Plan may be amended from time to time to reflect changes in the terms of the offering. Any such amendments shall be filed with the New York State Department of Law and served (by personal delivery or by mail) on one residential tenant per Unit, purchasers who have executed and delivered purchase agreements to the sponsor or selling agent and are not in default, Unit Owners, and any other person entitled to service pursuant to local law.

The Condominium will be organized pursuant to Article 9-B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act. The Condominium will consist of eighty-two (82) residential units (collectively the "Residential Units," or individually as a "Residential Unit") forty-two (42) parking units (collectively, the "Parking Units," or individually as a "Parking Unit" and sometimes together with the Residential Units the "Units") and sixty-four (64) Storage Bins (collectively, the "Storage Bins," or individually a "Storage Bin") in two six-story, elevator buildings with cellars. 175 Spencer Street contains 35 dwelling units and 18 Parking Units. 182 Spencer Street contains 47 dwelling units and 24 Parking Units.

The buildings were constructed between 2007 and 2011 and were operated as rentals. The Sponsor acquired title to the on November 5, 2015 and is the current owner.

There is a first mortgage (the "Existing Mortgage") on the Property held by Investors Bank, having an address at 101 John F Kennedy Parkway Short Hills, NJ 07078 (the "Existing Mortgage Lender") in the original principal amount of $28,200,000.00. The mortgage provides that each Residential Unit sold, together with its appurtenant interest in the Common Elements, shall be released from the lien of such mortgage at the closing of title thereof upon the payment of the minimum release price for such Residential Unit. There is no obligation to market any of the Units for sale or restriction on Sponsor's ability to lease any Unit under such financing. The mortgage contains no special requirements with respect to the number of Purchase Agreements required to be executed before the Sponsor may close title to the first Unit, or the Sponsor's right to rent (rather than sell) Units.

The Sponsor has retained MNS ("Selling Agent"), 97 North 10th Street, Brooklyn, NY 11249, as Selling Agent in connection with the offering.

Purchase prices, percentage of Common Interest and other details for individual Units are set forth in Schedule A. These prices have been established by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Parts I and II of the Plan, including schedules and exhibits, constitute the entire offer of Sponsor. The Plan and the exhibits will be available for inspection by prospective Purchasers and their attorneys without charge at the office of the Selling Agent and are available for inspection without charge and for copying at a reasonable fee at the Department of Law, 28 Liberty Street, 21st Floor, New York, NY 10005.

The Units are to be sold as Condominium Units in accordance with the Plan at the prices noted in Schedule A. The prices contained in Schedule A are not subject to the approval of the Department of Law, or any other governmental agency. In addition, the Sponsor offers to all bona fide tenants in occupancy on the date the Plan is accepted for filing ("Tenants") the exclusive right, until ninety (90) days from the date of the initial presentation of the Plan (the "Exclusive Purchase Period"), to purchase the Units which they occupy at the prices specified in Schedule A. For further information see Section 9. There will be no increase in the price to Tenants during the Exclusive Purchase Period, and the Sponsor will not accept Purchase Agreements from non-tenant Purchasers for occupied apartments during the Exclusive Purchase Period. After the Exclusive Purchase Period expires, the Sponsor may accept Purchase Agreements from bona fide Purchasers for any Units for which Purchase Agreements have not previously been accepted.

The Sponsor reserves the unconditional right to rent its Unsold Units and because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Residential Units than the fifteen percent (15%) (thirteen units) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. See Section 17 entitled "Rights and Obligations of Sponsor" for further details.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of building be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

The Sponsor currently has no plans to perform any future work at the Property except for the renovation of vacant Units as described in the Architects Report in Part II. If the Sponsor performs any material work to the Property, such work will be disclosed in a duly filed amendment to the Plan.

A. Features of Condominium Ownership. The Purchaser of a Unit, hereinafter referred to as a "Unit Owner" owns their Unit similarly, in many respects, to the manner in which a private homeowner owns a home. They own the Unit in fee and is entitled to the exclusive possession

thereof. They are also the Owner, in common with the Owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land under the Building, its foundations and supports, the lobby, the exterior walls and the roof (hereinafter called "Common Elements"). Each Unit Owner's proportionate share ("Common Interest") of the Common Elements is determined pursuant to New York State Real Property Law Sections 339-i and 339-m.

Any Common Elements intended for use in common by all of the Unit Owners are referred to as "General Common Elements." Any portions of the Common Elements which are reserved for the benefit of fewer than all Unit Owners are deemed to be "Limited Common Elements."

Each Unit Owner is obligated to comply with the governing documents of the Condominium, including the declaration of Condominium ("Declaration"), by-laws ("By-Laws"), and rules and regulations of the Condominium ("Regulations"). These documents are reproduced in Part II of the Plan.

The Board of Managers of the Condominium will assess against each Unit Owner, in proportion to their respective Common Interest, charges (hereinafter "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter "Common Expenses"), as provided in New York State Real Property Law Section 339-m. Each Unit Owner will pay for all electricity consumed within their own Unit, the charges for which will be separately metered. The Units shall be collectively metered for water, sewer usage and gas for cooking, heat and hot water. In addition, each Unit will be taxed as a separate tax lot for real estate tax purposes. Unit Owners will not be responsible if any of the other Unit Owners fail to pay their real estate taxes.

Each Unit Owner may mortgage their Unit on the terms and in such amount as he or she chooses. However, if Purchasers pursuant to this Plan seek mortgage financing, they will be required to follow procedures set forth in Section 12 of the Plan ("Procedure to Purchase") and in the Purchase Agreement in Part II of the Plan. No Unit will be subject to the lien of any mortgages placed by other Unit Owners on their Units. In the opinion of counsel for the Sponsor, a Unit Owner, like a homeowner, may deduct from their income for income tax purposes the real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by the Unit Owner to the extent allowed by law.

Although the Board of Managers of the Condominium (hereinafter the "Board" or the "Board of Managers" or the "Condominium Board") does not have the right to approve or disapprove Purchasers, sales and leases of Units are subject to a right of first refusal by the Board at the same price and terms as the Unit Owner has been offered. The foregoing restrictions do not apply to Units owned by the Sponsor. A Unit cannot be sold without a sale of the proportional Unit interest in the Common Elements. See Section 20 of the Plan entitled "Rights and Obligations of Unit Owners and Board of Managers" and Article X of the By-Laws for further details.

Generally, Units may be used for residential purposes only. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances, building code or other rules and regulations or governmental authorities having jurisdiction, and provided further that the prior written consent of the Board of Managers to such professional use is obtained.

A Unit Owner may make non-structural alterations and decorate the interior of their Unit in any way they desire, subject to local codes and Regulations of the Condominium, and they are obligated for the cost of their own interior decoration, maintenance, and repairs after closing. However, alterations affecting the utility systems of the Building, installation of fixtures or appliances (other than electrical appliances), and structural alterations require the consent of the Board.

Each Unit Owner will be responsible for maintaining their own Unit and storage bin and for making repairs within their own Unit. The cost of maintenance and repair of the Common Elements shall be shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements (but not the Limited Common Elements). Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with their respective Unit. The Board of Managers shall have the duty of obtaining casualty and liability insurance, on behalf of the Condominium, with respect to the Building as a whole.

The Board of Managers of the Condominium shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by their percentage of Common Interest, subject to certain rights of the Sponsor to designate Board members. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Regulations covering the Condominium. See Section 20 entitled "Rights and Obligations of Unit Owners and Board of Managers" for further discussion.

Units may be purchased either by natural persons over the age of 18 years or by a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The Plan does not limit the number of Unit Owners who may purchase for investment rather than personal occupancy, except that in order to declare the Plan effective, the Sponsor must have fully executed Purchase Agreements from at least thirteen (13) Purchasers who are either 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 Unit when it becomes vacant. Notwithstanding the foregoing, the Condominium may have a substantial percentage of Unit Owners who purchase for investment, rather than for occupancy.

Once Purchase Agreements have been executed for fifteen percent (15%) of the Units (thirteen Units) in the Building 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 Unit when it becomes vacant, the Plan may be declared effective. Such Purchasers should

note that there may be a substantial period of time during which the Building transitions from a rental building to an owner-occupied building, and the owner-occupants may never gain control the Board or the operation of the Property. Owner-occupants and non-resident owners, including the Sponsor, may have inherent conflicts as to how the Condominium should be managed because of their different reasons for purchasing. For example, an owner-occupant who is purchasing a Unit as a home may have views on repairs, capital expenditures, and the exercise of the Board's right of first refusal to purchase or lease a Unit that differs from a non-resident owner who has purchased for the purposes of an investment.

The Sponsor is also offering forty-two (42) Parking Units located on the exterior of the building on the first floor level. Each Parking Unit may be used for parking one (1) vehicle on the Property. The Parking Unit Owners will have no right to subdivide a Parking Unit. Parking Units are offered for sale only to Purchasers who are also purchasing a Residential Unit at the Building and will be conveyed to Purchasers via deed. The Buildings are compliant with the handicapped parking requirements of the City of New York. For further information, See Section 7, "Parking Units and Storage Bins.".

Sponsor is also offering to Purchasers on a first come, first serve basis, Storage Bins which will be licensed by Sponsor to certain Purchasers, which Storage Bins are located at the cellar levels of 175 and 192 Spencer Street. The Storage Bin License is available at an additional cost to the Purchase Price of the Condominium Unit by those Purchasers desiring a Storage Bin, with such availability on a first come, first serve basis. There are 64 Storage Bins available for licensing by Sponsor. The Storage Bins available to Purchasers are of different sizes and dimensions.

Sponsor will convey a license for exclusive use of the storage bins. Sponsor will not convey storage bins in fee title ownership. The Storage Bin License Agreement is Exhibit I in Part II of the Plan.

Unit Owners will be responsible for all normal maintenance and repair to the Storage Bin which they are the licensee of. However, the costs and expenses of any structural or extraordinary repairs or replacements shall be a Common Expense charged to all Unit Owners. The Storage Bins may be used in accordance with applicable law and only for the storage of the personal effects of the Unit Owner having exclusive access to such Storage Bin. No items which would constitute a threat to the health or safety of the Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building shall be stored in the Storage Bins. The Board has the authority to promulgate rules regarding use of and access to the Storage Bins. Please refer to the Storage Bin License granting the exclusive use of a Storage Bin to the Unit Owners purchasing the right to use such Storage Bins set forth in Part II of the Plan for further details regarding the rights and obligations of a Unit Owner purchasing a Storage Bin License.

Neither the Sponsor nor the Board will be responsible for any damage to items placed in Storage Bins. Unit Owners who place items in Storage Bins do so at their own risk and Purchasers are advised to consult with their own insurance brokers or agents regarding appropriate coverage for such stored items.

The Storage Bins may only be used for storage purposes, and in no event may they be used as a dwelling space or for the storage of toxic or inflammable items or Combustibles (as such term is defined in the New York City Building Code). No materials which pose a health or safety threat or which otherwise create a nuisance may be stored in the Storage. To do so may result in a violation placed against the Building by the Department of Buildings that will be the obligation of the licensee to remove. Notwithstanding the foregoing, Sponsor or its designee shall have the right to use without charge any Storage Bins in respect of which licenses have not been issued. The Storage Bins will be located in the cellar of 192 Spencer Street.

B. Rent Regulated Units. From completion of construction of the Building (and as of the date of this Plan), all of the Residential Units in the Building are regulated and are subject to the New York City Rent Stabilization Law of 1969 and the Code adopted pursuant thereto (collectively referred to herein as "RSL"), or the New York City Rent Eviction and Rehabilitation Law and Regulations ("RCL") (collectively the RSL and RCL are referred to herein as "Rent Laws"). All Units are subject to Section 352-eeee of the General Business Law of New York (the "GBL"). See Section 9 entitled "Rights of Existing Tenants" for further details. As of the date of this Plan, there are thirty-five (35) vacant Residential Units in the Building.

The Property receives tax benefits under Section 421-a of the Real Property Tax Law. As a result, all units are subject to the RSL. The benefits run for 25 years, with a current 100% exemption from certain tax increases until 2031 and a 20% phase-out every year thereafter until they expire completely in 2036. In other words, beginning in 2031, real estate taxes attributable to the construction of the building will rise at the rate of 20% per year from the level at which they had been "frozen", until the Property reaches its full 2036 assessed value.

While 421-a benefits remain in effect, the leases for all apartments that are owned by the Sponsor or a successor sponsor will continue to be subject to the RSL, and the leases of "non-purchasing tenants" will continue to be subject to the RSL regardless of who owns the Unit. Upon expiration, all apartments which were subject to the RSL shall become deregulated, rents at the expiration of the current lease may be increased to market values, and tenants who are not "Non-Purchasing Tenants" will not be entitled to automatic lease renewals.

Unit Owners of Units occupied by rent-regulated tenants are required to include in each lease and renewal lease a notice in at least twelve point type informing the tenant that the apartment shall become deregulated upon the expiration of the last lease entered into during the tax benefit period. The notice also needs to state the approximate date on which such tax benefit period is scheduled to expire. The inclusion of the required notice in all leases results in the deregulation of the apartment from the RSL at the end of the last lease entered into during the tax benefit period. In addition, aside from what the lease itself may state, if the Unit Owner intends to raise the rent above 5% or intends to not renew the tenancy, the Unit Owner must send prior written notice. If the tenant has occupied the Unit for less than one year, 30 days' notice is required. For a tenant that occupies a Unit for more than one year but less than two and has a lease of more than one year but less than two, 60 days' notice is required. For tenants that have occupied a Unit more than two years or a lease term or at least two years, 90 days' notice is

required. If the requisite notice has not been provided, the Unit will remain rent-stabilized until the requisite notice has been provided.

For more information, See Section 22 (Real Estate Taxes.)

C. Contents of Plan. This is a Non-Eviction Plan. Non-purchasing Tenants will not be evicted by reason of conversion to Condominium ownership or after expiration of their Lease term, pursuant to General Business Law Section 352-eeee. See Section 9 entitled "Rights of Existing Tenants" for further details.

This Plan contains a summary of the terms of the transaction. The exhibits delivered to the Department of Law contain all of the documents referred to in the Offering Plan. Copies of the Plan and the exhibits will be available for inspection, without charge, to prospective Purchasers and their attorneys at the office of the Selling Agent.

The agreement to purchase the Unit is called a Purchase Agreement and may be found in Part II, Exhibit A. A summary of the principal provisions of the Declaration and By-Laws of the Condominium may be found in Part I, Sections 20 and 21. Copies of such documents are set in Part II, Exhibits E and F. In addition, a detailed description of the Property, which should be carefully reviewed by prospective Purchasers, is attached as Exhibit D to the Plan.

Parts I and II of the Plan, including all schedules and exhibits, constitute the entire offer of Sponsor. All documents forming a part of this Offering Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide him with a copy of this Offering Plan.

D. For First-Time Purchasers: Characteristics of Unit Ownership. Ownership of a Unit includes certain responsibilities that owners who have previously rented may not be accustomed to, such as the following:

(a) Unit owners making alterations to the structure or utility systems of the Unit must get the consent of the Condominium Board. All alterations must be performed in accordance with applicable law. In addition, Unit Owners are typically required to sign an Alteration Agreement with the Condominium detailing how the alteration is to be performed and protecting the Condominium against liability for damage from the work. Among other things, the Alteration Agreement may cover: (i) time periods during which work is permitted; (ii) manner in which construction debris will be handled; (iii) measures which must be taken to prevent compromising the security of the building during construction; (iv) interruption of services during construction; (v) insurance for contractors during construction; and (vi) right of access by Board of Managers for inspection and repair.

(b) Unit Owners are required to arrange for extermination within their own Units, unless the Board of Managers has elected to enter into a building-wide pest control contract.

(c) The Condominium's insurance will not cover losses to the furniture, furnishings, personal belongings, fixtures, appliances, wall and floor coverings, window treatments or other decorations, improvements to or contents of a Unit. Each Unit Owner will be required to carry homeowners insurance covering damage to their floors, interior or partition walls, alterations improvements and betterments made to individual Units by the Unit Owner or his or her predecessor in interest, appliances, fixtures, furniture, furnishings, or other personal property of Unit Owner, and liability insurance covering any personal injury or property damage occurring within their Unit and property damage outside their units caused in whole or in part by such Unit Owner, in such amounts and covering such risks as the Board of Managers may reasonably require.

(d) Unit Owners must provide their own window screens.

Purchasers should review the Declaration, By-laws and Rules and Regulations of the Condominium for further details of their responsibility to repair, maintain and insure their Units and comply with the rules of the Condominium Association.

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

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2. DEFINITIONS

175 Spencer Street: The building located at 175 Spencer Street, Brooklyn, NY.

192 Spencer Street: The building located at 192 Spencer Street, Brooklyn, NY.

Board of Managers or Board: The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their percentage of Common Interest.

Building(s): Sometimes 175 Spencer and 192 Spencer shall each be referred to individually as the Building or collectively as the Buildings which contain the Units.

Common Charges: Each Unit's proportionate share of Common Expenses in accordance with its Common Interest.

Common Elements: All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Residential Limited Common Elements. See Article Fifth of the Declaration for a description and list of the various types of Common Elements.

Common Expenses: (a) Expenses of operation of the Property; and (b) all sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

Common Interest: The proportionate, undivided interest expressed as a numerical percentage in the Common Elements, appertaining to each Unit, as determined in accordance with the Declaration and the Condominium Act.

Common Expense: The share allocable to the Residential Units of the cost of operating the Condominium pursuant to the Declaration and By-Laws of the Condominium.

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

Condominium Act: Article 9-B of the New York State Real Property Law.

Condominium Documents: The Declaration, By-Laws, Power of Attorney and Unit Deed, which are contained as exhibits in Part II of the Plan.

Contribution: The portion of the Common Expenses contributed by the Units.

Control Period: The period from the First Unit Closing until the earlier of (i) the transfer of title by the Sponsor to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty-one percent (51%), or (ii) five (5) years after the First Unit Closing.

Declaration: The instrument by which the Property is submitted to the provisions of the Condominium Act, and such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and the By-Laws.

Deposit: The down payment made by a Purchaser in connection with the purchase of a Unit, together with any additional payments made by the Purchaser to be held in escrow pending the closing of title to the Unit.

Equal or Better Quality. Comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

Escrow Agent: Means Smith Buss & Jacobs LLP.

Exclusive Purchase Period: The ninety (90) day period following the date of presentation of this Plan during which each Tenant in occupancy has the exclusive right to purchase their Unit for the Tenant purchase price.

First Unit Closing: The first closing of title with a bona fide Purchaser of a Unit.

General Common Elements: Those certain portions of the Common Elements either existing for the common use of the Units or the Unit Owners, or necessary for, or convenient to, the existence, maintenance or safety of the Property, as more particularly described in the Declaration and excluding the Limited Common Elements. See the Article Fifth of the Declaration in Part II.

Limited Common Elements: Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners (but not all). See Article Fifth of the Declaration of Condominium for details on the different types of Limited Common Elements.

Parking Unit: Means a Unit offered for parking purposes only, as described in Section 7.

Person: A natural person, corporation, partnership, association, trustee or other legal entity.

Property: The land, buildings and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act by this Plan.

Purchase Agreement: The agreement between the Sponsor and a Purchaser to purchase a Unit for the purchase price.

Purchaser: Any person over the age of 18 or entity that executes a Purchase Agreement with the Sponsor.

Recording Officer, Recording or Recorded: Shall have the meanings stated in Section 290 of the New York State Real Property Law.

Repairs: Repairs, maintenance or replacement.

Capital Replacement Reserve: The reserve fund recommended to be established by the Condominium in order to make capital replacements to the Condominium pursuant to a reserve study procured by the Sponsor. (See Footnote #11 to Schedule B and Special Risk #21 for more details.)

Reserve Fund Statute: means Section Title-51 of the New York City Administrative Code.

Selling Agent: MNS, 97 North 10th Street, Brooklyn, NY 11249.

Sponsor: The promoter of the project and/or Offering Plan to convert a particular parcel of property to Condominium ownership. BSP Spencer LLC is the Sponsor of this Offering Plan.

Sponsor's Counsel: means Smith Buss & Jacobs LLP.

Statutory Reserve Fund: means the mandatory reserve fund established under Title YYYY-51 of the New York City Administrative Code.

Storage Bin(s) shall mean a specific storage unit located at the Cellar level of the Building for use by a Unit Owner.

Storage Bin License shall mean a license to use a Storage Bin at the Cellar level of the Building for use by a Unit Owner who is granted a license by the Declarant.

Tenant: A tenant in occupancy of an occupied Residential Unit on the date of the submission of the Plan for filing. See Section 9 entitled "Rights of Existing Tenants" for further details on the definition of a Tenant entitled to purchase during the exclusive ninety (90) day purchase period.

Tenant Purchase Price: The price set forth in Schedule A that each Tenant in occupancy may purchase their Residential Unit at during the Exclusive Purchase Period. As of the filing date of this Plan, the Tenant purchase price is the same as the non-tenant purchase price.

Unit: Any space in the Property designated as a Unit in the Declaration, consisting of a specific Unit in one of the Buildings and an appurtenant interest in the Common Elements.

Unit Designation: The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

Unit Owner or Owner: The person or persons, or entity owning a Unit in fee simple absolute; "Unit Owners" or "Owners" collectively means the respective Owners of the Units.

Unsold Unit: Any Unit owned by the Sponsor.

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3. LOCATION AND AREA INFORMATION

A. Location. The Buildings borders on Clinton Hill, Bedford-Stuyvesant and Williamsburg neighborhoods of the Borough of Brooklyn. 175 Spencer Street is located at the south eastern corner of Spencer Street and Willoughby Avenue and 192 Spencer Street is mid-block on the western side of Spencer Street between Willoughby Street and DeKalb Avenue. The surrounding neighborhood includes residential, educational, commercial and retail establishments.

As of the date of the Plan, there are no nearby development projects that will be adjacent to or across the street from the Property. The Sponsor also is not engaged in any development nearby, nor does it have plans to do so. Any change in the above state of facts will be disclosed in an amendment to the Plan within thirty (30) days after the information becomes known to the Sponsor.

B. Area Information. The Property is located in an urban area.

1. Transportation. The G subway line is accessible at Bedford Avenue and Nostrand Avenue and at Myrtle Avenue and Willoughby Avenue. The JMZ subway lines are accessible via transfer from the G line at Myrtle Avenue.

   The B38, B44 and B54 run along avenues and streets within close proximity to the Property.

2. Educational Facilities. The following pre-schools, public schools, private schools and colleges are located within a roughly two (2) mile radius of the Property:

PS 54 Samuel C Barnes, 195 Sanford St, Brooklyn, NY 11205 (PreK – 5)
PS 256, 114 Kosciuszko Street, Brooklyn, NY
PS and IS, 850 Kent Street, Brooklyn, NY
Academy of Arts and Letters, 225 Adelphi Street, Brooklyn, NY 11205 (K – 8)
PS 23 – 545 Willoughby Avenue, Brooklyn, NY
PS 270 – 241 Emerson Street, Brooklyn, NY
PS 297 – 700 Park Avenue, Brooklyn, NY
PS 368 – 78 Tompkins Street, Brooklyn, NY
PS 56 – 170 Gates Street, Brooklyn, NY
PS 305 – 244 Monroe Street, Brooklyn, NY
PS 20 – The Clinton Hill School, 225 Adelphi Street, Brooklyn, NY 11205 (PreK – 5)
PS 11 - Purvis J Behan, 419 Waverly Avenue, Brooklyn, NY 11238 (PreK – 5)
Brooklyn Prospect Charter School - 545 Willoughby, Brooklyn, NY 11205 (K-12)
Brooklyn Charter School, 545 Willoughby Avenue, Brooklyn, NY 11206 (Grades K-5)
Community Partnership Center, 241 Emerson, Brooklyn, NY 11216 (Grades K – 8)
Success Academy, 70 Tompkins Street, Brooklyn, NY
Compass Charter School, 300 Adelphi Avenue, Brooklyn, NY

No representation is made that any Unit Owner's child will be able to attend any particular educational institution.

3. Religious Institutions. There are houses of worship of most major denominations within one-quarter to one-half mile of the Property.

4. Medical Facilities. In addition to several smaller medical and dental practices and specialists, the following medical facilities are near the Property: Wyckoff Heights Medical Center, 374 Stockholm St, Brooklyn, NY 11237, and NYC Health + Hospitals Woodhull, 760 Broadway, Brooklyn, NY 11206.

5. Parks, Recreation and Cultural Facilities. The area has access to parks, playgrounds, public swimming pools, and cultural facilities within less than ¾ of a mile of the Property.

6. Police, Fire, Water and Road Maintenance Services. FDNY Station 291 is located at 494 Dean Street. The 88th Precinct is located at 298 Classon Avenue. Road maintenance service is provided by the City of New York and all charges (except water) are incorporated into City taxes. Water is separately metered and supplied by the City of New York.

7. Zoning. The Building is located in an R-6 (multi-family elevator building) zoning district.

8. Mailing Address and Postal Facilities. The mailing addresses for the Buildings are 175 Spencer Street and 192 Spencer Street, Brooklyn, New York, New York 11205. The post office servicing the Building is General Post Office Station, 609 Myrtle Avenue, Brooklyn, NY 11205..

9. Shopping, Banking and Restaurant Facilities. The Property is located in an urban area. Numerous grocery stores, health food stores, specialty food shops, restaurants and delicatessens are located within one-half mile of the Property. In addition several banks operate within one mile of the Property, including TD Bank at 490 Myrtle Avenue and Chase Bank at 975 Bedford Avenue. Sponsor makes no representation as to the continued operation of any retail, banking or other establishment.

10. Libraries. The Property is near Brooklyn Public Library – Marcy Branch, 617 DeKalb Avenue, Brooklyn, NY; DeKalb Branch, 790 Bushwick Ave, Brooklyn, NY 11221; the Clinton Hill Branch, 380 Wshington Avenue, Brooklyn, NY, and several other branches.

5. SCHEDULE A

Offering price and Related Information for Projected First Year of Condominium Operation

175 and 192 Spencer Street, Brooklyn, NY

January 1, 2020 - December 31, 2020

175 Spencer Street, Brooklyn NY									
Unit ** (1)	Number of Beds/Bath (2)	Approximate Gross Square Footage of Unit (3)	Approximate Square Footage of Limited Common Elements * (3)	Offering Price (4)	Reduced Offering Price to Tenants During Exclusive 90 Day Period (5)	Percentage of Common Interest (6)	Estimated Monthly Common Charges (7)	Estimated Monthly Real Estate Taxes with 421a Tax Benefits (8)	Estimated Total Monthly Common Charges and Real Estate Taxes with 421a Tax Benefits (8)
1A	1/1.5	1058 (C)	125* (Y)	$ 920,000	$ 782,000	1.4982%	$ 431.06	$ 21.06	$ 452.12
1B	1/1.5	1013 (C)	122* (Y)	$ 910,000	$ 773,500	1.4316%	$ 411.90	$ 20.12	$ 432.02
1C	1/1.5	1013 (C)	125* (Y)	$ 910,000	$ 773,500	1.4316%	$ 411.90	$ 20.12	$ 432.02
1D	1/1.5	1058 (C)	125* (Y)	$ 920,000	$ 782,000	1.4982%	$ 431.06	$ 21.06	$ 452.12
2A	1/1.0	708	0	$ 630,000	$ 535,500	1.0026%	$ 288.47	$ 14.09	$ 302.56
2B	1/1.0	706	0	$ 630,000	$ 535,500	0.9997%	$ 287.63	$ 14.05	$ 301.68
2C (V)	1/1.0	739	0	$ 650,000	$ 552,500	1.0465%	$ 301.10	$ 14.71	$ 315.81
2D	1/1.0	690	0	$ 650,000	$ 552,500	0.9771%	$ 281.13	$ 13.73	$ 294.86
2E	1/1.0	656	0	$ 630,000	$ 535,500	0.9289%	$ 267.26	$ 13.05	$ 280.32
2F	1/1.0	657	0	$ 630,000	$ 535,500	0.9304%	$ 267.69	$ 13.08	$ 280.77
2G	1/1.0	680	0	$ 630,000	$ 535,500	0.9629%	$ 277.05	$ 13.53	$ 290.58
2H	1/1.0	761	0	$ 640,000	$ 544,000	1.0776%	$ 310.05	$ 15.14	$ 325.19
3A (V)	1/1.0	708	0	$ 645,000	$ 548,250	1.0026%	$ 288.47	$ 14.09	$ 302.56
3B	1/1.0	706	0	$ 645,000	$ 548,250	0.9997%	$ 287.63	$ 14.05	$ 301.68
3C (V)	1/1.0	739	0	$ 665,000	$ 565,250	1.0465%	$ 301.10	$ 14.71	$ 315.81
3D	1/1.0	690	0	$ 665,000	$ 565,250	0.9771%	$ 281.13	$ 13.73	$ 294.86
3E	1/1.0	656	0	$ 645,000	$ 548,250	0.9289%	$ 267.26	$ 13.05	$ 280.32
3F (V)	1/1.0	657	0	$ 645,000	$ 548,250	0.9304%	$ 267.69	$ 13.08	$ 280.77
3G (V)	1/1.0	680	0	$ 645,000	$ 548,250	0.9629%	$ 277.05	$ 13.53	$ 290.58
3H	1/1.0	761	0	$ 655,000	$ 556,750	1.0776%	$ 310.05	$ 15.14	$ 325.19
4A	1/1.0	708	0	$ 660,000	$ 561,000	1.0026%	$ 288.47	$ 14.09	$ 302.56
4B	1/1.0	714	356* (T)	$ 710,000	$ 603,500	1.2631%	$ 363.42	$ 17.75	$ 381.17
4C	1/1.0	788	324* (T)	$ 760,000	$ 646,000	1.3453%	$ 387.07	$ 18.91	$ 405.98
4D (V)	1/1.0	658	0	$ 660,000	$ 561,000	0.9318%	$ 268.10	$ 13.10	$ 281.19
4E	1/1.0	662	0	$ 660,000	$ 561,000	0.9374%	$ 269.71	$ 13.17	$ 282.88
4F	1/1.0	681	0	$ 660,000	$ 561,000	0.9643%	$ 277.45	$ 13.55	$ 291.00
4G (V)	1/1.0	769	0	$ 670,000	$ 569,500	1.0890%	$ 313.33	$ 15.30	$ 328.63
5A (V)	1/1.0	708	0	$ 675,000	$ 573,750	1.0026%	$ 288.47	$ 14.09	$ 302.56
5B	1/1.0	783	372*(T)	$ 735,000	$ 624,750	1.3722%	$ 394.81	$ 19.29	$ 414.09

5. SCHEDULE A

Offering price and Related Information for Projected First Year of Condominium Operation

175 and 192 Spencer Street, Brooklyn, NY

January 1, 2020 - December 31, 2020

175 Spencer Street, Brooklyn NY

Unit ** (1)	Number of Beds/Bath (2)	Approximate Gross Square Footage of Unit (3)	Approximate Square Footage of Limited Common Elements * (3)	Offering Price (4)	Reduced Offering Price to Tenants During Exclusive 90 Day Period (5)	Percentage of Common Interest (6)	Estimated Monthly Common Charges (7)	Estimated Monthly Real Estate Taxes with 421a Tax Benefits (8)	Estimated Total Monthly Common Charges and Real Estate Taxes with 421a Tax Benefits (8)
5C	1/1.0	666	420*(T)	$ 725,000	$ 616,250	1.2405%	$ 356.92	$ 17.43	$ 374.35
5D	1/1.0	661	0	$ 675,000	$ 573,750	0.9360%	$ 269.31	$ 13.15	$ 282.46
5E	1/1.0	681	0	$ 675,000	$ 573,750	0.9643%	$ 277.45	$ 13.55	$ 291.00
5F (V)	1/1.0	769	0	$ 685,000	$ 582,250	1.0890%	$ 313.33	$ 15.30	$ 328.63
6A	1/1.0	792	845*(T)	$ 760,000	$ 646,000	1.7198%	$ 494.82	$ 24.17	$ 518.99
6B (V)	1/1.0	669	665*(T)	$ 750,000	$ 637,500	1.4182%	$ 408.04	$ 19.93	$ 427.98
P1	N/A	150	0	$ 55,000	N/A	0.1062%	$ 30.56	$ 1.49	$ 32.05
P2	N/A	150	0	$ 55,000	N/A	0.1062%	$ 30.56	$ 1.49	$ 32.05
P3	N/A	144	0	$ 55,000	N/A	0.1020%	$ 29.35	$ 1.43	$ 30.78
P4	N/A	144	0	$ 55,000	N/A	0.1020%	$ 29.35	$ 1.43	$ 30.78
P5	N/A	144	0	$ 55,000	N/A	0.1020%	$ 29.35	$ 1.43	$ 30.78
P6	N/A	147	0	$ 55,000	N/A	0.1041%	$ 29.95	$ 1.46	$ 31.41
P7	N/A	147	0	$ 55,000	N/A	0.1041%	$ 29.95	$ 1.46	$ 31.41
P8	N/A	147	0	$ 55,000	N/A	0.1041%	$ 29.95	$ 1.46	$ 31.41
P9	N/A	147	0	$ 55,000	N/A	0.1041%	$ 29.95	$ 1.46	$ 31.41
P10	N/A	147	0	$ 55,000	N/A	0.1041%	$ 29.95	$ 1.46	$ 31.41
P11	N/A	149	0	$ 55,000	N/A	0.1055%	$ 30.35	$ 1.48	$ 31.84
P12	N/A	149	0	$ 55,000	N/A	0.1055%	$ 30.35	$ 1.48	$ 31.84
P13	N/A	149	0	$ 55,000	N/A	0.1055%	$ 30.35	$ 1.48	$ 31.84
P14	N/A	149	0	$ 55,000	N/A	0.1055%	$ 30.35	$ 1.48	$ 31.84
P15	N/A	149	0	$ 55,000	N/A	0.1055%	$ 30.35	$ 1.48	$ 31.84
P16	N/A	149	0	$ 55,000	N/A	0.1055%	$ 30.35	$ 1.48	$ 31.84
P17	N/A	149	0	$ 55,000	N/A	0.1055%	$ 30.35	$ 1.48	$ 31.84
P18	N/A	149	0	$ 55,000	N/A	0.1055%	$ 30.35	$ 1.48	$ 31.84
								$ 574.39	

(C) Includes non-habitable square footage on cellar level as part of Unit. Square footage for each level shown below.

***Limited Common Elements Located at 175 Spencer Street: (Y) = Rear Yard and (T) = Private Terrace.**

***All Cellar areas and Limited Common Elements are uninhabitable spaces that may not be used legally as a bedroom or living room. To do so may result in a building code violation being issued to the building.**

5. SCHEDULE A

Offering price and Related Information for Projected First Year of Condominium Operation

175 and 192 Spencer Street, Brooklyn, NY

January 1, 2020 - December 31, 2020

See notes following:

Limited Common Elements	Unit	First Floor Sq. Feet	Cellar Level Sq Feet
Unit 1A a Rear Yard at the cellar level	1A	740	318
Unit 1B a Rear Yard at the cellar level	1B	709	304
Unit 1C a Rear Yard at the cellar level	1C	709	304
Unit 1C a Rear Yard at the cellar level	1D	740	318
Unit 1D a Rear Yard at the cellar level			
Unit 4B a Rear Yard at the cellar level			
Unit 4C a Rear Yard at the cellar level			
Unit 5B a Rear Yard at the cellar level			
Unit 5C a Rear Yard at the cellar level			
Unit 6A a Rear Yard at the cellar level			
Unit 6B a Rear Yard at the cellar level			

All Units located at 175 Spencer Street are subject to the RSL. (V) = Vacant

Storage Licenses: Available on a first come, first served basis for $1,000 each. (Note 10)

192 Spencer Street, Brooklyn, NY

Unit	Beds/Bath (2)	Approximate Gross Square Footage of Unit (3)	Approximate Square Footage of Limited Common Elements (3)	Offering Price (4)	Reduced Offering Price to Tenants During Exclusive 90 Day Period (5)	Percentage of Common Interest (6)	Estimated Monthly Common Charges (7)	Estimated Monthly Real Estate Taxes with 421a Tax Benefits (8)	Estimated Total Monthly Common Charges and Real Estate Taxes with 421a Tax Benefits (8)
1A (V)	1/1.5	1031 (C)	101*(Y)	$ 920,000	$ 782,000	1.5315%	$ 440.64	$ 21.52	$ 462.17
1B	1/1.5	1004 (C)	100*(Y)	$ 910,000	$ 773,500	1.4925%	$ 429.42	$ 20.98	$ 450.40
1C	1/1.5	1004 (C)	100*(Y)	$ 910,000	$ 773,500	1.4925%	$ 429.42	$ 20.98	$ 450.40
1D (V)	1/1.5	1004 (C)	100*(Y)	$ 910,000	$ 773,500	0.0149	$ 429.42	$ 20.98	$ 450.40
1E (V)	1/1.5	1004 (C)	75*(Y)	$ 920,000	$ 782,000	0.0147	$ 424.33	$ 20.73	$ 445.06
1F	1/1.5	1004 (C)	100*(Y)	$ 910,000	$ 773,500	0.0149	$ 429.42	$ 20.98	$ 450.40
1G	1/1.5	1031 (C)	101*(Y)	$ 920,000	$ 782,000	0.0153	$ 440.64	$ 21.52	$ 462.17
2A	2/2.0	995	0	$ 920,000	$ 782,000	0.0141	$ 405.43	$ 19.80	$ 425.23
2B (V)	2/1.0	716	0	$ 650,000	$ 552,500	0.0101	$ 291.72	$ 14.25	$ 305.97
2C	1/1.0	716	0	$ 650,000	$ 552,500	0.0101	$ 291.72	$ 14.25	$ 305.97
2D	1/1.0	682	0	$ 630,000	$ 535,500	0.0097	$ 277.88	$ 13.57	$ 291.45
2E (V)	1/1.0	627	0	$ 620,000	$ 527,000	0.0089	$ 255.47	$ 12.48	$ 267.95

5. SCHEDULE A

Offering price and Related Information for Projected First Year of Condominium Operation

175 and 192 Spencer Street, Brooklyn, NY

January 1, 2020 - December 31, 2020

192 Spencer Street, Brooklyn, NY									
Unit	Beds/Bath (2)	Approximate Gross Square Footage of Unit (3)	Approximate Square Footage of Limited Common Elements (3)	Offering Price (4)	Reduced Offering Price to Tenants During Exclusive 90 Day Period (5)	Percentage of Common Interest (6)	Estimated Monthly Common Charges (7)	Estimated Monthly Real Estate Taxes with 421a Tax Benefits (8)	Estimated Total Monthly Common Charges and Real Estate Taxes with 421a Tax Benefits (8)
2F	1/1.0	681	0	$ 630,000	$ 535,500	0.0096	$ 277.45	$ 13.55	$ 291.00
2G	1/1.0	682	0	$ 630,000	$ 535,500	0.0097	$ 277.88	$ 13.57	$ 291.45
2H (V)	1/1.0	716	0	$ 650,000	$ 552,500	0.0101	$ 291.72	$ 14.25	$ 305.97
2I	1/1.0	716	0	$ 650,000	$ 552,500	0.0101	$ 291.72	$ 14.25	$ 305.97
2K	1/1.0	682	0	$ 630,000	$ 535,500	0.0097	$ 277.88	$ 13.57	$ 291.45
2J	1/1.0	681	0	$ 630,000	$ 535,500	0.0096	$ 277.45	$ 13.55	$ 291.00
3A (V)	2/2.0	999	137*(T)	$ 940,000	$ 799,000	0.0151	$ 434.95	$ 21.25	$ 456.19
3B	2/2.0	1099	227*(T)	$ 970,000	$ 824,500	0.0172	$ 494.04	$ 24.13	$ 518.18
3C (V)	1/1.0	682		$ 645,000	$ 548,250	0.0097	$ 277.88	$ 13.57	$ 291.45
3D (V)	1/1.0	627		$ 635,000	$ 539,750	0.0089	$ 255.47	$ 12.48	$ 267.95
3E	1/1.0	681		$ 645,000	$ 548,250	0.0096	$ 277.45	$ 13.55	$ 291.00
3F	1/1.0	682		$ 645,000	$ 548,250	0.0097	$ 277.88	$ 13.57	$ 291.45
3G	2/2.0	1099	227*(T)	$ 985,000	$ 837,250	0.0172	$ 494.04	$ 24.13	$ 518.18
3H (V)	1/1.0	687	137*(T)	$ 695,000	$ 590,750	0.0107	$ 307.80	$ 15.04	$ 322.84
3I (V)	1/1.0	681		$ 645,000	$ 548,250	0.0096	$ 277.45	$ 13.55	$ 291.00
4A	2/2.0	1008	142*(T)	$ 950,000	$ 807,500	0.0153	$ 439.61	$ 21.47	$ 461.08
4B (V)	1/1.0	805	244*(T)	$ 800,000	$ 680,000	0.0131	$ 377.69	$ 18.45	$ 396.14
4C	1/1.0	681		$ 660,000	$ 561,000	0.9643%	$ 277.45	$ 13.55	$ 291.00
4D	1/1.0	627		$ 650,000	$ 552,500	0.8879%	$ 255.47	$ 12.48	$ 267.95
4E (V)	1/1.0	681		$ 660,000	$ 561,000	0.9643%	$ 277.45	$ 13.55	$ 291.00
4F	1/1.0	681		$ 660,000	$ 561,000	0.9643%	$ 277.45	$ 13.55	$ 291.00
4G (V)	1/1.0	805	244*(T)	$ 800,000	$ 680,000	1.3127%	$ 377.69	$ 18.45	$ 396.14
4H	1/1.0	695	142*(T)	$ 710,000	$ 603,500	1.0847%	$ 312.09	$ 15.24	$ 327.33
4I	1/1.0	681		$ 660,000	$ 561,000	0.9643%	$ 277.45	$ 13.55	$ 291.00
5A	2/2.0	1070	399*(T)	$ 970,000	$ 824,500	1.7977%	$ 517.23	$ 25.27	$ 542.50
5B	1/1.0	690	431*(T)	$ 725,000	$ 616,250	1.2823%	$ 368.94	$ 18.02	$ 386.97
5C	1/1.0	627		$ 665,000	$ 565,250	0.8879%	$ 255.47	$ 12.48	$ 267.95
5D	1/1.0	681		$ 675,000	$ 573,750	0.9643%	$ 277.45	$ 13.55	$ 291.00
5E	1/1.0	690	431*(T)	$ 725,000	$ 616,250	1.2823%	$ 368.94	$ 18.02	$ 386.97
5F	1/1.0	758	399*(T)	$ 750,000	$ 637,500	1.3559%	$ 390.12	$ 19.06	$ 409.18

5. SCHEDULE A

Offering price and Related Information for Projected First Year of Condominium Operation

175 and 192 Spencer Street, Brooklyn, NY

January 1, 2020 - December 31, 2020

192 Spencer Street, Brooklyn, NY									
Unit	Beds/Bath (2)	Approximate Gross Square Footage of Unit (3)	Approximate Square Footage of Limited Common Elements (3)	Offering Price (4)	Reduced Offering Price to Tenants During Exclusive 90 Day Period (5)	Percentage of Common Interest (6)	Estimated Monthly Common Charges (7)	Estimated Monthly Real Estate Taxes with 421a Tax Benefits (8)	Estimated Total Monthly Common Charges and Real Estate Taxes with 421a Tax Benefits (8)
5G (V)	1/1.0	681		$ 675,000	$ 573,750	0.9643%	$ 277.45	$ 13.55	$ 291.00
6A (V)	1/1.0	690	375*(T)	$ 750,000	$ 637,500	1.2426%	$ 357.52	$ 17.46	$ 374.98
6B	1/1.0	864	375*(T)	$ 780,000	$ 663,000	1.4890%	$ 428.42	$ 20.93	$ 449.34
6C	1/1.0	726	507*(T)	$ 750,000	$ 637,500	1.3870%	$ 399.07	$ 19.49	$ 418.56
6D	1/1.0	866	242*(T)	$ 850,000	$ 722,500	1.4261%	$ 410.32	$ 20.04	$ 430.36
P1	N/A	150	0	$ 55,000	N/A	0.1083%	$ 31.16	$ 1.52	$ 32.68
P2	N/A	150	0	$ 55,000	N/A	0.1083%	$ 31.16	$ 1.52	$ 32.68
P3	N/A	144	0	$ 55,000	N/A	0.1083%	$ 31.16	$ 1.52	$ 32.68
P4	N/A	144	0	$ 55,000	N/A	0.1211%	$ 34.84	$ 1.70	$ 36.54
P5	N/A	144	0	$ 55,000	N/A	0.1189%	$ 34.21	$ 1.67	$ 35.88
P6	N/A	147	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P7	N/A	147	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P8	N/A	147	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P9	N/A	147	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P10	N/A	147	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P11	N/A	149	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P12	N/A	149	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P13	N/A	149	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P14	N/A	149	0	$ 55,000	N/A	0.1232%	$ 35.45	$ 1.73	$ 37.18
P15	N/A	149	0	$ 55,000	N/A	0.1140%	$ 32.80	$ 1.60	$ 34.40
P16	N/A	149	0	$ 55,000	N/A	0.1076%	$ 30.96	$ 1.51	$ 32.47
P17	N/A	149	0	$ 55,000	N/A	0.1083%	$ 31.16	$ 1.52	$ 32.68
P18	N/A	149	0	$ 55,000	N/A	0.1062%	$ 30.56	$ 1.49	$ 32.05
P19	N/A	149	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P20	N/A	149	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P21	N/A	149	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P22	N/A	149	0	$ 55,000	N/A	0.1041%	$ 29.95	$ 1.46	$ 31.41
P23	N/A	149	0	$ 55,000	N/A	0.1069%	$ 30.76	$ 1.50	$ 32.26
P24	N/A	149	0	$ 55,000	N/A	0.1062%	$ 30.56	$ 1.49	$ 32.05
Totals	for	Condominium				100.00%	**$ 345,264.00**	$ 1,405.41	

5. SCHEDULE A

Offering price and Related Information for Projected First Year of Condominium Operation

175 and 192 Spencer Street, Brooklyn, NY

January 1, 2020 - December 31, 2020

(C) Includes non-habitable space on cellar level as part of unit. Square footage for each level shown below.

***Limited Common Elements Located at 192 Spencer Street: (Y)= Rear Yard and (T) = Private Terrace.**

Cellars and Limited Common Elements are uninhabitable spaces. They may not be used legally as a bedroom or living room and to do so may result in a building code violation being issued for the building.

See notes following:

Limited Common Elements	Unit	First Floor Sq Feet	Cellar Level Sq Feet
Unit 1A a Rear Yard at the cellar level	Unit 1A	719	312
Unit 1B a Rear Yard at the cellar level	Unit 1B	701	303
Unit 1C a Rear Yard at the cellar level	Unit 1C	701	303
Unit 1D a Rear Yard at the cellar level	Unit 1D	701	303
Unit 3A a Private Terrace on the 3rd Floor	Unit 1E	701	303
Unit 3B a Private Terrace on the 3rd Floor	Unit 1F	701	303
Unit 3G a Private Terrace on the 3rd Floor	Unit 1G	713	318
Unit 3H a Private Terrace on the 3rd Floor			
Unit 4A a Private Terrace on the 4th Floor			
Unit 4B a Private Terrace on the 4th Floor			
Unit 4G a Private Terrace on the 4th Floor			
Unit 4H a Private Terrace on the 4th Floor			
Unit 5A a Private Terrace on the 5th Floor			
Unit 5B a Private Terrace on the 5th Floor			
Unit 5Fa Private Terrace on the 5th Floor			
Unit 5E a Private Terrace on the 5th Floor			
Unit 6A a Private Terrace on the Roof Level			
Unit 6B a Private Terrace on the Roof Level			
Unit 6C a Private Terrace on the Roof Level			
Unit 6Da Private Terrace on the 6th Floor			

****All Units located at 192 Spencer Street are subject to the RSL. (v) = Vacant**

Storage Licenses: Avaiable on a first come, first served basis for $1,000 each. (Note 10)

FOOTNOTES TO SCHEDULE A

1. All of the Units are subject to the Rent Stabilization Law ("RSL") or the Rent Control Laws ("RCL"). (V) denotes vacant Units.

2. The number of rooms in each Unit is calculated in accordance with the "Recommended Method of Residential Room Count," effective January 1, 1964, from the Real Estate Board of New York. However, tenants may have made alterations to their Units during their period of occupancy. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. **Except as set forth therein or as specifically indicated in the Purchase Agreement, the Building and each Unit will be sold in an "AS IS" condition.**

3. The gross square footages ("gross square footage") for Residential Units shown on Schedule A are measured horizontally from the exterior face of exterior walls or windows to the midpoint of the demising faces between Units or the outside face of the partition between a Unit and any Common Elements or the midpoint of any opposite interior wall between Units, and from the midpoint of demising walls between Units to the midpoint of the opposite wall, as applicable, and encompasses all interior walls and any fire stair vestibules within the Unit. Partitions, shafts, chases and similar inaccessible areas located entirely within the measurements a Unit are included in the measurement of the square footage of that Unit. However, the Unit itself excludes those exterior walls, partitions, shafts, chases, vestibules, and other elements and facilities specified more particularly as common elements in the definition of the common elements set forth in the Declaration. The floor plans shown on Exhibit D in Part II of the Plan are based on the foregoing measurements. Usable square footage measured to the exposed face of interior walls will be significantly less than the gross square footages measured within reasonable tolerances as set forth in Schedule A and the Floor Plans. Each Unit should be inspected prior to purchase so that any prospective Purchaser will be able to inspect the interior dimensions, layout and physical condition. A decrease in an apartment's area of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material.

Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit. The Sponsor makes no representation as to whether any Tenant has made changes to their individual Units. As detailed in Special Risk #24, as Units become vacant, the Sponsor intends to renovate the Units in accordance with the floor plans annexed to Exhibit D and entitled "Planned Post-Vacancy Renovation. Each Unit should be inspected prior to purchase so that any prospective Purchaser will be able to inspect the usable interior dimensions, layout and physical condition.

4. Renovations Planned for Vacant Units. The Sponsor intends to renovate units as they become vacant as they deem appropriate to market and/or at the request of prospective purchasers. The architect's Description of Property & Building Condition describes both existing conditions and the characteristics of renovated Units if the proposed renovations are performed. The renovations will be made in accordance with the configurations indicated on the floor plans entitled "Planned Post-Vacancy Renovation" and annexed hereto at the end of Exhibit D. However, the

Sponsor specifically reserves the right not to perform such renovations unless and until mutually agreed with a prospective purchaser. For further details see Section 33 and the Description of Property and Building Condition, Exhibit D in Part II.

5. Each Tenant in occupancy has the exclusive right until ninety (90) days from the date of presentation of this Plan (the "Exclusive Purchase Period"), to purchase his or her Unit for the price set forth on the Schedule A. After the expiration of the Exclusive Purchase Period, Tenants will no longer have the exclusive right to purchase their Units and purchase prices will be subject to increase by duly a filed amendment. The Sponsor reserves the right to decrease the sales price below the Offering Plan price without filing a prior amendment to the Plan as long as the reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Unit price with a non-Tenant Purchaser, or with a Tenant after the expiration of the Exclusive Purchase Period (so long as such reduction does not constitute a discriminatory inducement.) See Section 9 for further conditions applicable to these prices. See also Section 16 entitled "Unit Closing Costs and Adjustments."

6. Pursuant to Section 339-i(1)(iv) of the New York State Real Property Law, the percentage of Common Interest of each Unit in the Common Elements is based upon floor space, subject to location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. Square footage of the Residential Units varies from 657 to 1,076 square feet.

7. The monthly Common Charges payable by each Unit Owner are based on their percentage share of the Contributions to Common Expenses and percentage of Common Interest in the Common Charges. Common Charges have been estimated by the Sponsor for the first year of operation of the Condominium (which is estimated to commence on January 1, 2020) as set forth in Schedule B. See Note 1 to Schedule B for a complete description of the expenses and services which Common Charges cover.

Common Charges include charges for gas to provide heat and hot water to the common areas of the Building and to the individual Units for heat, hot water and cooking. Each Unit is separately metered for electricity. In addition, a Unit Owner may arrange for the installation of cable television and/or internet service, which will be billed by the service providers directly to the Unit Owner.

Each Unit Owner will be responsible for the cost of interior repairs in, and maintenance, painting and decoration of their Unit as well as the cost of any insurance he may desire obtain covering personal property and personal injury or property damage liability. Further, if a Unit Owner obtains financing in connection with the purchase of a Unit, their debt service in connection therewith will be an additional expense.

8. (a) After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on

other Units. Each Unit Owner's real estate taxes are projected on the basis of his or her percentage of Common Interest. For further information, see Section 22.

The Property is currently taxed at a rate of $12.719 per $100 of assessed value with a taxable assessed value of $4,908,240 during the 2018/2019 tax year, for taxes of $624,279. This is the "actual" assessed value of the Property. Because the Property receives a 421-a tax exemption, the taxable assessed value is based on the value of the land prior to commencement of construction or $129,018. Real estate taxes during the first year of Condominium operation would be $ 16,865. For more information, see Section 22.

(b) The Sponsor makes no representation as to the accuracy of the (i) assessed value of the Property; (ii) projected assessed value of the Property; (iii) tax rate or projected tax rate; or (iv) method of assessing real property.

9. Income tax deductions for individual Purchasers may vary in accordance with the amount of real estate taxes paid, which may change as a result of changes in the assessed valuation, the tax rate or the method of assessing real property. In addition, Unit Owners who have financed the purchases of their respective Units may be entitled to additional deductions on account of interest paid on their mortgage loans. Any additional deductions are not reflected on Schedule A. For further details, see Opinion of Counsel re: Deductibility of Taxes, Section 24.

10. Storage Bins. Licenses for Storage Bins may be purchased from the Sponsor for $1,000. Holders of Storage Bin Licenses, excluding Sponsor with respect to unsold Storage Bin Licenses, will be required to pay a license maintenance fee to the Condominium in an amount equal to $10 per month for such Storage Bin. The license fee is subject to change from time to time as the Board deems necessary in its discretion.

THE PRICES FOR THE STORAGE BIN LICENSES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

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5. PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B
JANUARY 1, 2020 – DECEMBER 31, 2020

PROJECTED COMMON CHARGE INCOME	CONDOMINIUM BUDGET
Contribution to Common Expenses (Note 1)	$345,264
License Fees- Storage Bins (Note 2)	$7,680
TOTAL	$352,944

PROJECTED COMMON EXPENSES	TOTAL
Labor (Note 3)	$65,860
Electricity & Gas (Note 4)	$62,204
Water & Sewer Rents (Note 5)	$ 45,793
Repairs, Maintenance and Supplies (Note 6)	$31,600
Service Contracts (Note 7)	$13,600
Insurance (Note 8)	$40,226
Management Fee (Note 9)	$25,000
Legal & Audit Fees (Note 10)	$15,000
Capital Replacement Reserve (Note 11)	$10,000
Rent, Telecom and Electricity – Superintendent's Unit (See Note 12)	$53,661
Total Expenses	$352,944

The Notes to Schedule B below are an integral part of the above Schedule and should be read in conjunction therewith.

FOOTNOTES TO SCHEDULE B

1. (a) Amounts are projected on the assumption that the First Year of Condominium Operation will commence on January 1, 2020 through December 31, 2020. The actual First Year of Condominium Operation may begin earlier or later than that year. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by twenty five percent (25%) or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their Deposits returned within a reasonable period of time, together with interest earned thereon. The Sponsor may not declare the Plan effective in the event of any material changes to the Budget if such changes have not been disclosed by a duly filed amendment to the Offering Plan

These amounts represent the total Common Charges to be levied against and collected from the Unit Owners during the projected First Year of Condominium Operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Common Expenses are derived by multiplying the Common Expenses attributable to the Units by their respective percentage of Common Interest.

(b) Common Expenses are allocated to the Units on the basis of percentage of Common Interest..

No warranty is made with respect to the amount of any budget item. The projected budget has been reviewed by the Sponsor's budget expert, MNS. Based upon the consumption and related Building maintenance information that the Sponsor has provided to MNS, the budget is believed to be reasonable.

2. License Fees for Storage Bins: $7,680.00

There are a total of 16 Storage Bins located on the Cellar Level of 175 Spencer and a total of forty-eight 484) Storage Bins located on the Cellar Level of 192 Spencer. The Bin Licensees (other than the Sponsor) will be charged a monthly License Fee, initially in the amount of $10.00 per month per Unit. The Storage Bin License fee will be subject to increases as the Board determines in its discretion.

3. Labor: $65,860. The Building staff will consist of one full-time, non-union, resident superintendent at an annual salary of $32,136 based on work performed at comparable properties in the area. The base wages and employer costs for the position are projected as follows:

Superintendent: 40 hrs./wk @$15.4500 per hour Porter	 $32,136 $27,040
FICA (approximately 8% of wages)	$4,734
Worker's Compensation Insurance	$1,950
Total	$65,860

The full-time superintendent's duties will include the following: (i) cleaning and maintaining the sidewalks in front of the Building, the lobby, halls and cellar spaces which are General Common Elements; (ii) monitoring contractors making repairs to the General Common Elements, such as the roof, exterior walls, foundations, incoming water and sewer lines, etc.; (iii) bagging and placing refuse on curbside in accordance with the schedule provided by the Department of Sanitation; and (iii) assessing repairs to the Buildings and its operations, along with conducting minor repairs, when possible..

The superintendent, will work in the best interest of the Condominium and its Unit Owners, and will not engage in sweetheart deals. The Condominium Board of Managers may elect to change the superintendent at any time.

All wages meet State and Federal minimum wage laws. Such level of staffing complies with all applicable housing labor laws.

No warranty is given that the actual wages and related taxes during the First Year of Condominium Operation will not exceed the budgeted amounts. However, the projected expenses for wages are based on current wage rates and payroll tax rates, adjusted for reasonably anticipated increases.

4. Electricity and Gas: $ 62,204. The amount set forth is the estimate for the electricity and gas consumed for the common areas and Residential Units of the Building, since the electricity for all Residential Units is individually metered by Consolidated Edison of New York ("Consolidated Edison") for electricity. Electricity is used to operate the elevator, any water pumps, building equipment and lighting throughout the common areas of the Building. Allocation of the electricity consumed with respect to the General Common Elements is based on a master meter provided by Consolidated Edison explicitly for the common areas. Gas is used as part of the dual fuel heating and hot water system that functions on natural gas and is provided to the individual Units for cooking purposes.

As described below, the Building consumed an average of 183,760 kwh of electricity and 33,143 therms of gas on average during the past two (2) years. The projected cost for electricity is based upon (i) the average KWH of electricity used annually over the past two years, estimated at 183,760 KWH and (ii) a current yearly cost of $.168 per KWH which includes an anticipated five percent (5%) increase over the 2018 rate.

Year	Annual Electricity Consumption (Kwh)	Annual Cost per KWH (inclusive of sales tax and fees)	Total Electricity Cost
2016	189,600	$0.14	$27,329
2017	177,920	$0.16	$28,938

5. Water and Sewer Charges: $ 45,793. The budgeted amount of $ 45,793 is based upon the two 2 year average cost for water and sewer charges on the Property, as described below, plus a ten percent (10%) increase. Water usage is metered for the Residential Units.

Year	Annual Water Cost (inclusive of sales tax)	Annual Sewer Cost (inclusive of sales tax)	Total Water and Sewer Cost
3/29/16-6/30/16	$2,880.36	$2,880.36	$5,760.72
7/1/16-6/30/17	$15,074.81	$23,968.97	$39,043.78
7/1/17-6/30/18	$17,072.61	$27,145.44	$44,218.05

It is believed that the budgeted amount should be sufficient to cover any reasonable increase in the cost of water and sewer charged during the First Year of Condominium Operation. However, no budget item is warranted as to its accuracy, sufficiency or otherwise.

6. Repairs, Maintenance and Supplies: $31,600. This figure represents the estimated cost for ordinary maintenance and repairs of the General Common Elements, including periodic painting of the common areas at such intervals as the Board of Managers determines to be appropriate, and supplies, such as, cleaning supplies, light bulbs, fixtures, hardware, garbage bags, etc. used in connection with the operation of the General Common Elements.

7. Service Contracts: $13,600. All service contracts entered into by the Sponsor may be terminated by the Condominium within thirty (30) days by giving written notice to the service provider. At present, the Sponsor anticipates that the Condominium will enter into the following maintenance service contracts during the First Year of Condominium Operation for the following:

1. alarm monitoring; and
2. elevator service.

8. Insurance: $40,226. The insurance premiums are based on a letter dated June 18, 2018 from Goodhart National Gorman Agency, Inc., setting forth the following coverage:

Building Value	$25,720,000.00
Loss of Income	$900,000
Boiler & Machinery	Included
General Liability	
Each Occurrence	$1,000,000

General Aggregate	$2,000,000
Umbrella Liability	$25,000,000
Officers & Directors Liability	
Aggregate Limit	$1,000,000
Deductibles per claim	$1,000
Crime/Employee Dishonesty	$250,000
Workers' Compensation	Statutory Limits
NYS Disability	Statutory Limits

This is a one (1) year policy with no specific prohibitions against renewal.

The insurance will have an "agreed value" provision waiving any coinsurance. In the opinion of Goodhart National Gorman Agency, Inc., the foregoing coverage is sufficient to replace the Building in the event of a total loss during the First Year of Condominium Operation.

This quotation is a projection of rates for the First Year of Condominium Operation. However, because conditions in the insurance marketplace are volatile, it is not possible to predict exactly what the premiums will be during this time. Purchasers should be aware of the possibility of rate increases.

Sponsor will procure on behalf of the Board, on or before the date of the First Closing, the fire, casualty and general liability insurance required to be carried by the Condominium.

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

Individual Unit Owners are required to procure additional insurance at their own expense to cover such risks as fire and casualty losses to Unit contents, floors, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the Unit, or (where applicable) on Limited Common Elements.

9. Management Fee: $25,000. The management fee is based on the management agreement to be entered into with Nieuw Amsterdam Property Management, LLC (the "Managing Agent"), 80 Fifth Avenue, Suite #1201, New York, New York 10011. Based on the opinion of the Sponsor's budget expert, MNS, the managing agent fee for the First Year of Condominium Operation is comparable to the fees charged for such services at comparable buildings. The Managing Agent will work in the best interest of the Condominium and its Unit Owners and will not engage in sweetheart deals. Reference should be made to the summary of the Management Agreement in Section 27 entitled "Management Agreement and Other Contractual Obligations."

10. Legal & Audit Fees: $ 15,000. Based on the estimate of Sheer & Jampol, LLP, having an address at 565 Taxter Road, Suite 540, Elmsford, NY 10523, $8,000 has been budgeted for fees to be incurred in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and its Federal and New York State income tax returns. The balance of the budgeted amount ($7,000) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements. The Condominium Board will determine and engage the attorney for the Condominium after the First Unit Closing.

11. Capital Replacement Reserve: $10,000. The Sponsor has procured a "Reserve Study" from Strategic Inspections, LLC, with recommendations for amounts to be reserved by the Condominium annually in order to have sufficient funds to replace General and Limited Common Elements (such as roofs, sidewalks, exterior façade and the like) as they reach the end of their projected useful life, without imposing special assessments on Unit Owners. Based on that Reserve Study, it was recommended that the Condominium reserve amounts ranging from $140,171 to $162,265 annually during the first through fourth years of Condominium operation, and that similar amounts continue to be reserved annually thereafter, with a minimum recommended aggregate contribution of $811,325 by the fifth anniversary of the First Unit Closing. These reserves also satisfy the requirements of certain lenders or FNMA that the Condominium establish a similar reserve fund as a condition of "project approval" by the lender for prospective purchasers or borrowers.

The Sponsor will fund the recommended Capital Replacement Reserve contributions through at least the 5th anniversary of the Fifth Unit Closing by virtue of the Sponsor's mandatory contributions to the Statutory Reserve Fund required under Local Law 70 of New York City, currently in the minimum amount of $1,524,390. (The Local Law 70 Reserve Fund can only be used to fund capital repairs and replacements at the property, so contributions to the Statutory Reserve Fund are deemed by most lenders and FNMA to satisfy the recommended contribution requirements to the Capital Replacement Reserve as well.) Although the Sponsor's contributions to the Local Law 70 Reserve Fund may be reduced, they will never total less than $811,325 by the 5th anniversary of the First Unit Closing. After the fifth year of Condominium operations, the Condominium will be responsible for future contributions to the recommended Capital Replacement Reserve. For further information regarding the Local Law 70 statutory Reserve Fund, see Section 25.

The Condominium is not legally obligated to contribute to the Capital Replacement Reserve. If the Condominium requires additional funds in order to make a capital repair or replacement, the Board of Managers may assess unit owners for additional funds at that time. Nothing restricts the Board of Managers from assessing amounts prior to such date in order to build up reserves.

A full copy of the Reserve Study will be available for inspection at the offices of the Managing Agent upon request.

12. Mortgage Indebtedness, Common Charges, Real Estate Taxes and Electricity – Superintendent's Unit. On the date of the First Unit Closing, the Board of Managers will purchase the Superintendent's Unit on behalf of all of the Residential Unit Owners for a purchase price of $630,000. The Condominium will be responsible for all closing costs as described in Section 16 of the Plan titled "Unit Closing Costs and Adjustments," estimated at approximately $29,000. The purchase price and the closing costs are referred to collectively in this Section as the "Purchase Price." The Purchase Price shall be payable by the Board of Mangers on behalf of all of the Residential Unit Owners as a Residential Common Expense. The Sponsor will itself finance, or arrange for one or more institutional lenders to finance (either independently or together with the Sponsor), 100% of the Purchase Price. (Sponsor and/or such institutional lender(s) are sometimes hereinafter called the "Lender.") The Board of Managers will give the Lender one or more purchase money notes for the Purchase Price of the Unit and one more mortgages on the Unit to secure repayment of the note(s). The note(s) and mortgage(s) are hereinafter sometimes collectively called the "Mortgage."

Based on the projected interest rate of 6% and a 30-year amortization, the Mortgage will provide for consecutive equal monthly payments of $3,951.00 on the first day of each month commencing with the first month after the closing date of the Purchase, except that if the closing occurs other than on the first day of the month, the first payment will consist of interest only based on the number of days remaining in the month. The regular monthly payments will be applied first to interest and the balance to reduce principal.

The budgeted amount consists of estimated monthly mortgage payments of $3,9514.00 ($47,412 per year) with estimated monthly common charges and special assessment of $409.56, estimated annual real estate taxes of $135.82, and $100.00 per month for the estimated cost of utilities for the Unit. See Section 21 – "Mortgage Indebtedness, Common Charges, Real Estate Taxes, Telecom and Electricity – Superintendent's Unit" for further details.

Special Note re: Closing adjustments. At closing, the Sponsor will adjust with the Condominium certain ongoing costs that have been prepaid by the Sponsor for the First Year of Condominium Operation, such as insurance for the Condominium. The Condominium will reimburse the Sponsor for net adjustments in favor of the Sponsor from the Condominium Working Capital Fund. The Sponsor estimates that net adjustments will not exceed $60,000. For more detailed information, see Section 16 of the Plan.

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MNS
REAL ESTATE Assessed

November 2, 2018

Re: The Spencer Street Condominium
175 and 192 Spencer Street
Brooklyn, New York 11205

7. OPINION RE: COMPLIANCE WITH RPL 339-i

Ladies and Gentlemen:

You have requested our opinion as to whether the distribution of percentage of common interest, which has been assigned to each unit in the above-mentioned condominium, is proper in accordance with the terms of the Real Property Law Section 339-i.

We have reviewed the allocation of the percentages of common interest to be allocated to each of the Condominium Units in The Spencer Street Condominium (the "Condominium"). The percentages of interest of the units in the common elements have been determined in accordance with Real Property Law Section 339-(i) (1) (iv), to wit such common interest is based upon floor space, subject to the location of such space and the additional factor of relative value to other space in the Condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular unit. These projected percentages are to be incorporated into the Declaration as and when recorded in compliance with the Condominium Act.

MNS has been involved in the sale of hundreds of cooperatives and condominiums in the greater New York metropolitan area. MNS has been engaged in the sales of cooperative, commercial and rental properties for more than fifteen (15) years.

MNS has no financial interest in the Sponsor, the Condominium or any other party interest in this transaction or in the land or building covered by the Condominium Offering Plan.

Very truly yours,

Andrew Barrocas, CEO

Sworn to before me this
2nd day of November, 2018

Notary Public

VASHU PATEL
NOTARY PUBLIC-STATE OF NEW YORK
No. 01PA6334587
Qualified in Kings County
My Commission Expires 12-21-2019

7. PARKING UNITS AND STORAGE BINS.

A. PARKING UNITS. There are forty-two (42) Parking Units located at the Property (each a "Parking Unit", collectively, the "Parking Units").

The Parking Units are located on the exterior of the building on the first floor level and will be for the parking of one (1) vehicle each on the Property. In the opinion of the Sponsor's Budget Expert, the contribution to common charges payable by the owners of the Parking Unit (the "Parking Unit Owners") are sufficient to cover the expenses fairly attributable to the Parking Units. The Parking Unit Owners will have no right to subdivide a Parking Unit.

The Parking Units are offered for sale only to Purchasers who are also purchasing a Residential Unit at the Building and will be conveyed to Purchasers via deed.

A Parking Unit may be used by a Parking Unit Owner or persons legally occupying the Residential Unit owned by the Parking Unit Owner for parking one (1) duly registered, inspected and operable non-commercial vehicle with license plates in accordance with the Declaration, Bylaws and Regulations of the Condominium ("**Permitted Occupants**"). Parking Units may be leased to other occupants of the Building, but may be sold only to another Unit Owner in the Condominium.

Notwithstanding the foregoing, the Sponsor will have the right to lease a Parking Unit to a non-occupant for periods of not less than one week and not more than one month (i.e., on a weekly or monthly basis). However, accessory off-street parking spaces owned by the Sponsor shall be made available to residents within thirty (30) days after written request made to the Sponsor by such residents.

The Condominium will have a Right of First Refusal with respect to any sale (other than a sale by the Sponsor), unless the Parking Unit is being sold in conjunction with the sale of a Residential Unit (in which case the Condominium's Right of First Refusal may be exercised only in conjunction with the exercise of a Right of First Refusal to purchase the Residential Unit). If a Unit Owner is selling a Residential Unit, the Unit Owner may only retain ownership of a Parking Unit if the Unit Owner owns another Unit in the Condominium. Otherwise, the Unit Owner shall be required to offer the Parking Unit to the Board of Managers. The Board of Managers shall offer the Parking Unit for sale to the other Unit Owners in the building. If no other Unit Owner elects to purchase the Parking Unit within thirty (30) days after the Parking Unit has been offered for sale, the Parking Unit shall be surrendered to the Board of Managers and the Unit Owner shall be relieved of any further liability for the Parking Unit thereafter.

A Parking Unit Owner shall designate and identify to the Condominium the vehicle being parked and the Permitted Occupant in a form to be provided by the Condominium. A Parking Unit Owner is responsible to report any changes in the Permitted Occupant, the ownership of the Parking Unit or the vehicle to be parked in the Parking Unit.

Parking Units may not be used for any purpose other than parking of a vehicle owned by a Unit Owner or a tenant of a Unit Owner. A Unit Owner may not store any gasoline or other materials in a Parking Unit or permit or do anything in the Parking Unit which would increase the rate of fire insurance for the building. The Condominium will not be liable for damage to any property of the Unit Owner located within a Parking Unit, for any reason whatsoever. A Parking Unit Owner shall not store any item, clean, wash, repair (other than change a flat tire) or perform extraordinary maintenance of any kind to the Parking Unit Owner's vehicle while parked in the Parking Unit, nor may they alter a Parking Unit.

A Parking Unit Owner must park within the Parking Unit so as not to interfere or obstruct access or egress in and from any other Parking Units or the parking lot.

A Parking Unit Owner may not place a sign on, paint, mark or designate the Parking Unit in any way.

Parking Unit 4 and Parking Unit 5 at 175 Spencer Street and Parking Unit 1 and Parking Unit 2 at 192 Spencer Street have been designated as handicapped parking spaces (each a "Handicapped Parking Unit and collectively, the "Handicapped Parking Units") and will be the last parking spaces sold to a Purchaser who themselves or a member of their family does not have a vehicle with handicapped plates. The purchase of a Handicapped Parking Unit and any subsequent sale or transfer of it is subject to the following covenants and restrictions in the deed:

In the event the present or future Owner of a Unit in the Condominium, or a member of his or her family residing in the Unit, becomes handicapped and acquires handicapped plates for his or her vehicle, and said Unit Owner is the owner of a Parking Unit other than a Handicapped Parking Unit, said Unit Owner has the right to demand that the owner of a Handicapped Parking Unit trade the Handicapped Parking Unit they own with said handicapped Unit Owner (unless the owner of the Handicapped Parking Unit also has handicapped license plates.)

In the event the present or future Owner of a Unit or member of his or her family residing in the Unit, becomes handicapped and said Unit Owner does not own a Parking Unit, said Unit Owner has the right to demand that the owner of a Handicapped Parking Unit sell it at then current, fair market value to said handicapped Unit Owner (unless the owner of the Handicapped Parking Unit also has handicapped license plates). All costs and expenses entailed in the transfer of title to the Handicapped Parking Unit, including without limitation, title abstracts, title insurance, transfer taxes and recording fees and reasonable attorney fees shall be borne by the party requesting the transfer.

The owner of a Handicapped Parking Unit must comply with the aforementioned demand upon thirty (30) days written notice.

If the parties cannot agree on the fair market value of the Handicapped Parking Unit then the parties agree to submit the matter to binding arbitration in accordance with Article XIII of the By-Laws of the condominium.

The Property is currently in compliance with handicapped parking requirements of the City of New York.

Multiple Dwelling Law Section 60 provides in part as follows:

"[A parking space] or structure shall be used solely for the storage of passenger motor vehicles of the occupants of the multiple dwelling or of multiple dwellings under common ownership, except that, in the event such space or structure or part thereof is not used by such occupants, it may be rented by the owner or owners of such dwelling or dwellings to persons other than the occupants thereof. The space which has thus been rented shall be made available to an occupant within thirty days after written request therefor..."

There is no case law interpreting whether the "owner" for these purposes refers to the owner of the Parking Unit or the Board of Managers of the Condominium. However, since the Parking Unit is owned and controlled by an individual Unit Owner as opposed to the Board of Managers, based on analogous case law it is likely that the individual Unit Owner would be deemed the "owner" for these purposes. Accordingly, the tenant of a Unit Owner who also owns a Parking Unit may have the right to demand that the owner of that Parking Unit lease the Parking Unit to the tenant (at fair market value) rather than to another person. It is also possible that a court would interpret the statute to require a Parking Unit Owner to lease a Parking Unit to a resident other than the tenant of the Parking Unit Owner within thirty (30) days after written request made to the Parking Unit Owner by such resident.

Except as set forth above in this Section, the Parking Unit Owners will have the same obligations to the Condominium as Residential Unit Owners.

B. STORAGE BINS. There will be a total of forty-eight (48) Storage Bins located at the Cellar Level of 192 Spencer and sixteen (16) located at the Cellar Level of 175 Spencer. Each Storage Bin will be approximately eighteen (18) square feet each. The Storage Bins are offered to Purchasers and Unit Owners via revocable licenses on a first come, first served basis. Such licenses may be revoked if the user of the Storage Bin violates the Declaration, By-laws or Regulations of the Condominium, or the Storage Bin License Agreement. The Storage Bins are made of factory painted wire mesh cages and doors. The Storage Bins are Common Elements and will be licensed to individual Unit Owners by Sponsor in its sole discretion, who will retain the proceeds thereof. Storage Bins may not be licensed to any person, party or entity which is not a Unit Owner (provided that such restriction shall not apply to licensees of the Sponsor or its designees, or to the Board or its designees). Users of Storage Bins shall pay a license fee to the Condominium, initially in the amount of $10.00 per month. The Board of Managers has the right to increase the license fee from time to time in its discretion.

The Storage Bins may only be used for storage purposes, and in no event may be used as a dwelling space or for the storage of toxic or inflammable items or Combustibles (as such term is defined in the New York City Building Code). No materials which pose a health or safety threat or which otherwise create a nuisance may be stored in the Storage Bins. To do so may result in a violation placed against the Building by the Department of Buildings that will be the obligation of the licensee to remove.

Each licensee shall be liable for all damage arising out of such licensee's use or misuse of its Storage Bin. Neither the Sponsor, nor the Condominium, nor their respective agents or employees, shall be liable for any theft or damage to any property stored in the Storage Bins.

To help protect the security of the Building, the holder of a Storage Bin License (other than Sponsor or the Board) must at all times be a Residential Unit Owner. If at any time the licensee of a Storage Bin sells its Unit, it shall simultaneously assign its license of the Storage Bin to another Residential Unit Owner (or the Purchaser of such Unit), and if it fails to do so, the Board shall have the right to terminate the license of the Storage Bin and take possession of the same, without compensation to the licensee. If the Board terminates a Storage Bin License (pursuant to the above) or a Residential Unit Owner surrenders a Storage Bin License without assigning such license to another Residential Unit Owner, the Board shall have the right to issue a new Storage Bin License for the corresponding Storage Bin upon terms and conditions determined in its sole discretion.

All Unit Owners shall notify the Board upon assigning a Storage Bin License agreement and shall provide the Managing Agent with a copy of the new Storage Bin License Agreement. If a Unit Owner holding a Storage Bin License defaults in its obligations under the Storage Bin License Agreement or under the Condominium Documents, the Board may, in addition to the rights and remedies set forth in the Condominium Documents: (i) deny access to and use of the Storage Bin until such Unit Owner cures such default, or (ii) terminate the Storage Bin License Agreement upon written notice to the Unit Owner.

At or prior to delivery of the Storage Bin License to Purchaser, Sponsor has the right, with or without prior notice to Purchaser, to substitute the Storage Bin designated in the Storage Bin License (the "Original Storage Bin") or in the Storage Bin Rider therefor for an alternate Storage Bin (the "Substituted Storage Bin"), provided that such Substituted Storage Bin is of equal or larger size than the Original Storage Bin and provided further, any monthly license fees payable by Purchaser to the Condominium in connection with such Substituted Storage Bin are comparable per square foot to those payable in connection with the Original Storage Bin. Any exercise of Sponsor's rights to designate a Substituted Storage Bin shall not result in an increased Storage Deposit or purchase price and shall not afford Purchaser any abatement in purchase price or excuse Purchaser from its obligations under the Storage Bin License.

The form of the Storage Bin License Agreement to be used for licensing the use of such Storage Bins to individual Unit Owners is included in Part II of this Plan.

Sponsor shall offer the Storage Bin Licenses to Purchasers of Residential Units on a first come, first-served basis until such time as all of the Storage Bin Licenses have been purchased. Sponsor reserves the right to limit the number of Storage Bin Licenses sold to any one Purchaser or to make bulk sales, as it as it determines in its sole discretion. Storage Bin Licenses will only be sold by Sponsor to Purchasers of Units. Prospective Purchasers will be required to deliver a deposit in the amount of 10% of the purchase price of the Storage Bin License upon execution of an Agreement as set forth in the Storage Bin License rider to the form of Agreement included in Part II of this Plan.

8. CHANGES IN PRICES AND UNITS

The Offering prices set forth in Schedule A for each Unit may be increased in all cases (including individual price increases) only by amendment to the Offering Plan, and decreased only by amendment if the change of price is an across-the-board change affecting one or more lines of Units or Unit models or is to be advertised. However, the purchase price payable by Tenants during the first ninety (90) days after the presentation of this Plan may not be increased. (See Section 9 "Rights of Existing Tenants"). Except as set forth above, offering prices are negotiable, unless same would constitute a prohibited discriminatory inducement to a Tenant in occupancy under Section 352-eeee of the General Business Law. (For example, prior to the Plan being declared effective, offers of individual Units to Tenants in occupancy at different percentages of the prices of the same Units to Non-Tenant purchasers would be deemed to be a discriminatory inducement to purchase.) Accordingly, the Sponsor may enter into a Purchase Agreement with a non-Tenant Purchaser to sell one or more Units at prices less than those set forth in Schedule A without filing an amendment before entering into the Purchase Agreement. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than other Purchasers under this Plan for similar Units. No price change will affect the percentage of Common Interest allocated to a Unit.

Except as otherwise provided herein, no change will be made in the size or number of Units and/or their respective percentage of Common Interest, and no material change will be made in the size or quality of Common Elements, except by amendment to the Plan, and, when applicable, to the Declaration. No change will be made in the size and no material adverse change will be made in the quality of Common Elements, unless Purchasers (not in default) receive a right to rescind their Purchase Agreements and not less than fifteen (15) days, after the date of presentation of notice of such right, to exercise the right. If the right is exercised, the Sponsor will promptly return any deposit or refund the Deposit. Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default.

After the First Unit Closing, the Sponsor will have the right to change the number, size (either as a result of subdivision, combination, alteration of boundary walls, or otherwise) and layout of any Unsold Units and to reallocate the percentage of Common Interest of the affected Units in connection with such change, subject to compliance with applicable law and the Condominium's Declaration and By-Laws, and provided the consent of all government agencies having jurisdiction is first obtained (if such approval is required by law). No change will be made in the size or number of units and/or their respective percentages of Common Interest, and no material change will be made in the size or quality of common elements, except by amendment to the Plan and, when applicable, to the Declaration. No material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless Purchasers not in default receive a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right. Sponsor must return any Deposit promptly to purchasers who rescind. The right of the Sponsor to make such changes may be exercised without the consent or approval of the Condominium, its Unit Owners or others, and without payment of any charge or fee to the Condominium, its

managing agent or others, but is subject to compliance with certain requirements of Article X, Section 6 of the By-Laws and by duly filed amendment to the Plan. No occupied Units will be combined without the consent of the affected Tenant.

The price for each Storage Bin License is listed on Schedule A in Part I of the Plan. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

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BSP SPENCER, LLC

Statements

For the Years Ended December 31, 2018 and 2017

BUCHBINDER

BSP SPENCER, LLC
For the Years Ended December 31, 2018 and 2017

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BUCHBINDER

INDEPENDENT AUDITOR'S REPORT

To the Members of
BSP Spencer, LLC

We have audited the accompanying statements of rental income and specified operating expenses related to the operations of BSP Spencer, LLC (a limited liability company) (the "Company"), for the years ended December 31, 2018 and 2017, and the related notes to the statements (the Statements).

Management's Responsibility for the Statements

Management is responsible for the preparation and fair presentation of the 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 the Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statements, 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 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 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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212.695.5003

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Suite 510
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240.200.1400

150 Clove Road
5th Floor
Little Falls, New Jersey 07424
973.812.0100

Buchbinder Tunick & Company LLP
Certified Public Accountants
buchbinder.com
Follow us on linked in

Opinion

In our opinion, the statements of rental income and specified operating expenses referred to above (the Statements) present fairly, in all material respects, the rental income and specified operating expenses in Note 1 of BSP Spencer, LLC for the years ended December 31, 2018 and 2017, in accordance with accounting principles generally accepted in the United States of America.

Purpose of the Presentation

As described in Note 1, the accompanying Statements were prepared to present rental income and specified operating expenses in accordance with financial reporting prescribed or permitted by the Attorney General of the State of New York, and is not intended to be a complete presentation of the Company's revenues and expenses. Our opinion is not modified with respect to this matter.

Buchbinder Tunick & Company LLP

BUCHBINDER TUNICK & COMPANY LLP

New York, NY
August 30, 2019

BSP SPENCER, LLC
Statements of Rental Income and Specified Operating Expenses
For the years ended December 31, 2018 and 2017

	2018	2017
Rental income:		
Rental income - residential	$ 2,148,729	$ 2,372,742
Rental income - garage	62,775	53,416
Rental income - storage	6,250	6,410
Rental income	2,217,754	2,432,568
Specified operating expenses:		
Labor	66,983	45,245
Heating gas	35,729	29,912
Electricity	32,064	29,902
Water and sewer	48,914	49,650
Service contracts		
Elevator	13,797	12,121
Fire alarm and sprinkler system	5,491	5,721
Security system	2,556	2,716
Exterminator	2,384	2,781
Repairs, maintenance and supplies	89,970	47,362
Insurance	36,159	34,431
Property management fees	91,700	95,075
Legal and accounting fees	51,005	21,601
Other expenses	74,186	78,861
Specified operating expenses	550,938	455,378
Excess rental income over specified operating expenses	$ 1,666,816	$ 1,977,190

See accompanying notes to the Statements.

Note 1 - General

Business Operations

BSP Spencer, LLC (the "Company") is a New York limited liability company that was formed on August 21, 2015 to acquire and operate two residential apartment buildings located in Brooklyn, New York, consisting of 82 units. It is the intent of the Company to convert its residential rental properties into condominium ownership. The Statements were prepared in accordance with financial reporting prescribed or permitted by the Attorney General of the State of New York. Accordingly, the amounts reflected in the Statements may not be indicative of the future expenses of the proposed condominium.

The Company is wholly owned by Black Spruce Partners VII, LLC, a New York limited liability company (the "Parent").

Omission of Certain Expenses

The following expenses have not been incurred or have not been included in these Statements:

- Mortgage interest expense
- Depreciation expense
- Amortization expense
- Bad debt expense
- Other professional fees
- Bank fees
- Office expenses

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying Statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the Statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Rental revenue attributable to residential leases is recorded when earned and collectible from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly.

Subsequent Events

Subsequent events have been evaluated through August 30, 2019, which is the date the Statements were available to be issued. There were no subsequent events requiring disclosure.

Note 3 - Transactions with Related Parties

Property Management Fee

The Company's Property Management Agreement is with Nieuw Amsterdam Property Management, LLC ("Nieuw Amsterdam"). Nieuw Amsterdam is owned by certain members of the Parent. Pursuant to the agreement, the Company is obligated to pay Nieuw Amsterdam a monthly management fee of 4.0% of the gross rental income. During the years ended December 31, 2018 and 2017, Nieuw Amsterdam earned and was paid $91,700 and $95,075, respectively, under this agreement.

9. RIGHTS OF EXISTING TENANTS

This Plan is being presented pursuant to the non-eviction provisions Section 352-eeee of the GBL which relates to the conversion of buildings from rental to cooperative or condominium status. In addition, as of the date of the presentation of this Plan, due to the fact that the Sponsor has obtained the 421-a Final Certificates, all eighty-two (82) Residential Units in the Building are subject to the RSL or the RCL. If there is any inconsistency between this summary and the provisions of Section 352-eeee of the GBL which are set forth in full in Exhibit G, then the statute shall control as if set forth in full herein. The following provisions apply only to qualifying Tenants of Residential Units (as opposed to Parking Units).

Tenants in occupancy eligible to purchase during the Exclusive Purchase Period, should refer to Section 13 entitled "Procedure to Purchase."

Section 352-eeee of the GBL gives Tenants in occupancy on the date of the acceptance of the Plan for filing ("Tenants") a number of important rights, which are described below:

1. The Sponsor has elected to present the Plan on a non-eviction basis. Accordingly, a bona fide residential Tenant in occupancy of a Unit in the Building on the date of presentation of the Plan who does not purchase their Unit will not be subject to eviction, except for non-payment of rent, illegal use or occupancy of the Unit, refusal of reasonable access to the Owner of the Unit, or other similar violations of their obligations as a Tenant. Furthermore, eviction may not be sought against a non-purchasing Tenant on the ground that the Owner of the Unit desires the Unit for the use and occupancy of himself or their family. The Plan may not be amended at any time to provide that it shall be an eviction plan.

Section 352-eeee defines a "Non-purchasing Tenant" as a person who has not purchased under the Plan and who is a tenant entitled to possession at the time the Plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a Purchaser under the plan shall not be deemed a Non-purchasing Tenant. Non-purchasing Tenants who reside in rent regulated Units shall continue to be subject to the RSL or RCL, as applicable. If any of the Rent Laws are subsequently eliminated or become inapplicable, the rentals of Non-purchasing Tenants shall not be subject to unconscionable increases beyond ordinary rentals for comparable Units during the period of their occupancy. Disputes concerning such increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, 28 Liberty Street, New York, New York 10005. In determining comparability, consideration shall be given to such factors as building services, level of maintenance, and operating expenses. The RSL and RCL are under the jurisdiction of the Division of Housing and Community Renewal, 93 Union Hall Street, Queens, New York.

2. The following persons will have an exclusive right for a period of ninety (90) days from the date of presentation of this Plan to purchase Units in the Condominium: (i) bona fide Tenants in occupancy on the date the Plan is accepted for filing; (ii) bona fide Tenants with the right to renew their leases; and (iii) bona fide Tenants with the right to continued occupancy.

For the purpose of determining who has the right to subscribe during the exclusive period, a bona fide Tenant of record with an unexpired lease will be presumed to be a Tenant in occupancy, even though the Tenant has sublet his or her Unit or the Unit is not the Tenant's primary residence. During the initial ninety (90) day period, the Plan will not be amended to change the terms of the offer in any way adverse to Tenants. The Sponsor does intends to offer Tenants a reduced purchase price. Therefore, at the expiration of the ninety (90) day Exclusive Purchase Period, the prices set forth in Schedule A will continue to apply to both Tenant and non-Tenant Purchasers, subject to change by a duly filed amendment. A bona fide sublessee in occupancy on the date the Plan is accepted for filing has the right to purchase during the Exclusive Period if he or she: (1) sublets from a non-bona fide tenant, or (2) has obtained written permission to purchase his or her dwelling unit from a bona fide tenant of record. Nothing herein shall be construed to deprive an owner of any legal remedy for illegal occupancy. A residential occupant entitled to protection under article 7-C of the Multiple Dwelling Law has the right to purchase during the Exclusive Period;

Both non-Tenants and Tenants will have the right to purchase vacant Units at any time. In addition, persons or entities may purchase occupied Units at any time after the Exclusive Purchase Period expires.

3. The Plan will not be declared effective and will be abandoned unless, within fifteen (15) months from the date the Plan was accepted for filing, written Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all Residential Units on the Property 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 Unit when it becomes vacant. As to Tenants who were in occupancy on the date a letter was issued by the Attorney General accepting the Plan for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discretionary inducements. Subscribing Tenants who are relatives, business associates or affiliates of the Sponsor will not be included in the computation, unless they are pre-existing bona fide Tenants in occupancy on the date of presentation of the Plan.

4. The Sponsor will not show a Unit to prospective Purchasers during the Exclusive Purchase Period if the Unit is occupied by the person who is the Tenant thereof on the date of presentation of the Plan. However, if the Tenant waives their right to purchase their Unit in writing, the Sponsor may exercise whatever right the Sponsor may have under the existing lease or then applicable law to show that Unit to prospective Purchasers and also to accept a Purchase Agreement from any prospective Purchaser of that Unit, subject to any rights afforded to the Tenant of the Unit by Section 352-eeee, or subsequent amendments to this Plan.

A Purchase Agreement from a Tenant in occupancy for his or her own Unit executed during any Exclusive Purchase Period shall have priority over and preempt any Purchase Agreement from a non-Tenant Purchaser.

5. After the Plan has been accepted for filing by the Attorney General, the Sponsor shall, on the 30th, 60th, 88th and 90th day after such date, and at least once every thirty (30) days until the Plan is declared effective or is abandoned, as the case may be, and on the tenth (10th)

day and second (2nd) day before the expiration of any Exclusive Purchase Period, provide in a substantial amendment to the Plan, (i) a written statement, under oath, setting forth the percentage of the Units in the Building subscribed for as of the date of the statement 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 will occupy the Unit when it becomes vacant, and (ii) post a copy of such statement in a prominent place accessible to all Tenants in the Building before noon on the day such statement is filed. The statement shall remain posted until the next statement must be posted. Copies of the posting notices will be available in the office of the Sponsor.

6. (i) No eviction proceedings will be commenced at any time against non-purchasing Tenants, subject to Rent Laws, 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 their obligations to the Owner of the Unit; and provided further that an Owner of a Unit may not commence an action to recover possession of the Unit from a non-purchasing Tenant on the grounds that he seeks the Unit for the use and occupancy of himself or their family.

(ii) All of the Units are subject to the RSL or the RCL and subject to the protections of Section 352-eeee as described herein and in Part II, Exhibit G.

(iii) After the Plan has been accepted for filing by the Attorney General, non-purchasing Tenants shall not be subject to unconscionable increases beyond ordinary market rent increases for comparable Units during the period of occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints of unconscionable rent increases may be referred to the New York State Department of Law, Investor Protection Bureau, 28 Liberty Street, 21st[d] floor, New York, New York 10005.

(iv) Non-purchasing Tenants will be subject to rent increases, subject to Rent Laws, and as a result of capital improvements made by the Sponsor, Board of Managers or Unit Owners to the extent permitted by law. As of the date of this Plan, the Sponsor does not intend to make any capital improvements to the Building and, consequently, shall not take a credit for any capital improvements to the Building against the Reserve Fund.

(v) The Plan may not be amended at any time to provide that it shall be an eviction Plan; and

(vi) The rights granted under the Plan to Purchasers and to non-purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, Section 352-eeee.

7. Upon the expiration of the 421-a Exemption at each Building (November 10, 2036 and November 9, 2036 for 172 Spencer Street and 192 Spencer Street respectively), protection under the Rent Laws may expire. The Certificates of Occupancy were issued by the

New York City Department of Buildings on December 15, 2008 for 175 Spencer and September 15, 2011 for 192 Spencer. In buildings which become subject to requirements of Section 421-a after July 3, 1984, the owners are required to include in each lease and renewal lease a notice in at least twelve point type informing the tenant that the apartment shall become deregulated upon the expiration of the last lease entered into during the tax benefit period. The notice also needs to state the approximate date on which such tax benefit period is scheduled to expire. The inclusion of the required notice in all leases results in the deregulation of the apartment from the RSL at the end of the last lease entered into during the tax benefit period.

8. 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 such Tenant in their use or occupancy of their Unit or the facilities related thereto. A Tenant may apply to the Attorney General for a determination that such conduct does exist or has taken place. The Attorney General may also 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 Unit.

9. If the Sponsor amends the terms and conditions of the offering prior to the closing of the first Unit to be more favorable to non-purchasing Tenants, a bona fide Tenant in occupancy who executed and submitted a Purchase Agreement for the Unit the Tenant occupied on the date that the Plan was accepted for filing shall benefit from the more favorable terms and conditions, even though such Purchase Agreement was entered into before the Sponsor amended the terms. Such rights shall not extend to Purchase Agreements for Units not occupied by such Tenant in occupancy or assignees of Purchase Agreements executed by such Tenant in occupancy.

10. The By-Laws of the Condominium provide that non-purchasing Tenants will be notified of changes in ownership of dwelling Units they occupy by written notice by ordinary mail within thirty (30) days after the date of transfer, and that the Board of Managers of the Condominium will retain and make available such information to non-purchasing Tenants upon request.

11. Tenants in occupancy may not assign their rights to purchase their Unit without the Sponsor's consent. See Section 13 entitled "Assignment of Purchase Agreements."

12. Tenants may purchase vacant Units or Units occupied by other Tenants on the same terms and in accordance with the same criteria as non-tenant Purchasers.

13. Non-purchasing Tenants will not have any right to match an offer made by a non-tenant Purchaser after the Exclusive Purchase Period expires.

14. Tenants in occupancy do not have exclusive access to or the exclusive right to use any portion of the Common Elements.

15. All Units occupied by non-purchasing Tenants shall be managed by the same managing agent who manages all other 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. The Sponsor guarantees that obligation of the managing agent until such time as the Sponsor relinquishes control of the Board of Managers of the Condominium.

16. An Offering Plan may not be accepted for filing if an excessive number of long term vacancies exist on the date the Offering Plan is first submitted for review to the Department of Law. Long term vacancies mean Residential Units not leased or occupied by bona fide Tenants for more than five (5) months prior to the date of such submission. Excessive means a vacancy rate in excess of ten percent (10%) provided that such vacancy rate is double the normal average vacancy rate for the Building or development for two (2) years prior to the January preceding the date of the submission.

17. 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 Sponsor, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York.

18. In the 2010 case entitled MH Residential 1, LLC v. Barrett, 78 A.D.2d 99, 908 N.Y.S.2d 6 (App. Div. 1st Dept. 2010), the First Department held that the expiration of the lease of a tenant not subject to rent regulation terminated the landlord-tenant relationship provided that the tenant was not a "non-purchasing tenant", i.e., the person was not a tenant entitled to possession at the time that the Plan was declared effective. Accordingly, the Sponsor reserves all rights to evict tenants whose leases have expired prior to the date that the Plan has been declared effective pursuant to applicable law.

21. The Sponsor has not made any offers of nor entered into any buyout agreements and/or reservation agreements for the Units with existing tenants.

22. To the extent permitted by law, Sponsor reserves the right to selectively offer, in its sole discretion, buyout payments in amounts to be determined by Sponsor and subject to tenants' rights to negotiate money or other incentives to some bona fide tenants in occupancy to induce them to vacate and surrender their apartments. The Department of Law takes no position on the legality of buyout agreements and recommends that tenants seek the advice of counsel on whether acceptance of a buyout offer is a waiver of rights under the rent regulation laws. However, a tenant of a rent-regulated Unit may not accept a buyout offer until after the Plan has been accepted for filing and the tenant has had an opportunity to review the accepted offering plan.

Tenants should be aware that if a buyout offer were made, (a) they would be under no obligation to accept a buyout offer; (b) they could not be penalized for not accepting a buyout offer; and (c) a tenant, after being bought out, might find it difficult to find a comparable rent-regulated unit.

23. Under this non-eviction Plan, tenants whose leases expire and against whom holdover proceedings are commenced before the offering plan is declared effective retain only the minimal protections available to the common-law "tenant at sufferance," and ARE NOT PROTECTED from eviction for failure to purchase or any other reason applicable to expiration

of tenancy and from unconscionable rent increases absent some special circumstance, as found by a court of competent jurisdiction.

The Appellate Division, Second Department has held that Tenants who lease Unsold Units after the offering plan is declared effective are protected from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases. Unconscionable increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy."

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10. OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS

A. General. As of the date of this Plan, all of the Residential Units are currently subject to the RSL. If a Unit is purchased by someone other than the Tenant thereof, the Tenant or occupant will become the Purchaser's Tenant on the closing date and the Purchaser will assume the existing lease and become their landlord. If the Unit were subject to the RSL or RCL, the unit owner would have the responsibility of adhering to the RSL and RCL and registering the dwelling Unit with the New York State Division of Housing and Community Renewal (DHCR), as necessary. No representation or warranty is made that RSL and RCL will, or will not, apply or continue to apply to any Units, or that there will or will not be further amendments thereto. If there is any inconsistency between this summary and the provisions of the RSL and RCL, then RSL and RCL shall control as if set forth in full herein.

A Purchaser of a Unit of which they are not the Tenant will obtain the deed for the Unit, subject to (a) the lease for the Unit then in effect and any renewal of the term thereof, (b) any existing occupancy of the Unit, (c) the right of any existing Tenant to remain in possession of the Unit, including the right to renew leases and riders as required by law, and (d) all other rights of any existing Tenant (if any) under the RSL, RCL, Section 352-eeee of the GBL, or any other applicable law, including the right to receive renewal leases and riders as required by law. Tenants may be evicted only on grounds permitted by law.

If a Unit is purchased by someone other than the Tenant thereof, the Tenant or occupant will become the Purchaser's Tenant on the closing date and the Purchaser will assume the existing lease and become their landlord subject to applicable rent regulations.

Purchasers should consult their own attorney regarding their obligations to Tenants under New York law. All leases may be inspected by potential purchasers, and should be inspected to ascertain the purchaser's obligations

Section 352-eeee of the GBL provides that no eviction proceedings against any non-purchasing Tenant shall be commenced for failure to purchase or for any other reason applicable to expiration of tenancy. In addition, a non-purchasing Tenant may be entitled to a renewal lease in accordance with Section 352-eeee of the GBL. However, eviction 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 their obligations to the Owner of the Unit. An Owner of the Unit may not commence an action to recover possession of a Unit from a non-purchasing Tenant on the grounds that he desires to occupy the Unit for their use or that of their family. All litigation costs, fees and any dues related to the tenancy are the sole responsibility of the Purchaser.

The Purchaser of a Unit occupied by a Tenant will be required to pay to the Condominium the Common Charges for such Unit, whether such Common Charges are greater

or less than the rent received from the Tenant in occupancy, and will be required to pay all litigation costs, fees and any dues related to the tenancy. Such Purchaser will also be obligated to pay all real estate taxes allocable to the Unit, as well as, any special assessments imposed by the Board of Managers of the Condominium from time to time. At the closing of title, the Purchaser will pay all of the closing costs including, but not limited to, the mandatory Working Capital Fund contribution in the amount of two (2) months' Common Charges for the Unit to furnish services required under the Non-purchasing Tenant's lease, attorney's fees, and transfer taxes, which are described in further detail in Section 17 entitled "Unit Closing Costs and Adjustments."

By reason of the terms of the Condominium Documents, the Rent Laws, and any other applicable laws, regulations and rules, the Purchaser will also be responsible for the due performance of all of the obligations to maintain, repair, and replace plumbing fixtures, windows, the refrigerator, range, lighting fixtures and other equipment in the Unit, and to paint the Unit. While the Sponsor controls the Board of Managers, the Sponsor guarantees that the Board of Managers will ensure that all such services required by applicable law will be provided.

A prospective Purchaser of an occupied Unit is urged to examine carefully the lease pertaining to such Unit so as to confirm the rent payable thereunder and the expiration date and any renewals. The rent payable under the Unit lease may be greater or less than the Common Charges which will be payable after the transfer of title to the Condominium.

A Purchaser of a Unit subject to a lease will be entitled to receive the unapplied portion of any security deposit held by the Sponsor under the terms of the lease. Such security must be held by the 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, the Purchaser will be prepared to acknowledge in writing receipt thereof and agree to indemnify the Sponsor and the Condominium against all claims or liability in connection therewith.

The Purchaser of a Unit occupied by a non-purchasing Tenant shall irrevocably appoint the managing agent for the Condominium as his or her agent to perform for the account, and at the expense of the Purchaser all services required to be furnished and performed by the landlord under the non-purchasing Tenant's lease, the RSL or RCL, as applicable. Such services shall be provided by the managing agent on a non-discriminatory basis. Such Purchaser shall also deposit with the managing agent at closing, a sum of not less than two (2) months of Common Charges to be used as working capital to furnish the aforesaid services. Interest on the deposit, if any, shall be the property of the Unit Owner. Upon notice by the managing agent that said deposit has been diminished to less than one (1) month's Common Charge, the funds shall be replenished by the Purchaser within thirty (30) days. The failure of any Unit Owner to replenish the fund in a timely fashion shall result in the Condominium having a lien against the Unit. The above obligation to fund the two (2) months of Common Charges shall not apply to the Unsold Units held by the Sponsor.

Occupied Units are being purchased in "**AS IS**" condition subject to reasonable wear and tear. By signing a Purchase Agreement, a Purchaser acknowledges: (i) that he has read and is familiar with the Description of Property and Building Condition, which is included in Part II of

the Plan; (ii) that Sponsor and the Condominium have no obligation to make any repairs, improvements, or decoration in or to the Property, the Building and the Unit; (iii) that they agree to be bound by the terms and conditions of the Purchase Agreement which are incorporated herein by reference; and (iv) that they have inspected the Unit and is familiar with the condition of the Unit. If the Sponsor is aware of, or reasonably should have been aware of, any material conditions with respect to the Unit and fails to disclose that to prospective purchasers, the Sponsor could have liability therefor.

If any Tenant at or after the closing is using the Unit for uses not permitted by law, the Purchaser, not the Sponsor, will be responsible for procuring the Tenant's compliance with the use restrictions of the Unit.

B. Rights of Condominium to Take Assignment of Rents of Tenants of Defaulting Unit Owners. The Condominium Documents provide that the Board of Managers has the right to take an assignment of rents from the Tenant of a defaulting Unit Owner until the Unit Owner becomes current. These rights are also contained in Section 339-kk of the New York State Real Property Law. Section 339-kk provides that if the Owner of a Condominium Unit who does not occupy the dwelling Unit ("non-resident owner") rents the Unit to another person, and subsequently fails to pay Common Charges within sixty (60) days after the due date, the Condominium may collect the rent directly from the rental Tenant and offset the rent collected against Common Charges owed. The Condominium will notify the Tenant to recommence payments to the non-resident owner when Common Charges are current. A non-resident owner who disputes the claim may present facts supporting his or her claim at the next scheduled meeting of the Board of Managers, which meeting must be held within thirty (30) days after the Board receives notice of the disputed claim.

If a rental Tenant makes payment directly to the Condominium pursuant to a notice given under Section 339-kk, the rental Tenant shall be relieved of the obligation to pay such rent to the non-resident owner and shall have an absolute defense in any non-payment proceeding arising from such payment.

Nothing in Section 339-kk limits the rights of Unit Owners of the Condominium or the Board of Managers under any other agreement or law.

11. INTERIM LEASES

The Sponsor reserves the right to rent or lease vacant Units (including any Units which become vacant after the date of presentation of this Plan) to Purchasers and non-purchasers. The Sponsor and its agents will not discriminate against any person on any basis prohibited by civil rights laws.

Once a binding Purchase Agreement is in effect for a vacant Unit, the Unit may only be leased to the Purchaser. The lease will be for such rent (but not to exceed the maximum rent legally collectible) and other terms as may be mutually agreed upon. The lease shall be prepared on the standard form of Unit lease currently published by the Real Estate Board of New York, Inc. The term of such lease shall be for a period which will expire on the earlier of the date of closing of title (in the event this Plan shall be declared effective) or one year after the date of execution of the lease, if this Plan shall not thereafter be declared effective in accordance with its terms. Such lease will also provide that an uncured default by the Purchaser under their Purchase Agreement will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease. The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement if the Purchaser fails to cure a default under their lease within the applicable grace period (if any) and such default results in their eviction from the Unit (whether by voluntary removal or by court order). If the Purchaser defaults under the interim lease, an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-Tenant must be obtained, or the Purchaser-Tenant must have vacated the Unit before the Sponsor may declare the Deposit under the Purchase Agreement forfeited. No portion of the rent paid under such lease will be credited toward the Unit's total purchase price.

If this Plan is abandoned, the Purchaser will be formally notified thereof, and will be offered a one (1) year lease. If the vacant Unit would have been subject to the Rent Laws, the Interim Lessee will receive the benefit of such Rent Laws at that time (if any). The Purchaser-Tenant will have thirty (30) days to accept the lease. If the Purchaser-Tenant declines or fails to accept the lease within the thirty-day period, they must vacate the Unit within sixty (60) days after the date of the notice of abandonment of the Plan.

In the event of a default under the Purchase Agreement by the lessee, the lessee shall have thirty (30) days to vacate the Unit.

If a right of rescission is offered in the future, and exercised by Purchaser, then the Purchaser's right to rescind will be conditioned upon their surrendering the Interim Lease and possession of the Unit and leaving the same vacant, in good condition and broom clean within thirty (30) days after he elects to rescind. He must also pay any rent due under their Interim Lease.

The risk of loss to the Unit in connection with a casualty remains with the Sponsor until closing. However, nothing contained herein shall relieve any Purchaser of liability for damage caused to the Unit that is not covered by insurance not covered by the insurance carried by the

Sponsor for the Building. Accordingly, any Purchaser who takes possession of a Unit prior to the closing of title would be well advised to obtain insurance coverage for any personal property or decorations made to the Unit prior to taking possession.

IF THE SUBSCRIBER FAILS TO COMPLY WITH THE ABOVE PROVISIONS, THE RIGHT OF RESCISSION WILL BE INEFFECTIVE AND THE PURCHASE AGREEMENT SHALL BE REINSTATED, EXCEPT THAT THE SUBSCRIBER SHALL BE IN DEFAULT UNDER THE PURCHASE AGREEMENT AND SHALL BE REQUIRED TO CURE SUCH DEFAULT WITHIN FIFTEEN (15) DAYS THEREAFTER, AND THE INTERIM LESSEE AND THE SPONSOR WILL CONTINUE TO BE ENTITLED TO ALL OF THEIR RESPECTIVE RIGHTS UNDER THE SUBSCRIPTION AGREEMENT. If an Interim Lessee exercises a right of rescission, the lease shall automatically terminate in all events as of the date the rescission right is exercised and will not be reinstated under any circumstances.

The Sponsor may rent any Unit that is vacant before the conversion. The form of Interim Lease will be the standard apartment lease form supplemented by a rider setting forth the cross-default provisions between the lease and the Purchase Agreement.

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12. PROCEDURE TO PURCHASE

A. How to Purchase; Acceptance of Purchase Agreements. A person desiring to purchase a Unit in the Condominium shall be required to execute four (4) copies of the Purchase Agreement in the form contained in Part II, Exhibit A of the Plan (including the applicable Affidavit for Purposes of Declaring the Plan Effective attached as Exhibit J and the Escrow Agreement attached as Exhibit G among the Sponsor, the Purchaser and the Escrow Agent), and return them to the Sponsor's attorney, Smith, Buss & Jacobs, LLP, 733 Yonkers Avenue, Yonkers, New York 10704 ("Sponsor's Counsel"), together with a completed W-9 form and a check in an amount equal to the required Deposit, drawn to the order of "SSBJ – The Spencer Street Condominium Escrow Account."

The Deposit for all Tenants in Occupancy who execute Purchase Agreements before the Plan has been declared effective will be 10% of the purchase price of the Unit. The Deposit for persons other than Tenants in Occupancy will no more than 10% of the purchase price of the Unit.

Purchase Agreements will be binding on Purchasers who have had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to their executing a Purchase Agreement, unless fewer than three business days remain in the statutory time period to declare the Plan effective. Within twenty (20) days after receiving four (4) executed copies of a Purchase Agreement, together with the required down payment, the Sponsor will return to the Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Deposit tendered. If Sponsor takes no action within said twenty (20) day period, the Purchase Agreement shall be deemed null and void.

B. Interest on Deposit. Interest will accrue on the Deposit at the bank's prevailing rate for security deposit accounts (currently approximately .10%) for the benefit of the Purchaser until the closing or termination of the Purchase Agreement. Any interest earned on the deposits will be payable to the Purchaser at closing. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

C. Disbursement of Funds. All funds received from Purchasers on account of the Deposit or for upgrades, extras, or custom work (the "**Deposit**"), shall be in the form of checks, money orders, wire transfers or other instruments and shall be made payable to Sponsor's Counsel, Smith, Buss & Jacobs, LLP ("Escrow Agent"), with an address at 733 Yonkers Avenue, Yonkers, New York 10704 (914-476-0600) which Counsel shall hold in trust until the closing of title to that Unit. The funds will be held in special account entitled "SBJ – The Spencer Street Condominium Special Escrow Account" or similar name (the "Special Account") at The Westchester Bank, 2001 Central Avenue, Yonkers, New York 10710. The following attorneys with Smith, Buss & Jacobs, LLP are signatories on the account: Thomas W. Smith; Kenneth R. Jacobs; and Domenick J. Tammaro. Neither the Escrow Agent nor any authorized signatories on

the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing. The signatories on the account are admitted to practice law in the State of New York. Before the Escrow Agent is changed, or funds are transferred to a new escrow account, the Plan will be amended to disclose the changes. The Escrow Agent will maintain all records as to the escrow account for a period of seven (7) years after release of the funds.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. Within five (5) business days after the fully executed Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement to the bank, the Escrow Agent shall notify the Purchaser that such funds have been deposited in the bank indicated in the Plan, and provide the account number and the initial interest rate. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, he or she may cancel the purchase and rescind by notice given within ninety (90) days after tender of the Purchase Agreement and the 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, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrow funds were timely deposited in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

All funds received by Sponsor will be handled in accordance with the provisions of Section 352-h and 352-e(2)(b) of the General Business Law and Lien Law and shall be employed by Sponsor only upon the consummation of the transaction with the applicable Purchaser. Such funds shall not be commingled with any other money or pledged or hypothecated by the Sponsor. Consummation of the Plan does not relieve the Sponsor of its obligations under GBL Section 352-h. Such deposit together with any interest accumulated thereon shall remain the property of the Purchaser until consummation of the transaction with such Purchaser. Funds from the escrow account shall not be part of the estate of the Sponsor or the Escrow Agent upon bankruptcy, incapacity or death. After the closing of title to the Unit, such funds will be payable to Sponsor.

The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with the foregoing statutes and 13 NYCRR Part 23.

All funds received by Sponsor for upgrades or extras must initially be placed in the Special Account and released in accordance with the terms of a written agreement between Purchaser and Sponsor. However, Purchasers should note as a special risk that such funds may be released from the Special Account by the Sponsor's Counsel, at any time, as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or

extras, unless the Plan is abandoned. However, if the Plan is abandoned, a full refund, including any funds used for upgrades or extras, will be made to the Purchaser.

Section 71-a (3) of the Lien Law requires, at the Purchaser's option, that the deposit be placed in escrow in an interest-bearing escrow account in a bank, trust company, savings bank, state or federal savings and loan association located in New York. Said monies must be deposited within five (5) business days after entering into the Purchase Agreement. The Sponsor must advise the Purchaser, in writing, within ten (10) business days after the deposit has been made. Such deposit, together with the interest accumulated thereon, shall remain the property of the Purchaser until consummation of the transaction or until such time as either party is entitled to said funds pursuant to the terms of the Purchase Agreement and the Offering Plan. All interest shall be the property of the Purchaser, unless the Purchaser defaults under the Purchase Agreement.

If insufficient funds are raised through the offering or otherwise to effectuate the contemplated transaction, or if Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement, and if the Purchase Agreement has been subsequently terminated as set forth above, such monies will be fully returned to them with interest, if any.

Any provision of an agreement with a Purchaser by which a Purchaser purports to waive or indemnify Escrow Agent with respect to any obligation of Escrow Agent holding trust funds is absolutely void.

The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Purchaser's rights or the Sponsor's obligations under Article 23-A of the General Business Law. The form of Purchase Agreement to be executed by Tenant Purchasers during any Exclusive Purchase Period may not be modified except by a duly filed amendment to the Plan. Any conflict between this Plan and the Purchase Agreement will be resolved in favor of the Plan, except that an individually negotiated term of sale in the Purchase Agreement, which does not conflict with the Attorney General's regulations governing this offering, shall be resolved in favor of the Purchase Agreement.

In addition to the foregoing provisions, the release of escrow funds shall be governed by the following:

(a) Under no circumstances shall the Sponsor apply for release of escrowed funds of a defaulting Purchaser until after consummation of the Plan, as evidenced by acceptance of post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its trust obligations pursuant to GBL Section 352-h.

(b) The Escrow Agent shall release the Deposit if so directed:

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

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

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

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

(c) The Sponsor shall not object to the release of the escrowed funds 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.

D. Events of Default. The following will be Events of Default under the Purchase Agreement:

(a) Failure to pay the balance of the total cash payment or any other fees or charges under the Purchase Agreement when due, which failure is not cured within thirty (30) days after written notice; or

(b) Failure to comply with any other requirements of the Purchase Agreement, which failure is not cured within fifteen (15) days after written notice.

If an Event of Default occurs, the Sponsor will have the right to terminate the Purchase Agreement and to retain as liquidated damages the Deposit, plus the cost of any special work done for the Purchaser. This will be the Sponsor's sole remedy.

TIME IS OF THE ESSENCE WITH RESPECT TO ALL TIME PERIODS TO MAKE PAYMENTS AND TO COMPLY WITH OTHER OBLIGATIONS UNDER THE PURCHASE AGREEMENT, AND WITH RESPECT TO ALL GRACE PERIODS FOR CURING DEFAULTS. FAILURE OF A PURCHASER TO COMPLY WITH ITS OBLIGATIONS WITHIN APPLICABLE TIME PERIODS MAY RESULT IN LOSS OF THE DEPOSIT AND CANCELLATION OF THE PURCHASE AGREEMENT. If the

Purchase Agreement is canceled, the Sponsor will have the right to sell the Unit to others as though the agreement had never been made (and without accounting to Purchaser for the proceeds of such sale), and Purchaser, and Sponsor shall be relieved of all further liability and obligations thereunder and under the Plan.

E. Closing, Payment of Balance Due. Purchasers shall be given not less than thirty (30) days written notice of the closing of title to their Units after the amendment declaring the Plan effective has been accepted for filing at the office of the Attorney General. This notice period may be waived by Purchasers. The notice shall provide that the balance of the purchase price shall be due at closing of title. The balance of the cash portion of the purchase price must be paid by cash, certified, teller's or cashier's check made payable to the order of Sponsor or as the Sponsor may direct. Failure to make this payment when required pursuant to the notice constitutes a default and may result in cancellation of the Purchase Agreement. See Paragraph D above.

F. Fees. Purchaser shall pay the fees and expenses of Sponsor's Counsel for closing of title ($2,500, plus $250 if the closing takes place anywhere except in Counsel's offices on 60 East 42nd Street in Manhattan and $250 for each closing date adjournment which is at the request of the Purchaser or their lender, including a Sponsor Designated Lender), or Purchaser's own attorney, if any. For further information regarding closing fees and adjustments, see Section 16 of the Plan.

G. Limited Financing Contingency. The obligations of a purchaser under a Purchase Agreement are NOT conditioned on obtaining financing unless the Purchaser has sought financing through the Sponsor Designated Lender (as defined below). Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her Deposit (unless the Purchaser has been rejected for financing by the Sponsor Designated Lender) if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing from other sources are advised to consult with a lending institution before execution of a Purchase Agreement.

The Sponsor Designated Lender is either (i) First Republic Bank, 1230 Avenue of the Americas, 2nd floor, New York, NY 10020 Att: Scott van der Marck, Senior Managing Director [(212)-259-3630 (o); (631)-836-1800 (c)); or (ii) Chase Bank, 41-22 Bell Boulevard, Bayside, NY 11361, Att: Justin Keesey [718-614-5610.] . If a Purchaser is electing to obtain financing, the obligations of Purchaser under the Purchase Agreement will be conditioned upon issuance on or before the 45th day after the date of the Purchase Agreement (the "Contingency Period") of a written commitment from Sponsor Designated Lender. A Purchaser must use the Sponsor's Designated Lender if the Purchase Agreement is to include financing contingency.

The financing contingency described herein is subject to the following conditions and limitations:

(a) The financing contingency is only applicable to mortgage financing of no more than eighty percent (80%) of the purchase price (or such lesser amount as Purchaser shall apply

for) at the Sponsor Designated Lender's prevailing rate of interest and for a customary loan term, secured by a first mortgage on the Unit;

(b) Purchaser shall apply to the Sponsor Designated Lender for such first mortgage loan within ten (10) days after the date of the Purchase Agreement;

(c) Purchaser shall furnish accurate and complete information to the Sponsor Designated Lender relating to Purchaser, as required;

(d) Purchaser shall pay all fees, points and charges required in connection with such application and any other "points" or charges if the Purchaser accepts the commitment.

(e) Purchaser shall pursue such application with diligence, and generally cooperate in good faith with such Sponsor Designated Lender to the end of securing such mortgage. Purchaser shall notify the Sponsor promptly of the name and address of the Sponsor Designated Lender or other lender to which Purchaser has given an application. Purchaser shall furnish Seller with a copy of such commitment promptly after receipt thereof. If Purchaser fails to obtain such a commitment from the Sponsor Designated Lender on or before the expiration of the Contingency Period, Purchaser shall have the right to cancel the Purchase Agreement by giving notice to Seller by the 45th day of the date of the Purchase Agreement. Upon cancellation, the Deposit and accrued interest shall be promptly refunded to Purchaser, and neither party shall have any further rights against, or obligations or liabilities to the other by reason of the Purchase Agreement.

If Purchaser does not give notice to Seller on or before the 45th day after the date of the Purchase Agreement, the Purchase Agreement shall not be terminated by virtue of this Paragraph and the Purchase Agreement shall remain in full force and effect, except that Purchaser's right to cancel under this Paragraph shall be deemed waived.

(f) If Purchaser obtains a financing commitment from the Sponsor Designated Lender and the commitment lapses or expires before the actual closing date through no fault of Purchaser, Purchaser shall make a good faith effort to extend the commitment, including payment of a reasonable and customary extension fee to the Sponsor Designated Lender and acceptance of changes in the interest rate to reflect prevailing market conditions. However, if the Sponsor Designated Lender is still unwilling to extend the commitment on those terms, Purchaser shall have the right to cancel the Purchase Agreement by notice given to Sponsor within ten (10) days after receiving the Sponsor Designated Lender's notice of refusal to extend the commitment.

(g) **Use of the Sponsor Designated Lender is not required to purchase a Unit or to obtain financing. A Purchaser may choose any lender to provide financing for the purchase of the Unit.** However, if a Purchaser uses a lender other than the Sponsor Designated Lender, no financing contingency will apply to the Purchase Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's mortgage financing lapses or is canceled.

H. Risk of Loss. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title, but without any obligation or liability on the part of Sponsor to repair or restore any Unit. In case of damage to or destruction of a Unit due to fire or other casualty prior to the closing, but after a Purchase Agreement has been signed, the Sponsor will have the right to elect whether to repair or restore the Unit, which election shall be in the Sponsor's sole discretion. If the Sponsor elects to restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the purchase price for the Unit. In that event, the Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Sponsor. If the Sponsor elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium, but before closing of title to the subject Unit) the Board of Managers elects not to restore the Common Elements of the Condominium, the Purchase Agreement shall be deemed canceled, the Sponsor shall return to Purchaser all sums deposited thereunder (together with interest) and the parties shall have no further liability to each other. However, if a Purchaser is in default under the Purchase Agreement at such time, the Sponsor may retain all sums paid as liquidated damages.

As stated above, in the event a Purchaser enters into actual possession of a Unit prior to the closing of title, the Purchaser shall bear the risk of loss or other casualty with respect to that Unit to the extent not covered by the insurance carried by the Sponsor for the Building. Accordingly, any Purchaser who takes possession of a Unit prior to the closing of title would be well advised to obtain insurance coverage for any personal property or decorations made to the Unit prior to taking possession. Purchasers also should note that after they close title to their Units, individual Unit Owners are required to procure additional insurance at their own expense to cover such risks as fire and casualty losses to Unit contents; floors; alterations, additions, fixtures and improvements made by the Unit Owner or their predecessor in interest; and liability coverage for occurrences within the Unit, or (where applicable) on Limited Common Elements. A Purchaser should consult with an attorney and/or an insurance agent as to Purchaser's insurance needs.

I. Assignability. Purchase Agreements are not assignable. Any purported assignment shall be void *ab initio*. There is no formal procedure with respect to the assignment of Purchase Agreements.

J. Minimum Sales Requirement. Pursuant to existing law and regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen percent (15%) of the Residential Units in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the Building with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Residential Unit.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 50%) of the apartments in a building 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 where the percentage of Units purchased is lower than a lender's particular sales minimum.

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

K. Power of Attorney. All Purchasers of Units will be required to execute a Power of Attorney in favor of the Board of Managers of the Condominium and the Sponsor with respect to particular matters affecting the Condominium. The form of Power of Attorney appears in Part II. For further details see also Section 21.

L. Prepayment for Upgrades and Extras. Any funds paid to the Sponsor for the purposes of upgrades or extras are non-refundable (unless the Plan is abandoned) and shall not be governed by the escrow requirements detailed in this section.

M. Deposits in Excess of $250,000 Not Insured by the Federal Deposit Insurance Corporation. The Sponsor shall deposit down payments into a master escrow account (with sub-accounts for each Unit) at a bank that is insured by the Federal Deposit Insurance Corporation ("FDIC"). All Deposits deposited by the Escrow Agent into the FDIC-insured bank on behalf of a Purchaser are added to the Purchaser's other accounts (if any) at the same insured bank and the total is insured up to $250,000. Any portion of the deposit in excess of $250,000 is not covered by insurance. See Section 12 entitled "Procedure to Purchase" for further details.

N. Capital Replacement Reserve Maintained by Condominium in Accordance with Current FNMA and FHA Guidelines. The budget for operations of the Condominium reflects an annual contribution to a replacement reserve for capital repairs and replacements equal to 10% of the operating budget. This reserve conforms to guidelines established by FNMA and FHA in connection with applications for financing by individual unit owners. FNMA and FHA may approve a different amount based on a reserve study conducted by the Board of Managers. Initially the assessment will be payable in twelve equal monthly installments at the same time and in the same manner as common charges. The Board of Managers may change the timing and method of payment at its discretion.

13. ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements may not be assigned without the consent of the Sponsor, which may be given or withheld in the discretion of the Sponsor. Any assignment of a Purchase Agreement without the consent of the Sponsor will be void ab initio. There is no formal procedure in place with respect to the assignment of Purchase Agreements.

14. EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed with the Department of Law substantiating same, and the Condominium Declaration, By-Laws, and floor plans have been duly recorded.

The Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers and Tenants, or by commencement of service by mail stating that the Plan is declared effective. Within five (5) days after such notice is given, an amendment to the Plan will be submitted to the Department of Law by Sponsor stating that the Plan has been declared effective. The following provisions will determine whether, and when, the Plan will be declared effective.

1. The Plan may not be declared effective unless, within fifteen (15) months from the date of issuance of a letter from the Department of Law indicating that the Plan was accepted for filing, written Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all dwelling Units in the Building, 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 will occupy the dwelling Unit when it becomes vacant. Fifteen percent of all Units in the Building would constitute thirteen (13) Units. As to Tenants who were in occupancy on the date a letter was issued by the Attorney General accepting the Plan for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

The Department of Law requires an affirmative representation from each bona fide purchaser as a part of an investigative process. A purchaser who is bona fide, as defined above, will be required to execute an affidavit entitled "Affidavit of Bona Fide [Tenant/Non-Tenant] Purchaser For Purposes of Declaring Offering Plan Effective." Copies of the affidavits are attached hereto as Exhibit J in Part II of the plan.

Purchasers are advised to seek the advice of an attorney before executing the affidavit. 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 also subject both the sponsor and the purchaser to both civil and criminal liability.

2. The Plan must be declared effective when Purchase Agreements are executed and accepted for eighty percent (80%) or more of the Residential Units offered under this Plan. 80% of the Units in this Plan would constitute sixty-six (66) Units. The Plan may be abandoned, at Sponsor's sole option, at any time before it is declared effective and before eighty percent (80%) of the Residential Units have been purchased. If the Plan is abandoned, Sponsor shall promptly file a notice of abandonment on Form RS-3 with the Department of Law, together with an amendment to the Plan, and shall thereafter return all Deposits, together with interest (if any)

earned. The RS-3 notice shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within twenty (20) days of such abandonment.

After the Plan has been declared effective, the Sponsor also reserves the right to abandon the Plan at any time prior to the First Closing for any defect in title which cannot be cured without litigation or cannot be cured for less than one-half percent (0.5%) of the total offering price, or due to substantial damage or destruction of any portion of the Building by fire or other casualty which cannot be repaired for less than one-half percent (0.5%) of the total offering price (as estimated by the insurance adjuster retained by the Sponsor); or the taking of any material portion of the Property by condemnation or eminent domain. Attorneys' fees are excluded from the calculation that determines whether the resolution of an above-described title defect, damage to the Building, or taking by condemnation or eminent domain costs one-half percent (0.5%) or more of the total offering price. The cost of curing a title defect which exists on the date of presentation of the Plan, and is either known to the Sponsor or is a matter of public record as of the date hereof, will not be grounds to abandon the Plan after it is declared effective. In the event of an abandonment of the Plan, all the funds delivered to Sponsor's by Purchaser must be returned to the Purchaser within five (5) days after the amendment abandoning the plan has been accepted for filing.

3. The Plan will be deemed abandoned, void and of no effect if it does not become effective within 15 months from the date of issuance of a letter by the Department of Law indicating that the Plan has been accepted for filing. Such 15-month limit shall not be extended, even if a Plan is amended from an eviction Plan to a non-eviction Plan. If the Plan is abandoned, no new Plan may be filed for at least twelve (12) months after the date of abandonment.

4. In calculating the percentage of sales, no more than one Purchase Agreement by the Tenant or Tenants of a particular dwelling Unit shall be counted. Additionally, only one Purchase Agreement from any Tenant who leases or occupies more than one dwelling Unit shall be counted toward effectiveness.

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

(i) signed by subscribers who have been granted a right of rescission that has not yet expired or been waived;

(ii) assigned or transferred in violation of the terms of the Plan;

(iii) executed less than three (3) business days after review of the Plan and all filed amendments, unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective; or

(iv) with any subscriber who is the Sponsor or the selling agent, if a principal of the Sponsor or the selling agent, or is related to the Sponsor or the selling agent or to any principal of the Sponsor or the selling agent by blood, marriage, or adoption or as a business

associate, an employee, a shareholder or a limited partner; unless such subscriber is a bona fide Tenant or represents that they or a member of their immediate family intend to occupy the apartment when it becomes vacant.

15. TERMS OF SALE

A. GENERALLY. The Units, when sold by the Sponsor, will be sold in fee simple to Purchasers who may be individuals, a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective sales prices as set forth in Schedule A (as such prices may be changed by the Sponsor), and will include their respective undivided interests in the Common Elements. The Sponsor will convey good and marketable title to the Units and their appurtenant interests in the Common Elements by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens and encumbrances other than:

1. Any state of facts, an accurate survey, or physical inspection of the Unit may show, but the policy will insure that any encroachment of the Unit onto the Common Elements or onto other Units may remain undisturbed as long as the Building stands;

2. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the contemplated structures and use;

3. The Declaration, By-Laws, maps and floor plans of the Condominium to be recorded in the Office of the City Register for the City of New York, as the same may be amended from time to time;

4. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of the construction of the Building, or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

5. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities, and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

6. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;

7. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut;

8. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property;

9. Service, maintenance and union contracts, and agreements, if any, in effect on the date of the First Closing and to be assumed by the Condominium;

10. Encroachments of stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, drainage pipes, standpipes, sewer pipes, foundations, footings, retaining walls, fences, air conditioning units, canopy and similar projections, if any, on, over or under the Property or the streets or sidewalks or property abutting the Property and rights of governmental authorities and adjoining property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any;

11. All covenants, restrictions, reservations, agreements and casements of record, if any, which are still in force and effect on the date of the First Closing, provided that they are not violated by and do not prevent residential use of the Residential Units at the Property or prevent the existence of the present structure;

12. Beams and beam rights and party walls and party wall agreements, if any;

13. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally (which shall be apportioned at closing);

14. Any variations between tax lot lines and lines of record title;

15. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to their Unit;

16. Any restrictions imposed by the provisions of Section 35 of the General City Law;

17. Any state of facts an accurate survey of the Building would show, providing such survey does not show encroachments which prevent use of the Property for residential purposes; and

Final Certificates of Occupancy were issued by the New York City Department of Buildings on December 15, 2008 for 175 Spencer and September 15, 2011 for 192 Spencer. Copies of the Final CO's are attached as Exhibit K in Part II.

The Declaration, By-Laws and floor plans for the Condominium and such other documents as required by law will be recorded or filed in the Office of the City Register for the City of New York, prior to the first conveyance of title to a Unit in accordance with Article 9-B of the Real Property Law of the State of New York.

At the closing of title to an individual Unit the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit and the Sponsor will deliver to the Purchaser a Bargain and Sale Deed with Covenants against Grantor's Acts. See Part II of the Plan for the form of deed to be provided at closing.

If the Unit is materially damaged and rendered uninhabitable between the date of the Purchase Agreement and the closing date, and the Sponsor has not elected to abandon the Plan, either the Sponsor or the Purchaser will have the right to cancel the Purchase Agreement by notice given to the other within thirty (30) days after the date of the damage. However, if the Sponsor elects to cancel the Purchase Agreement, provided the damage relates solely to an individual Unit and does not affect the Common Elements of the Condominium, then a Purchaser may, with ten (10) days notice, nullify the Sponsor's election to cancel and agree to take title subject to the damage without abatement or reduction in the purchase price. The Purchaser will then receive an assignment of all insurance proceeds allocable to the repair of the Unit. If the Purchase Agreement is canceled, the Deposit and all accrued interest shall be returned to the Purchaser and the parties shall have no further liability. If the Purchase Agreement is canceled by the Sponsor and subsequently reinstated, then at closing the Sponsor shall assign to the Purchaser all insurance proceeds allocable to the Unit and the Sponsor shall have no further responsibility to repair the Unit. If the Purchase Agreement is not canceled, the Sponsor will repair the Unit with all reasonable dispatch, subject to receipt of insurance proceeds and circumstances beyond the reasonable control of the Sponsor (e.g., strikes, weather, wars, boycotts, inability to maintain materials, etc.). In that case, the Sponsor will be entitled to reasonable adjournments of the closing date in order to complete repairs, subject to the other rights of rescission of the Purchaser contained in the Plan.

All personal property located within the Unit on the date the Purchase Agreement is signed, or located within the Common Elements on the date the Declaration is filed, owned by the Sponsor or the owner of the property, is included in the conveyance, except that any personal property of the Sponsor or its agents or contractors used for the renovation (if any) of the Unit or the Common Elements, or in connection with the sales of Units or the operation of the Condominium (other than the Unit) shall not be included in the conveyance.

B. CONDITIONS FOR CLOSING TITLE TO INDIVIDUAL UNITS. At the closing of title to a Unit, the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit and the Sponsor will deliver to the Purchaser a Bargain and Sale Deed with Covenants against Grantor's Acts.

The closing of title shall take place concurrently with or after the following events have occurred:

1. The recordation in the Office of the City Register for the City of New York of the Declaration, the By-Laws and the filing in that office of a set of as-built floor plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Assessor for the City of New York as conforming to the official tax lot number for each such Unit and including an Architect's or Engineer's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built;

2. The discharge of all duly recorded liens affecting the Unit to be closed and its undivided Common Interest, or the recording of a partial release which releases such Unit and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Real Property Law of the State of New York;

3. Service by personal delivery or ordinary mail to the Purchaser of written notice of the closing date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement. The notice of closing will require the Purchaser to inspect the Unit or Common Elements during normal business hours prior to closing, or the Purchaser will be deemed to have accepted the Unit in "**AS IS**" condition; and

4. Acceptance by the Department of Law of an amendment substantiating that the Plan has been declared effective.

The Sponsor will use reasonable efforts to assign to the Unit Owner any active manufacturer's warranties with respect to equipment and appliances installed within a Unit at the closing of title to that Unit, if any. Sponsor will assign to the Board of Managers any warranties with respect to equipment and appliances installed in Common Elements at the First Closing.

C. FINCEN REPORTING REQUIREMENTS.

The Financial Crimes Enforcement Network ("FinCEN"), an agency of the federal government, requires that the personal identity of the principals in certain real estate purchases in New York City be reported by title insurance companies to FinCEN. Subject purchases feature the following characteristics:

(a) The purchaser is a legal entity (i.e., not an individual), as defined in the "Geographic Targeting Order" issued by FinCEN;

(b) The purchaser purchases residential real property located in the City of New York (all boroughs);

(c) The total purchase price is $300,000 or more;

(d) The purchase is made without a bank loan or other similar form of external financing; and

(e) The purchase is made, at least in part, using currency, 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.

As long as the GTO remains in effect, its reporting requirements apply to all residential real property closings meeting the above criteria and occurring on or after November 17, 2018. The principals of such purchasers may be required to furnish satisfactory proof of identity, which may include passports or other acceptable proof. Any purchaser seeking additional information should go to www.fincen.gov.

D. RESTRICTIONS ON RESALE OF UNITS BY PURCHASERS FOR TWO YEARS.

In order to allow for the orderly sale of Units at the Property in connection with this offering, the Purchase Agreement will include a covenant by Purchasers that they will not resell their units until the second anniversary of the date of their closing without the consent of the Sponsor, which consent may be withheld in the sole good faith discretion of the Sponsor. The covenant contained in the Purchase Agreement shall survive the closing of title to Purchasers' Units and be binding on the Purchaser for that two-year period.

Notwithstanding the foregoing covenant, Purchaser may lease the Unit subject to the Declaration and By-laws. Purchaser may also make a gift of the Unit, and transfer the Unit to trusts or LLC's formed for the benefit of the Purchaser or members of their immediate family, provided that Purchaser does not receive any payment (also known as "consideration") in return for such transfer. In addition, the foregoing covenant shall not be binding on conveyances made by the Condominium (if the Condominium acquires the Unit), the Sponsor, or the holder of the Purchaser's first mortgage, if any.

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16. UNIT CLOSING COSTS AND ADJUSTMENTS

A. Closing Adjustments with Condominium Board. Immediately prior to the First Closing, Sponsor shall apportion the following items with the Condominium Board as of midnight of the day immediately preceding the closing:

1. Common Charges for the period from the First Closing to the end of the month in which same occurs;

2. wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;

3. fees for assignable permits and licenses, if any;

4. charges for electricity for the Common Elements, for which the Sponsor shall obtain a reading;

5. charges under service and maintenance contracts and concession agreements, if any;

6. water charges and sewer rents on the basis of the fiscal or calendar year for which assessed;

7. supplies on hand at Sponsor's cost (plus sales tax);

8. premiums for transferable insurance policies, provided that the amount and the extent of coverage conforms to the disclosures in this Plan in Schedule B; and

9. such other items as are customarily included in closing adjustments in the State of New York.

The Condominium will reimburse the Sponsor for net adjustments in favor of the Sponsor. The Sponsor estimates that net adjustments will not exceed $60,000. The cost of reimbursement may be paid by the Condominium's Working Capital Fund, as Units close. In the event the Working Capital Fund does not have sufficient funds to reimburse the Sponsor, then Common Charges may be increased accordingly.

B. Unit Closing Costs and Adjustments. The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit are described in detail below. Such costs are only estimates and are subject to change.

1. Costs and Expenses.

(a) Fee title insurance rates (with simultaneous mortgage insurance) in the State of New York as of the date of this Plan for a Unit with a purchase price of $630,000 would

be approximately $3,156. A Purchaser may choose any title insurance company to provide coverage, without incurring additional costs of penalties from the Sponsor.

(b) Title search charges and recording fees for recording the deed and Unit Owner's power of attorney, which recording fees are estimated at $500.

(c) If a mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:

(i) Points, application fee, appraisal costs, survey update or Condominium endorsement if required, legal fees and other customary costs of the lending institution;

(ii) Mortgage title insurance (with simultaneous fee title insurance) policy costs for a mortgage title insurance policy naming the lending institution as the insured as of the date of this Plan for a Unit with a $640,000 mortgage while simultaneously obtaining the fee title insurance would cost approximately $772.

A Purchaser may obtain mortgage title insurance from a company other than its fee insurance company, or without obtaining fee title insurance. However, the cost of mortgage title insurance under those circumstances would be substantially higher.

(iii) Mortgage recording tax (currently 2.05% of the amount of the mortgage for mortgages in the amount of less than $500,000, and 2.175% of the amount of the mortgage if the loan equals or exceeds $500,000, less, in either case, 0.25% of the loan amount paid by the mortgage lender for a residential Purchaser). Additionally, if the mortgage provides that the property to be covered is a one or two family home, then the mortgage recording tax is reduced by $30.00. For a mortgage of $640,000, the cost to a Purchaser would be approximately $12,290.00 and the Lender's portion would be $1,600.

(iv) Recording fee for recording of the mortgage, approximately $400.

(v) A deposit towards the payment of real estate taxes and hazard insurance based upon a multiple of estimated monthly real estate taxes and insurance, which will vary with the closing date.

(d) Fees and expenses of Sponsor's Counsel for closing of title ($2,500, plus $250 if the closing takes place anywhere except in Counsel's offices in Manhattan and $250 for each closing date adjournment which is at the request of the Purchaser or their lender, including a Sponsor Designated Lender), as well as those of Purchaser's own attorney, if any.

(e) Two months of Common Charges, to be paid into the Working Capital Fund, unless previously contributed by the Sponsor, in which case they will be paid to the Sponsor. Based on the Common Charges contained in Schedule A, it would total approximately $700.02 to $1,127.22 depending upon the Unit.

(f) New York State and New York City transfer taxes relating to the Unit, as follows: for the purchase of a single Unit, the state transfer tax is $2.00 per $500 of the purchase price if the purchase price is below $3,000,000, and $3.25 per $500 if the purchase price exceeds $3,000,000 (the "NYS Tax"). The New York City transfer tax is 1% of the purchase price, if the purchase price is less than $500,000 and 1.425% if the purchase price equals or exceeds $500,000 ("RPT Tax"). **THESE TAXES ARE NORMALLY PAID BY THE SELLER. HOWEVER, BY CONTRACTUAL ARRANGEMENT, THE OBLIGATION IS BEING TRANSFERRED TO THE PURCHASER.**

For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. The steps to compute the tax for a Unit costing more than $500,000 are:

(i) Multiply purchase price by 1.425% to compute preliminary RPT Tax.
(ii) Multiply purchase price by 0.4% to compute preliminary NYS Tax.
(iii) Add both preliminary taxes to purchase price.
(iv) Multiply the total by 1.425% to get final RPT Tax.
(v) Multiply the total by 0.4% to get final NYS Tax.

Example: If the purchase price is $630,000**:

(i) $630,000 x 1.425% = $8,977.50
(ii) $630,000 x 0.4% = $2,520
(iii) $630,000 + $8,977.50 + $2,520 = $641,497.50 (taxable consideration)
(iv) $641,497.50 x 1.425% = $9,141.34 (RPT Tax)
(v) $641,500 x 0.4% = $2,566 (NYS Tax) *

** rounded up by law to the nearest $500*
*** excludes the Mansion Tax described in subsection (g) below*

The New York City tax rate also varies according to the type of purchase. If the purchase is considered a purchase of commercial property and costs more than $500,000, the rate is 2.625%. The New York City Department of Finance currently does not aggregate the purchase price of two or more Units in calculating the tax rate; however, the purchase of two or more Units is considered a commercial purchase. There is no guarantee that the City may not take a different position with respect to the purchase of two or more Units by the same Purchaser.

(g) If the purchase price exceeds $1,000,000, an additional New York State tax (commonly known as the "Mansion Tax") shall be due under Article 31 of the Tax Law. The Mansion Taxis currently equal to 1% of the purchase price until the purchase price reaches $2,000,000. The Mansion Tax increases by .25% to 1.25% if the purchase price is $2,000,000 or more, and to 1.50% if the purchase price is $3,000,000 to $4,999,999, with additional increases thereafter.

2. Adjustments and Escrows. All adjustments shall be made as of the scheduled closing date, unless the closing is adjourned at the Sponsor's request. Adjustments include the following:

(a) Real estate taxes from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, which shall be either one quarter of a year or one-half of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an adjournment in closing of title by Purchaser.

(b) Common Charges assessed during the month in which title closes shall be adjusted with the Sponsor as of the midnight preceding the closing date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor was obligated to pay to the Board of Managers as a result of any delay in closing of title at the request of Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown on Schedule A contained herein.

(c) A fee equal to 0.03287% of the purchase price for each day of adjournment until the closing date to reimburse Sponsor for lost Common Charges, interest costs and inability to utilize the purchase price. Notwithstanding anything to the contrary in the foregoing, Purchaser shall be allowed one (1) fifteen (15) day closing adjournment without penalty; however, if the closing is adjourned by Purchaser or their lender on less than 48 hours' notice, then the Purchaser shall pay an adjournment fee of $250 to Sponsor's Counsel.

(d) If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to a Unit, then at closing, real estate taxes for the tax year in which the closing occurs will be adjusted with the Sponsor as per Section 16(A)(2)(a) above. In addition, the Unit Owner will place in escrow with the Condominium an amount equal to the real estate taxes allocable to the Unit for the next succeeding half tax year. For example, if the closing occurs before July 1, 2018, pro-rata taxes for the half tax year July 1, 2019 – December 31, 2019 will be collected at closing, and the Unit Owner will place in escrow with the Condominium the projected allocable taxes for the tax period January 1, 2020 – June 30, 2020. The Condominium will then apply such payments toward the taxes due for the Property for the applicable tax year. When the Units are separately assessed, any amounts held in escrow on behalf of a particular Unit will be returned to the Unit Owner or as he or she may direct. If for any reason the Units are not separately assessed by the time the next tax payment is due, and the escrowed amounts are insufficient to pay the escrowing Unit Owners' shares of real estate taxes, any deficiency will be collectable by the Condominium as a Common Expense.

If no separate Unit apportionment has occurred by the time of a Unit closing, the real estate taxes allocable to each Unit shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment needs to be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

The Sponsor will also place in escrow its share of real estate taxes for any Unsold Units within thirty (30) days after the first Unit Closing, unless the Sponsor is already escrowing for real estate taxes for the Property with its existing lender. In that event, if the Sponsor or the Sponsor's

lender pays the real estate taxes for the entire Property on the next due date for taxes, the Sponsor will be reimbursed out of the tax escrow account established for the benefit of the Unit Owner (as described above) for each Unit Owner's share of such taxes. In addition, the Sponsor shall be entitled to an adjustment at closing with each Unit Owner for real estate taxes that the Sponsor has paid or placed in escrow with the Condominium. Sponsor shall file a post-closing amendment with the New York State Office of the Attorney General forty-five (45) days after the First Closing disclosing (among other things) the amount of money deposited in escrow for payment of real estate taxes to the New York City Department of Finance in connection with Sponsor's Unsold Units.

(e) At closing, each Unit Owner will prepay the Common Charges for the first full month after the closing date, and pay a mandatory Working Capital Fund contribution equal to two (2) months of Common Charges attributed to the Unit.

All of the above closing costs (2(a) – 2(e)) are cumulative to the extent applicable to any individual closing.

3. Assignment of Existing Mortgage Upon Request of Purchaser. Upon request by the Purchaser made at least fourteen (14) days before the scheduled Closing Date, at the Purchaser's option, the Sponsor will seek the approval of its current mortgage lender (the "**Existing Mortgage Lender**") to sever the portion of the Existing Mortgage that encumbers the Unit from the balance of the Existing Mortgage, and to assign the severed mortgage (the "**Severed Mortgage**") to Purchaser's lender at closing. Assuming the Existing Mortgage Lender consents, the Severed Mortgage will be assigned subject to the following conditions: (i) Purchaser will pay all fees charged by the Existing Mortgage Lender to effect the assignment; (ii) Sponsor will receive a credit at closing equal to 50% of the mortgage tax that would otherwise be paid by Purchaser but for the assignment of the Severed Mortgage; and (iii) the legal fees of Sponsor's closing counsel will be increased by $750. Purchaser will be responsible for any recording charges or other charges from its lender in connection with the assignment. If the Existing Mortgage Lender does not consent, then the Unit will be released from the lien of the Existing Mortgage at closing, but the Purchaser will be responsible for the entire mortgage tax payable for the Purchaser's mortgage (if any).

4. Summary of Typical Closing Costs, Adjustments, Escrows. A Purchaser of a Unit costing $630,000 will pay the following typical estimated costs:

Fee Title Insurance ($2,451)
Title Search ($500)
Recording charges (for Deed, RP-5217, and Power of Attorney) ($500)
Sponsor's Legal Fees for Unit Sales ($2,500)
Sponsor's Legal Fees for Issuance of License for Storage Bin ($500)
NYC Real Property Transfer Tax ($9,141,39)
NYS Transfer Tax ($2,566)

In addition, each Purchaser will make a mandatory contribution to the Working Capital Fund equal to two months of Common Charges, which would total approximately $700.02 to $1,127.22 depending upon the Unit.

If the Purchaser is obtaining mortgage financing in the amount of $640,000, the Purchaser can anticipate the following expenses of financing:

Mortgage title insurance, simultaneous rate ($955)
Mortgage recording tax ($12,290)
Recording charges ($400)

The Purchaser will likely incur other financing charges, such as a commitment fee, application fee, appraisal, legal fees for the lender, a survey update or a Condominium endorsement, if required, and other customary costs of the lending institution. Since these costs vary greatly from lender to lender, no estimate is provided here.

At closing, the Purchaser will also make cash payments for escrow deposits for real estate taxes with either the lender or the Condominium; the following month's Common Charges; and loan interest to its lender through the end of the month in which the closing occurs. In addition, the Purchaser will adjust with the Sponsor for prepaid real estate taxes and Common Charges. However, none of these payments are additional closing costs, but represent reimbursement or prepayment of actual expenses of ownership of the Unit and operation of the Condominium.

Purchasers are advised to read the detailed analysis of costs in this section for further information on closing costs and adjustments.

17. RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing, the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. At this time, the project is being financed partially from Sponsor's own funds. If the Sponsor cannot perform the Sponsor's financial obligations hereunder, the Sponsor will amend the Plan, cease selling Units, and offer a right of rescission to Purchasers of Units.

A. General Representations. The Sponsor makes the representations set forth below with respect to certain obligations under the Plan. All of these representations are subject to the foregoing paragraph.

1. The Sponsor reserves the unconditional right to rent its Unsold Units and because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Residential Units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium.

Purchasers are not required to purchase Residential Units for personal occupancy. Residential Units that are not purchased for personal occupancy will not be counted towards effectiveness of the Plan. Units rented to Tenants will receive the same building services and use of the Building's common areas as owner-occupants. However, a Tenant may not have the same economic interest in the maintenance and care of the Building's facilities and amenities as the Owners of the Units. In addition, owner-occupants and non-resident owners may disagree as to expenditures for items such as lobby and hallway decorations and capital improvements, to exercise the Board's right of first refusal to purchase a Residential Unit, or to borrow money to alter or improve the Building.

If the Sponsor (its successors, assigns or designees) does offer Unsold Units for rent, then the Purchasers of any leased Units will be purchasing Units that have been previously occupied. Sponsor will notify Purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any). There shall be no obligation on the part of Sponsor or any other offeror of such Unit to decorate, repaint, refurbish or in any way repair such Unit.

2. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions and to indemnify the Board of Managers or the Unit Owners against any such suits or proceedings.

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

4. The Sponsor will pay or cause to be paid all contractors, subcontractors and suppliers of materials and all others involved in the renovation of the Units and Common Elements for the authorized and proper work performed on behalf of Sponsor and fixtures, material and equipment supplied or installed in said renovation.

5. Sponsor will pay all Common Charges, real estate taxes, special assessments and other expenses allocable to any Units owned by the Sponsor, so long as, Sponsor shall continue to own the same. However, if Purchaser has adjourned the closing of title, Sponsor shall be entitled to certain reimbursements for real estate taxes, Common Charges and interest on the purchase price at the rate of twelve percent (12%) per annum to compensate the Sponsor for lost opportunity costs.

6. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title to the Unit, subject to and in accordance with subsection B(5) below. However, if a Purchaser takes possession prior to purchasing his or her Unit, the Purchaser shall bear the risk of loss or other casualty with respect to all personal property of Purchaser or alterations made to the Unit. Therefore Purchasers who take pre-closing possession are advised to procure insurance coverage for personal property and alterations made prior to their closing. After they take title to their Units, individual Unit Owners are required to procure additional insurance at their own expense to cover such risks as fire and casualty losses to Unit contents; floors; additions, additions, fixtures and improvements made by the Unit Owner or their predecessor in interest; and liability coverage for occurrences within the Unit, or (where applicable) on Limited Common Elements. For further information, see subsection B(5) below, "Risk of Loss."

7. Prior to the First Closing, Sponsor shall procure on behalf of and at the expense of the Condominium, fire and casualty insurance policies as set forth in Schedule B. The cost of such insurance will be adjusted with the Board of Managers at the First Closing and repaid from the Working Capital Fund of the Condominium.

8. The Sponsor shall not voluntarily dissolve or terminate prior to the First Closing. In the event of the dissolution or liquidation of the Sponsor or the transfer of 10 or more units or 20 percent or more of the total number of units in the condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those units under the offering plan, applicable laws or regulations. In the event of dissolution or liquidation, the principals of the Sponsor shall guarantee the performance of the obligations of the Sponsor with respect to those Sponsor Units being conveyed in connection therewith.

9. The Sponsor will cause the Board of Managers to maintain the Property in substantially the same condition and manner as on the date of presentation of the Plan until the Sponsor no longer controls the Board of Managers.

10. In the event the Sponsor undertakes any renovation of the Building or Unit, the Sponsor reserves the right to substitute for any of the materials specified in either the Plans, the

Description of Property and Building Condition or elsewhere in the Plan, materials of Equal or Better Quality and design. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to the possible unavailability of materials and supplies, Sponsor may substitute materials, fixtures, appliances and equipment of equal or better quality and design for any of those set forth in the specifications or otherwise in this Plan.

No change will be made in the size, location of the Building or Units or other improvements or common elements if such changes affect the percentage of common interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners and contract vendees consent in writing to such change and by amendment to the plan or, when applicable, to the Declaration. Notwithstanding the foregoing, such changes may be made provided all directly affected contract vendees and Unit Owners have consented in writing to such change. No material change will be made in the size and no material adverse change will be made in the quality of common elements unless purchasers not in default receive a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right. Sponsor must return any Deposit promptly to purchasers who rescind. Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default.

11. Sponsor shall keep copies of the Plan, exhibits and documents referred to in the Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.

12. In accordance with Section 339-p of the Real Property Law of the State of New York, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the renovation of buildings.

13. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

14. The Sponsor will assign to the Unit Owner any manufacturer's warranties with respect to equipment and appliances installed within a Unit at the closing of title to that Unit. Sponsor will assign to the Board of Managers any warranties with respect to equipment and appliances installed in Common Elements at the First Closing.

15. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, engineer's fees, architect's fees, organization costs, appraisal and any surveying fees and costs. The above does not obligate the Sponsor to perform any work for the Purchaser prior to closing of title, except as specifically described in the Purchase Agreement or elsewhere in this Plan.

16. Prior to the First Closing, all liens affecting the Property shall be paid and satisfied or bonded, or the Units being conveyed and their appurtenant Common Interest shall be released therefrom by partial release duly recorded.

17. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. At the time the Offering Plan is accepted for filing, the Sponsor represents that it will be financially capable of performing Sponsor's obligations, including its obligations with respect to Unsold Units. The Sponsor intends to fund its obligations to the Condominium through income from projected sales. If sales do not meet the Sponsor's projections, then Sponsor may require a capital contribution from its principal or enter into lease agreements for the Unsold Units. The subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. If the Sponsor cannot perform the Sponsor's financial obligations hereunder, the Sponsor will amend the Plan, cease selling Units, and offer a right of rescission to Purchasers of Units.

18. The Sponsor and Sponsor's Counsel will comply with the escrow and trust fund provisions of Section 352-e (2-b and 352-h of the General Business Law and Section 71-a (3) of the Lien Law.

19. All Units are conveyed in "**AS IS**" condition as of the closing date. The Sponsor currently has no plans to engage in any material work affecting the building other than renovation of vacant units and the completion of the finishing work in the common areas described in the Description of Property and Building Condition in Part II. In the event the Sponsor undertakes future material changes to the building (other than work negotiated with an individual purchaser or tenant), such work will be disclosed in a duly-filed amendment with the Department of Law. See Section 33 and Exhibit D for details of planned work by the Sponsor.

20. As of the date the Plan is accepted for filing, there are no contracts or agreements, written or oral, that have been entered into for the sale or transfer of any Units offered in connection with this Plan and no deposits or advances of funds have been accepted by or on behalf of Sponsor in connection with any Units offered in connection with this Plan.

B. Sponsor's Rights of Access, Alterations, Repairs.

1. General. As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its principal shareholders, successors, assigns, designees, invitees, contractors, agents,

employees and Tenants any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

2. Examples of Specific Easements and Rights of Access Reserved by Sponsor. Without in any way limiting the generality of rights reserved in Paragraph 1 above, such rights reserved to Sponsor and its designee(s) specifically include the following:

(a) The right to maintain any vacant and Unsold Unit(s) as general and sales and leasing office(s) and/or model Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as, all Common Elements and Limited Common Elements, to prospective Purchasers or lessees;

(b) The right to access in and to Units, Common Elements, Limited Common Elements and adjoining lot for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including, but not limited to, garbage collection) and similar work;

(c) The right to show vacant or leased Units;

(d) Utility and other easements to alter any Unit or General or Limited Common Element subject to filed amended plans and/or specifications, and consistent with the terms of this Plan.

3. Alterations. Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Common Element or Limited Common Element subject to filed amended plans and/or specifications, without the consent of the Board of Managers, and subject to the rights of existing Tenants relating to the character of the premises in which they reside.

4. Repairs; Interference. Sponsor agrees to repair damage resulting to a Unit from the exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. However, under no circumstances will the Sponsor be obligated to repair or replace improvements or decorations to a Unit made by a Unit Owner.

5. Risk of Loss in Units Prior to Closing. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title, but without any obligation or liability by Sponsor to repair or restore any Unit. In case of damage or destruction of a Unit due to fire or other casualty prior to the closing, but after a Purchase Agreement has been signed, the Sponsor will have the right to elect whether to repair or restore the Unit, which election shall be in the Sponsor's sole discretion. If the Sponsor elects to restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the purchase price for the Unit. In that event, the Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Sponsor. If the

Sponsor elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium but before closing of title to the subject Unit) the Board of Managers elects not to restore the Common Elements of the Condominium, the Purchase Agreement shall be deemed canceled, the Sponsor shall return to Purchaser all sums deposited thereunder (together with interest) and the parties shall have no further liability to each other. However, if a Purchaser is in default under the Purchase Agreement at such time, the Sponsor may retain all sums paid as liquidated damages.

In the event a Purchaser enters into actual possession of a Unit prior to the closing of title, the Purchaser shall bear the risk of loss or other casualty with respect to that Unit to the extent not covered by the Sponsor's insurance. Accordingly, any Purchaser who takes possession of a Unit prior to the closing of title would be well advised to obtain insurance coverage for its personal property, decorations and any alterations to the Unit made by the Purchaser prior to taking possession. After they take title to their Units, individual Unit Owners are required to procure insurance at their own expense to cover such risks as fire and casualty losses to Unit contents; floors; alterations, additions, fixtures and improvements made by the Unit Owner or their predecessor in interest; and liability coverage for occurrences within the Unit, or (where applicable) on Limited Common Elements. A Purchaser should consult with an attorney and/or an insurance agent as to Purchaser's insurance needs.

C. **Power of Attorney.** At closing all Unit Owners must execute a Power of Attorney in favor of the Sponsor which (among other things) permits the Sponsor to amend the Declaration, By-Laws and Regulations of the Condominium to effect reallocations of percentages of Common Interest among Sponsor-owned Units and to permit the Sponsor to implement various rights reserved to the Sponsor under the Condominium Documents. See Power of Attorney, Part II, Exhibit B of the Plan.

D. **Rights of Sponsor, Generally.**

The Sponsor is not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners in order to exercise a number of rights described in the By-Laws. Included among these are the right to use a Unit as a model and display "For Sale," "For Rent," or "For Lease" signs or similar signs, the right to alter a Unit without obtaining the prior consent of the Board of Managers, and the right to amend the Declaration without a vote for the purpose of filing the floor plans as required by Section 339-p of the New York State Real Property Law. For as long as the Sponsor or its designee own title to one or more Units, the Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee give their written consent to such an amendment.

18. CONTROL BY SPONSOR

Title to all Units and licenses to all Storage Bins which have not been sold by the time of the First Closing will be issued to the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. Such sales do not require the offer of a right of first refusal to the Board of Managers.

The Sponsor shall have voting control of the Board of Managers until the earlier of (i) whenever the unsold units constitute less than fifty percent (50%) of the common interests, or (ii) five (5) years after the First Closing ("Control Period"). The Sponsor will arrange for a meeting of the Unit Owners within thirty (30) days after the expiration of the Control Period. Members of the Board do not need to be owner-occupants. After the Sponsor surrenders voting control of the Board, the Board will increase to five (5) members, of which two will be elected by the 175 Spencer Street unit owners, two will be elected by 192 Spencer Street unit owners, and one will be designated by the Sponsor. After the Sponsor ceases to own a Unit at the Condominium, the number of Board members shall be set at four (4). Disputes between Board Members resulting in a deadlock will be dealt with through mediation and expedited arbitration, as described in Section 19(B) below and Article XIII of the By-laws.

As long as the Sponsor or a Sponsor-designee shall continue to own at least one Unit, the Sponsor or Sponsor-designee shall have the right to designate one of the members of the Board of Managers. While the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interest allocated to all of its Units to elect members of the Board of Managers. However, after the Control Period has expired, not more than one less than a majority of the members of the Board will be affiliated with the Sponsor.

While the Sponsor or any Sponsor-designee shall continue to own, in the aggregate, at least twenty-five percent (25%) of the percentage of Common Interest of the Units, but in no event for a period in excess of five (5) years from the First Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent: (i) make any addition, alteration or improvement to the Common Elements or to any Unit at the expense of the Condominium (except for necessary repairs or maintenance work, or repairs required to comply with legal requirements); (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except to the extent that the aggregate fund does not exceed three percent (3%) of the budgeted expenses of the Property; (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient); or (iv) hire any employee or enter into any service or maintenance contract to perform services or work not set forth in Schedule B. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee may not exercise veto power over the expenses of Condominium operation described in Schedule B, or expenses required to (a) comply with applicable law or regulations; (b) remedy any notice of violation; or (c) remedy any work order by an insurer.

As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i)

amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designees, (ii) interfere with the offer and sale or leasing offices at the Property or any actions necessary for construction, renovation, repair or correction at the Property required by Sponsor, or (iii) take any action which would have the effect of reducing services to tenants of Units owned by the Sponsor or any successor Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to assessment of any Common Charge for expenses required to comply with applicable law, cure violations, or comply with any work order by an insurer.

Any provisions that give the Sponsor veto power over the enforcement of the Sponsor's obligations are not lawful. In addition, if there are non-Sponsor members of the Board of Managers, and there is a vote on whether to terminate counsel who had commenced a lawsuit against the Sponsor on the instructions of a prior Board, the Sponsor's representatives on the Board of Managers cannot lawfully vote on that issue. The foregoing provisions also do not relieve any Board member (including Board members affiliated with the Sponsor) of their fiduciary duty to the Condominium.

With respect to Units owned by the Sponsor and occupied by rent-regulated tenants, the Sponsor is required to include in each lease and renewal lease a notice in at least twelve point type informing the tenant that the apartment shall become deregulated upon the expiration of the last lease entered into during the tax benefit period. The notice also needs to state the approximate date on which such tax benefit period is scheduled to expire. The inclusion of the required notice in all leases results in the deregulation of the apartment from the RSL at the end of the last lease entered into during the tax benefit period. In addition, aside from what the lease itself may state, if the Sponsor intends to raise the rent above 5% or intends to not renew the tenancy, the Sponsor must send prior notice to the tenant. If the tenant has occupied the Unit for less than one year, 30 days' notice is required. For a tenant that occupies a Unit for more than one year but less than two and has a lease of more than one year but less than two, 60 days' notice is required. For tenants that have occupied a Unit more than two years or a lease term or at least two years, 90 days' notice is required. If the requisite notice has not been provided, the Unit will remain rent-stabilized until the requisite notice has been provided.

19. BOARD OF MANAGERS

A. Board of Managers. Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than seven (7) persons. Initially the By-Laws provide for three (3) Managers until the Sponsor surrenders voting control of the Board, after which the Board will increase to five (5) members, of which two will be elected by the 175 Spencer Street unit owners, two will be elected by 192 Spencer Street unit owners, and one will be designated by the Sponsor. After the Sponsor ceases to own a Unit at the Condominium, the number of Board members shall be set at four (4). Disputes between Board Members resulting in a deadlock will be dealt with through mediation and expedited arbitration, as described in Section B below.

The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each 0.01% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners, except that when voting for the election of members of the Board of Managers, each Unit Owner, (i) shall be entitled to one vote for each 0.01% of Common Interest attributable to their Unit per member to be elected, and (ii) shall not have the right to cumulate their votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning that Unit shall agree among themselves and cast the votes for their Unit. In addition, special meetings of Unit Owners may be held from time to time pursuant to the By-Laws.

Initially, the Sponsor anticipates that the Board of Managers will be comprised of Matthew Keller, Joshua Gotlib and Timothy DeCola. Each of these Board Members is affiliated with the Sponsor.

While the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interests allocated to all of its Unsold Units to elect members of the Board of Managers. The Sponsor shall have absolute voting control of the Board of Managers until the first anniversary of the recording of the Declaration of Condominium. Thereafter, the Sponsor shall continue to have control of the Board until the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty-one percent (51%), or (ii) five (5) years after the First Unit Closing ("Control Period").

The Sponsor will arrange for a meeting of the Unit Owners within thirty (30) days after the expiration of the Control Period. The number of Managers elected at the first such meeting shall be five. Thereafter, the number of Managers may be changed by a vote of the Unit Owners at their annual meetings prior to the election of the next Board of Managers. The Managers shall be elected at each annual meeting of the Unit Owners for a term of one (1) year.

The By-Laws do not contain a provision that a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals, after the Control Period has expired. As such, after the expiration of

the Control Period, a majority of the Board of Managers may be comprised of both owner-occupants and non-resident owners or members of their households, unrelated to the Sponsor and its principal. Owner-occupants and non-resident owners, including the Sponsor, may have inherent conflicts about how the Condominium should be managed because of their different reasons for purchasing.

To assure the Sponsor minimum representation on the Board of Managers after it turns over control of the Board to Unit Owners independent of the Sponsor, the Sponsor shall have the right to designate at least one member of the Board of Managers so long as the Sponsor owns a Unit. To the extent that the Sponsor is entitled to designate members of the Board of Managers, such designation shall reduce the number of Managers elected by the Unit Owners during that year. A member of the Board of Managers designated by the Sponsor may only be removed by the Sponsor and only the Sponsor shall have the right to designate a replacement.

To be eligible for election, members of the Board of Managers, except for those members elected or designated by the Sponsor must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by the Sponsor, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor may be removed without cause only by the Sponsor and the Sponsor and the shall have the right to designate a replacement. The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including, but not limited to: determination of the Common Charges, adoption of Regulations covering the details of the Property, opening of bank, accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing, or mortgaging of Units owned by the Board of Managers and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a Reserve Fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ a managing agent for the Condominium, on such terms as the Board of Managers may deem proper. The President of the Board of Managers may call special meetings of the Board on two (2) days' notice to each Manager either personally or by mail, telegram, facsimile or e-mail. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) Managers. See Article III, Section 8.c. for more information.

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

A member of the Board of Managers may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. Notwithstanding the foregoing, a member of the Board of Managers designated by the Sponsor may only be removed for cause or by the Sponsor and only the Sponsor shall have the right to designate a replacement. The Board of Managers may not be prohibited from taking legal action to remove a member for cause and, thus, the Sponsor designee may be removed for cause.

An officer may be removed, with or without cause, by an affirmative vote of a majority of the members of the Board of Managers.

To the extent that the Sponsor has the right to designate a member of the Board of Managers, such designation will reduce the number of Managers eligible for election during any single year. After the Control Period expires, the number of Managers may be changed by a vote of the Unit Owners at their annual meetings prior to the election of the next Board of Managers. The Managers shall be elected at each annual meeting of the members.

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the managing agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the managing agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the managing agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims, except those arising out of the bad faith or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit bears to the aggregate Common Interest of all Unit Owners. Members of the Board of Managers and any officers of the Condominium who handle or are responsible for Condominium funds shall be bonded. Members of the Board serve without compensation.

Upon the transfer of title to any Unit, Unit Owners will be required to execute a Power of Attorney in favor of the Board of Managers to exercise certain rights on behalf of the Condominium, such as exercising or waiving a right of first refusal to purchase or lease a Unit

(and taking such steps as may be needed to implement such action), protesting the Condominium's real estate tax valuations with the City of New York, or amending the Declaration and By-Laws of the Condominium. The form of Power of Attorney appears as Part II, Exhibit B of the Plan.

B. Mediation and Expedited Arbitration.

Mediation. Any two Managers may request non-binding mediation of a dispute among Board members, either simultaneously with, or before, making a demand for arbitration. If the parties do not agree on a mediator within seven days after a request for mediation has been received, either party may request that the mediator be chosen by the American Arbitration Association. If a mediation request is made concurrently with a demand for arbitration, mediation shall proceed in advance of binding arbitration, but arbitration shall be delayed pending mediation for no longer than 45 days from the date of the mediation request (except by mutual agreement.)

Arbitration. Any matter as to which Board action may be required but cannot be taken due to a deadlock between the members of the Board of Managers or the failure of two Managers to attend any meeting so as to achieve a quorum in order to allow action to be taken by the Board of Managers, shall be settled by expedited arbitration conducted in accordance with the rules of the American Arbitration Association (the "AAA"), unless the parties agree otherwise. Any two Managers may submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules (Expedited Procedures) of the AAA, except that the terms of this Section shall supersede any conflicting or otherwise inconsistent rules. The Managers seeking arbitration shall simultaneously notify the other Managers of their demand. Provided the rules and regulations of the AAA so permit, (i) the AAA shall, within ten (10) days after a submission or application by a party, select a single independent arbitrator, (ii) the arbitration shall commence fourteen (14) days thereafter and shall be limited to a total of ten hours on the date of commencement until completion, with each party having a total of five (5) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within fourteen (14) days after the conclusion of the presentation of both parties' cases, which determination shall be limited to the specific dispute presented to the arbitrator. All actions necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) business days after the rendering of such decision. All fees payable to the AAA for services rendered in connection with the resolution of the dispute shall be paid by the Condominium.

C. Officers. The principal officers of the Condominium shall be: the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. Except for officers designated while the Sponsor controls the Board, the President and the Vice-President each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers need not be either a Unit Owner, principal or officer or a Unit Owner or the spouse of a Unit Owner or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President

shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the officers as it deems fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

D. Voting. Except for elections of Board members (described in subsection (A) above), each Unit Owner shall be entitled to cast one vote at all Unit Owners' meetings for each hundredth percent (.01%) of common interest in the Common Elements appurtenant to his or her Unit. The total number of votes available shall be 10,000.

For details regarding the votes required to amend the Declaration and By-laws, see sub-section (B)(8) of Section 21 below.

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20. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

A. UNIT OWNERS

1. Sales or Leases of Units

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

In the event the Board does exercise its right of first refusal, the acquisition of the Residential Unit may be made from the Working Capital Fund and Common Charges or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Units are acquired by the Board of Managers, the title shall be held by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale of such Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest. Such Unit, while owned by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers vote the votes appurtenant thereto at any meeting of Unit Owners.

(ii) Each Unit Owner may lease their Unit provided they first gives the Board, on behalf of all Unit Owners, an opportunity to lease such Unit at the same price and on the same terms as were offered in good faith by a prospective lessee as more specifically provided for in the By-Laws. After receipt of the initial notice, the Board of Managers reserves the right to request additional information regarding the proposed lessee and the lease. If the Board does not elect to lease the Unit within thirty (30) days after receipt of the offering Unit Owner's lease notice, the Unit Owner will have sixty (60) days to accept the lease offer of the prospective lessee, failing which, the Unit Owner will be required to again first offer same to the Board. The Board may establish reasonable rules with respect to lease terms.

(iii) Title to a Unit may not be conveyed or may a Unit be leased unless all unpaid Common Charges and liens against such Unit (other than a permissible mortgage) are paid and satisfied at or prior to closing.

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

(v) Notwithstanding the foregoing restrictions, a Unit Owner may lease, sell or convey the Unit to a spouse, adult child, parents, parents-in-law or adult sibling, or may convey their Unit by gift, may devise their Unit by will, or have it pass by intestacy, without first offering the Unit to the Condominium; however, each succeeding Unit Owner shall be bound by, and their Unit shall be subject to, the preceding restrictions.

In addition, the restrictions upon the sale and lease of Units set forth in this section shall not apply to Units owned by the Sponsor, its designees, or to a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure; they shall be free to sell or lease without first making an offer to the Board.

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

3. Easements and Rights of Access. Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements located in other Units and serving their Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of the Building, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Building stands. The Board of Managers, through a designated manager, managing agent, or their employees or other designee, shall have a right of access to such Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements, Limited Common Elements or any other Unit.

4. Use of Units; Restrictions on Use and Occupancy. Residential Units may be used only for private residential use, or any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations or governmental authorities having jurisdiction. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances, building code or

other rules and regulations or governmental authorities having jurisdiction, and provided further that the prior written consent of the Board of Managers to such professional use is obtained. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.

Subject to the foregoing, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units, nor shall any "For Sale," "For Rent," or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent," or "For Lease" or similar signs on any Unsold or unoccupied Units. Additionally, as previously set forth, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and Unsold Units in the Building as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale," "For Rent," or "For Lease" signs or similar signs on or in the vicinity of the Building without regard to size.

No exterior of a Unit, the windows or doors thereof, or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner without the prior written consent of the Board of Managers.

Complaints regarding the management of the Building and grounds, or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

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

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

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

No portion of a Unit other than the entire Unit may be leased. The Unit or any portion of a Unit cannot be used as a motel or hotel or otherwise for transient tenants.

In accordance with NYC Local Law 147, smoking shall be prohibited everywhere in the Building (other than within individual Units), including, but not limited to, the indoor and outdoor common areas of the Building including, but not limited to, the laundry room, roof deck, the roof, the passenger elevator, the stairwells, any area of the basement, the hallways of any and all floors, the lobby, and within 25 feet of the building entrance or of any operable openings or air intakes. Smoking shall be permitted within individual Units, but no smoke shall be allowed to exfiltrate into other Units or into common areas. Nothing in this section shall relieve individual Unit Owners from liability for nuisance or negligence in connection with smoking within an individual Unit. No owner shall smoke, or permit smoking by any occupant, agent, tenant, invitee, guest, friend, or family member anywhere smoking is prohibited at the Building. For a more complete discussion, along with associated fines for violation of the smoking policy, see the Declaration and the Regulations of the Condominium which are reproduced in full in Part II of the Plan.

Unit Owners must notify the Board when a child or children ten years of age or below take(s) occupancy in a Unit, even if such occupancy is temporary. In such case, each Unit Owner shall install window guards in each window of the Unit at his or her expense and shall not remove them until permitted by law and upon notice to the Board. Any violations issued to the Condominium because of a Unit Owner's non-compliance with this regulation shall be removed at the sole cost and expense of the non-complying Unit Owner. The Condominium may remedy and remove such violation and charge the offending Unit Owner with the full cost and expense of same.

Not more than two (2) pets may reside in any one Residential Unit and the Board of Managers may establish reasonable Rules and Regulations regarding the type, size and weight of animals. In no event shall animals be permitted in any of the public portions of the Building, unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building. No "pet-sitting" or visiting dogs are permitted.

5. Determination of Common Charges and Liens for Nonpayment of Common Charges. Each Unit Owner shall have an obligation to pay Common Charges and assessments on other expenses when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 2 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. In accordance with Article VI, Section 2 of the By-Laws, the Board of Managers may also impose special assessments as it deems necessary to meet

unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The special assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest. Common Charges also include late payment charges, fees and expenses of collection or enforcement of the Condominium Documents (including attorneys' fees), accrued interest, and fines charged to a Unit Owner.

Common Charges which remain unpaid for more than thirty (30) days shall bear interest at the maximum rate permitted by law.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of New York and until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

If any Unit Owner owns a Unit occupied by a non-purchasing Tenant as to which the Unit Owner is obligated to pay a security deposit to the Condominium in accordance with Section 12 of the Plan, the Board of Managers of the Condominium will also have a lien on the Unit for the replenishment of such fund if any amounts are drawn down from it. The lien may be enforced in the same manner as a lien for nonpayment of Common Charges as described above.

Upon the failure of a Unit Owner to pay any portion of Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above, and to impose late charges and administrative fees of up to $150 as additional Common Charges with respect to each new violation to cover the additional costs of administration. Failure of the Board of Managers to place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

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

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against their Unit subsequent to a sale, transfer, or other conveyance made by them of their Unit (including a foreclosure or deed given in lieu of foreclosure), with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

All Unit Owners shall be required to comply with the Declaration, By-Laws, Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

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

6. Limited Common Elements. The Limited Common Elements are parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners but less than all Unit Owners. The Limited Common Elements include spaces such as yards or terraces. Notwithstanding the foregoing, the Board of Managers will have the right to enter any Limited Common Element for the purpose of inspecting or making repairs to a Unit or the Common Elements. The Unit Owner will be responsible for removing all personal property or improvements to a Unit in order to provide such access, at his or her expense.

See Article FIFTH of the Declaration of Condominium for details on the different types of Limited Common Elements.

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

All maintenance, repairs and replacements (individually and collectively "Repairs") to the General Common Elements (as defined in the Declaration) and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner.

Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Board of Managers as a part of the Contribution, if such Limited Common Element is for use by all Unit Owners; (b) the Board of Managers at the expense of the Unit Owner, if it is a

Limited Common Element and the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks or other water damage); or (c) by the Unit Owner having direct and exclusive access to a Limited Common Element at their sole cost and expense, if involving nonstructural or ordinary Repairs. The Board of Managers will have the right to establish Regulations regarding the approval of contractors, nature and standard of Repair for any Limited Common Element. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board. The rights of the Sponsor are discussed in Sections 18 of the Plan.

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

8. Additions, Alterations and Improvements (Generally). A Unit Owner may make a non-structural alteration to a Unit that does not affect the exterior of the Building, the utility systems of the Condominium, or the value of other Units without the consent of the Board of Managers. However, the Board of Managers may establish Regulations governing access, insurance and other matters relating to the performance of any work within a Unit.

No other installations or alterations may be made to a Unit without the consent of the Board of Managers as described below. No Unit Owner, other than the Sponsor, may make a structural alteration in a Unit, install any fixtures or appliances (other than electrical appliances), or make any alteration affecting the utility systems of the Building without the prior written approval of the Board of Managers. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances, (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions shall be maintained in their entirety by said Unit Owner (who shall also be responsible for any Repairs, including structural Repairs, to such addition under all circumstances, and to the Unit and any Common Elements where such Repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration). Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. The Unit Owner shall sign an alteration agreement to the effect of the foregoing and incorporating such other terms as the Condominium may require.

A Unit Owner may make a non-structural alteration (which alteration does not affect the exterior of the Building, the value of the other Units or the utility systems of the Building) to a Limited Common Element without the consent of the Board of Managers, subject to the By-Laws and the Regulations of the Condominium. However, structural alterations or alterations to a Limited Common Element or which affect the exterior of the Building, the value of the other Units or the utility systems of the Building require the consent of the Board of Managers.

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

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

9. Insurance. The insurance policies obtained by the Board of Managers shall provide that each Unit Owner shall be an additional insured. These policies shall provide fire and casualty insurance for the Building, liability insurance, water damage, and legal liability insurance. The specific amounts of coverage are noted in Schedule B.

The insurance coverage does not include coverage for losses either due to fire, theft or other casualty floors, interior or partition walls, alterations, improvements and betterments made to individual Units by the Unit Owner or his or her predecessor in interest, appliances, fixtures, furniture, furnishings, or other personal property of Unit Owner, or the cost of living elsewhere or doing business elsewhere, if a Unit is greatly damaged. Nor does it include liability coverage for a Unit Owner for occurrences within a Unit or a Limited Common Element, or property damage or personal injuries outside the Units caused in whole or in part by such Unit Owner. Unit Owners should consult their insurance agents as to the availability of this insurance and any additional coverage which might be recommended.

The Sponsor is not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners in order to exercise a number of rights described in the By-Laws. Included among these are the right to use a Unit as a model and display "For Sale," "For Rent," or "For Lease" signs or similar signs, the right to alter a Unit without obtaining the prior consent of the Board of Managers, and the right to amend the Declaration without a vote for the purpose of filing the floor plans as required by Section 339-p of the New

York State Real Property Law. For as long as the Sponsor or its designee own title to one or more Units, the Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee give their written consent to such an amendment.

10. A. Storage Bin Licenses. The Storage Bins may only be used for storage purposes, and in no event may be used as a dwelling space or for the storage of toxic or flammable items or Combustibles (as such term is defined in the New York City Building Code). No materials which pose a health or safety threat or which otherwise create a nuisance may be stored in the Storage Bins. To do so may result in a violation placed against the Building by the Department of Buildings that will be the obligation of the licensee to remove. Notwithstanding the foregoing, Sponsor or its designee shall have the right to use without charge any Unlicensed Storage Bin for any lawful purpose or to change the permitted use of any Unlicensed Storage Bin. Each licensee shall be liable for all damage arising out of such licensee's use or misuse of its Storage Bin. Neither the Sponsor, nor the Condominium, nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Bin. Holders of Storage Bin Licenses, excluding Sponsor with respect to unsold Storage Bin Licenses, will be required to pay a license maintenance fee to the Condominium, initially in an amount equal to $10.00 per month for such Storage Bin. The license fees for the Storage Bins are subject to change from time to time as the Board deems necessary in its discretion.

B. Issuance and Assignment of Storage Bin Licenses. Sponsor (or its designee), in its own name or in the name of the Board, shall have the exclusive right to initially issue licenses for Storage Bins and to retain the proceeds thereof. All Storage Bin Licenses which have not been sold by the time of the First Closing will be issued to the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. To help protect the security of the Building, the holder of a Storage Bin License (other than Sponsor or the Board) must at all times be a Unit Owner. If at any time the licensee of a Storage Bin sells its Unit, it shall simultaneously assign its license of the Storage Bin to another Residential Unit Owner (or the Purchaser of such Unit), and if it fails to do so, the Board shall have the right to terminate the license of the Storage Bin and take possession of the same, without compensation to the licensee. If the Board terminates a Storage Bin License (pursuant to the above) or a Residential Unit Owner surrenders a Storage Bin License without assigning such license to another Residential Unit Owner, the Board shall have the right to issue a new Storage Bin License for the corresponding Storage Bin upon terms and conditions determined in its sole discretion.

C. If a Unit Owner defaults under the Storage Bin License Agreement or the Condominium Documents, the Board shall have the right to terminate the license of the Storage Bin and take possession of the same, without compensation to the licensee. If the Board terminates a Storage Bin License (pursuant to the above) or a Unit Owner surrenders a Storage Bin License without assigning such license to another Unit Owner, the Board shall have the right to issue a new Storage Bin License for the corresponding Storage Bin upon terms and conditions determined in its sole discretion.

Neither Sponsor nor the Board shall have any liability or obligation with respect to a private assignment of a Storage Bin License.

B. RIGHTS OF BOARD OF MANAGERS. The following is a summary of certain rights and obligations of the Board of Managers, as contained in the By-Laws of the Condominium. It is suggested that Purchasers make reference to the full By-Laws, a copy of which is set forth in Part II of the Plan. See also subsection A(9) entitled "Insurance" above, which details certain rights of the Board of Managers arising from violations of the Condominium Documents by Unit Owners.

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

Repairs to the General Common Elements (as defined in the Declaration) and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner.

Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Board of Managers as a part of the Common Charges, if such Limited Common Element is for use by all Unit Owners; (b) the Board of Managers at the expense of the Unit Owner, if it is a Limited Common Element and the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks or other water damage); or (c) by the Unit Owner having direct and exclusive access to a Limited Common Element at their sole cost and expense, if involving nonstructural or ordinary Repairs.. The Board of Managers will have the right to establish Regulations regarding the approval of contractors, nature and standard of Repair for any Limited Common Element. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board.

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

2. Additions, Alterations or Improvements by Board of Managers. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements, and the Board determines to require the placement of a lien on the Common Elements or an assignment of Common Charges payable by the Unit Owners, and (if required by law) the making of such additions, alterations or improvements shall have been approved by fifty percent (50%) in number and in Common Interest of the Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with the By-Laws (and by the holders of Unit mortgages, if such approval is required), the Board of Managers shall have the right to proceed with such additions, alterations or improvements and to assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements which do not require a lien to be placed on the Common Elements or an assignment of the Common Charges payable by the Unit Owners may be made by the Board of Managers, without approval of the Unit Owners or the holders of Unit mortgages, and the cost thereof (unless paid from the Working Capital Fund in accordance with the Plan) shall constitute part of the Common Expenses. So long as Sponsor or its designee shall own at least twenty-five percent (25%) of the Units, but not for more than a period of five (5) years from the first closing of title to a Unit, the Board of Managers may not make any addition, alteration, or improvement to the Common Elements without the Sponsor's prior written consent, unless required by law.

For a description of the rights of Unit Owners to alter or improve the Common Elements, see Section 20.

3. Insurance.

(a) By the Condominium. The Board of Managers shall be required to obtain and maintain the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the insuring the common elements of the Condominium and personal property owned by the condominium association, and the sheet-rocked boundary walls and ceilings of individual units (but not including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built-ins (such as kitchen cabinets), fixtures or HVAC units to the point that they connect to the building systems within the walls, furniture, furnishings, or other personal property of Unit Owners), together with all heating, central air conditioning and other service machinery contained therein to the point where they exit the walls into individual Units, and except for any such machinery supplied or installed by individual Unit Owners, covering the interests of the Condominium, Board of Managers, and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to such loss payment provisions in favor of the Condominium as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers. The specific amounts of coverage are noted in footnote 7 of Schedule B. Notwithstanding the foregoing, while the Sponsor controls the Board of Managers, the Sponsor will cause the Condominium to carry one hundred percent (100%) replacement cost insurance with an agreed value endorsement.

Within sixty (60) days after the First Closing, the Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article VII, Section 2 of the By-Laws of the Condominium.

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

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (i) worker's compensation insurance for Condominium employees; and (ii) public liability insurance covering the Condominium, the Board of Managers, the Managing Agent and each Unit Owner to such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage by any other person. The Board of Managers shall review such limits once each year. To the extent obtainable at commercially reasonable rates, the public liability insurance will also cover cross-liability claims of one insured against another. Such coverage will not apply to occurrences within a Unit except to the extent due to the negligence of the Condominium or an agent thereof, except to the extent covered by a Unit Owner's own insurance. Until the first meeting of the Board of Managers elected by the Unit Owners, the public liability insurance will be within a limit of at least $1,000,000 covering all claims for bodily injury with respect to any one occurrence.

(b) By Unit Owners. All Unit Owners shall carry insurance commonly known as "condominium homeowners insurance" insuring the Unit Owner against damage to those portions of their Units and any storage bin licensed to the Unit Owner, not covered by the Condominium's insurance, including floors, interior or partition walls, alterations, improvements and betterments to individual Units made by the Unit Owner or his or her predecessor in interest, appliances, built-ins (such as kitchen cabinets), furniture, furnishings, or other personal property of Unit Owners), and against liability for claims for personal injury or property damage arising out of their acts or omissions. All such insurance shall be carried by a company licensed to do business in the State of New York and shall contain waivers of subrogation for property damage claims against the Condominium, its agents or employees. To the extent obtainable, such insurance shall name the Condominium and its managing agent as additional interest holders. The Condominium Board may establish minimum amounts and maximum deductibles for all such insurance from time to time. Unit Owners shall provide a certificate evidencing such insurance when they take title to their Units and thereafter upon request by the Condominium. To the fullest extent permitted by the law, each Unit Owner releases the Condominium from liability for damage to those portions of their Unit not expressly covered by the Condominium's insurance, and to their personal property, for any reason. If any such damage would be covered by insurance maintained by the Unit Owner under this Section, and if for any reason the Unit Owner is not carrying such insurance, the Unit Owner shall be

deemed to have breached the By-laws of the Condominium and the Condominium shall have all legal rights at law or in equity against the Unit Owner to be defended, held harmless and indemnified against loss (including reasonable attorney's fees) as a result of such failure.

In the event of a fire or other casualty which destroys or substantially damages less than seventy-five percent (75%) of the Building, the insurance proceeds shall be dedicated to the Repair and/or renovation of the Building and the Units, but not the repair or replacement of any improvements made by individual Unit Owners. If the cost of such Repair exceeds the insurance proceeds available, the excess cost shall constitute a Common Expense and Unit Owners may be accordingly assessed a proportional amount to be paid as Common Charges.

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

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

5. Severance of Ownership Prohibited. Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, their undivided interest in the Common Elements, together with their interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to their Unit.

6. Right of First Refusal; Units Acquired or Leased by Board of Managers. In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Unit, the Board shall be required to exercise such rights, if at all, within thirty (30) days after receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee, as the case may be, together with all other information reasonably required by the Board. See Section 21(A) of the Plan for a detailed description of the rights and obligations of the Board and Unit Owners in this regard.

In the event the Board does exercise its right of first refusal with respect to a sale of a Residential Unit, the acquisition of the Unit may be made from the Working Capital and Common Charges or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of

Common Interest or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Units are acquired by the Board of Managers, the title shall be held by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale of such Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest. Such Unit, while owned by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

Each Residential Unit Owner, at the closing of title to a Residential Unit, shall be required to execute a Power of Attorney in the form contained in Part II, Exhibit B of the Plan, which (in part) designates the Board of Managers and their successors, as their attorney-in-fact, coupled with an interest, for the purpose of waiving or exercising a right of first refusal, selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

7. Review of Real Estate Tax Assessments. It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and challenge such assessments. However, the Board of Managers reserves the right, on behalf of all Unit Owners, to challenge any assessment at the expense of the Condominium. To that end, the Power of Attorney executed by Unit Owners delegates that right to the Board.

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

(i) No amendment shall change any Condominium parcel, or a Unit Owner's proportionate share of the Common Charges, or the voting rights appurtenant to any Unit, unless all record Owner(s) affected thereby and the first mortgagees, if any, of each of these same Units agree to such revocation by recorded instrument;

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees, or the Sponsor as an Owner of Unsold Units without the Sponsor's consent.

The By-Laws may be amended at any duly called Unit Owners meeting provided: (a) that the notice of the meeting shall contain a full statement of the proposed amendment; (b) that the amendment shall be approved by sixty-seven percent (67%) of the Unit Owners in number and Common Interest; and (c) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owner's interest and the interests of holders of a mortgage encumbering a Unit or Units. No

amendment shall adversely affect the Sponsor or its designee without the prior written consent of Sponsor or such designee.

Subject to the foregoing restrictions, and pursuant to the Power of Attorney executed by Unit Owners, the Board of Managers is also appointed the attorney-in-fact for each Unit Owner to make such amendments to the Declaration and By-Laws as it may deem necessary or appropriate in its business judgment.

9. Unit Owner Power of Attorney. Upon the transfer of title to any Unit, the new Unit Owner will be required to execute a Power of Attorney in favor of the Board of Managers to exercise certain rights on behalf of the Condominium, such as exercising or waiving a right of first refusal to purchase or lease a Unit, protesting the Condominium's real estate tax valuation with the City of New York, borrowing funds or amending the Declaration or By-Laws of the Condominium. The form of Power of Attorney appears in Part II, Exhibit B of the Plan. The Sponsor has the right to change the size, layout and Common Interest percentages for Unsold Units. The Power of Attorney will reflect the rights of the applicable parties to amend the Declaration to implement these changes.

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

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21. MORTGAGE INDEBTEDNESS, COMMON CHARGES, REAL ESTATE TAXES, UTILITIES – SUPERINTENDENT'S UNIT

On the date of the First Unit Closing, the Board of Managers will purchase the Superintendent's Unit on behalf of all of the Residential Unit Owners for a purchase price of $630,000. The Condominium will be responsible for all closing costs as described in Section 16 of the Plan titled "Unit Closing Costs and Adjustments," estimated at approximately $29,000. The purchase price and the closing costs are referred to collectively in this Section as the "Purchase Price." The Purchase Price shall be payable by the Board of Mangers on behalf of all of the Residential Unit Owners as a Residential Common Expense. The Sponsor will itself finance, or arrange for one or more institutional lenders to finance (either independently or together with the Sponsor), 100% of the Purchase Price. (Sponsor and/or such institutional lender(s) are sometimes hereinafter called the "Lender.") The Board of Managers will give the Lender one or more purchase money notes for the Purchase Price of the Unit and one more mortgages on the Unit to secure repayment of the note(s). The note(s) and mortgage(s) are hereinafter sometimes collectively called the "Mortgage."

Based on the projected interest rate of 6% and a 30-year amortization, the Mortgage will provide for consecutive equal monthly payments of $3,951.00 on the first day of each month commencing with the first month after the closing date of the Purchase, except that if the closing occurs other than on the first day of the month, the first payment will consist of interest only based on the number of days remaining in the month. The regular monthly payments will be applied first to interest and the balance to reduce principal.

The budgeted amount in Schedule B consists of estimated monthly mortgage payments of $3,951.00 ($47,412 per year), estimated monthly common charges and special assessment of $409.56, estimated annual real estate taxes of $135.82, and $100 per month for estimated telephone/internet and utility expenses for the Unit.

Subject to adjustment due to changes in the mortgage recording tax, realty transfer taxes and other closing costs payable by the purchaser, the Mortgage will contain terms and conditions substantially as follows:

Amount Financed:	Approximately $659,000.
Annual Interest:	6% per annum.
Installment Payments:	Consecutive equal monthly payments of interest and principal of approximately $3,951.00 each, applied first to interest in the above rate, and balance in reduction of principal.
Maturity Date:	5 years after the First Unit Closing.

Balloon Payment:	Approximately $612,343 (plus any accrued and unpaid interest due on the fifth anniversary after the closing date.
Prepayment:	The loan may be prepaid in full or in part (in multiples of $100,000) on the first day of a month, upon giving not less than 60 days' prior written notice of intention to prepay, without premium or penalty, but with interest accrued to the date of the prepayment on the amount prepaid.
Security:	First mortgage lien on the Superintendent's Unit.
Due on Sale:	The unpaid principal and accrued interest will be immediately due, at the option of Sponsor, in the event that the Unit is sold, transferred or further mortgaged.
Late Charge:	If any installment remains unpaid for more than ten days from its due date, an administrative fee of $500, plus interest at the rate of 12% per year (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 any attorneys' fees and expenses incurred for the cost of collection.
Escrow:	The Board of Managers will be required to escrow amounts deemed sufficient to pay the real estate taxed and similar impositions on the Superintendent's Unit at least one month prior to their respective due dates. No interest will be paid on the escrow deposits except as may be required by law.
Grace Period:	Five (5) days after the due date to pay any installments of interest, principal, or other sum under the Mortgage and five (5) days after notice for any non-monetary default under the Mortgage.

Any Mortgage given by an institutional lender may provide for an interest rate, monthly payment or amortization schedule and/or maturity date other than as described above, but such terms will not be materially less favorable to the Board of Managers than those described above. However, other terms of the Mortgage (such as prepayment rights and penalties, escrow requirements, late charges and restrictions on financing) may differ in respects materially less favorable to the Board of Managers than those described above, but will reflect the prevailing terms then being offered by the institutional lender on fixed-rate condominium loans to non-owner occupants.

It is anticipated that at the maturity date of the Mortgage for the Superintendent's Unit, the Board of Managers will need to refinance the unpaid principal balance of approximately $612,343 that will then be due with a Lender other than Sponsor. The Sponsor makes no representation that the Board of Managers will be able to refinance the Mortgage. If Board of Managers is unwilling or unable to refinance, then each Residential Unit Owner will be required to pay his or her pro rata share of the unpaid balance then due, which pro rata share will be based upon their Contrib-

uting Share of the Residential Common Expenses. The Sponsor has not agreed to refinance the Mortgage on its maturity date.

IF THE BOARD OF MANAGERS DEFAULTS UNDER THE MORTGAGE, THE HOLDER OF THE MORTGAGE MAY FORECLOSE ON THE SUPERINTENDENT'S UNIT. IN SUCH EVENT, THE BUILDING WILL BE WITHOUT A SUPERINTENDENT'S APARTMENT. ACCORDINGLY, ALTERNATIVE ARRANGEMENTS WILL BE NECESSARY TO HOUSE THE SUPERINTENDENT IN THE BUILDING OR WITHIN THE VICINITY OF THE BUILDING AS IS THEN REQUIRED BY LAW.

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22. REAL ESTATE TAXES

After the closing of title, each Unit will be taxed as a separate tax lot for real estate tax purposes. As a result, a Unit Owner will not be responsible for the payment of, nor will his or her Unit be subject to, any lien arising from the non-payment of taxes on other Units.

Under Section 339-y of the New York State Real Property Law, the aggregate assessments of all Units cannot exceed the assessment of the Property if the Property were assessed as a single parcel. Moreover, under Section 581 of the New York State Real Property Tax Law, real property owned on a Condominium basis cannot be assessed at a higher amount than if the parcel were not owned on a Condominium basis. Thus, the assessing authority customarily bases its calculation of assessed valuation as if the Property were a rental property. Once such valuation is established, generally, the assessed valuation of each Unit is based on the percentage of Common Interest of each Unit in the deemed assessed valuation of the Property. However, it is possible that the tax assessment for each Unit may be allocated on a basis that differs from the allocation of Common Interest.

There is often a delay of several months between the establishment of the Condominium and the assessment of Units as separate tax lots. During that period, the Condominium will collect real estate taxes on behalf of the Unit Owners and pay the real estate taxes directly to the taxing authority. At closing, all Unit Owners will be required to reimburse the Sponsor for any prepaid real estate taxes and pay the Condominium for real estate taxes due for the upcoming tax year. If the Units are separately assessed before such taxes are due, the moneys held in escrow will be returned to the Unit Owner or his or her Lender, as requested.

Generally, a parcel is assessed at the lower of the "actual" assessed valuation and the "transitional" assessed valuation. The "transitional" (taxable) assessed value varies according to increases and decreases in the "actual" assessed value of the Property determined by the assessor from year to year. Such yearly increases and decreases in "actual assessed value" are implemented at the rate of twenty percent (20%) per year until 100% of the change in actual assessed value for the applicable prior tax year has been incorporated into the assessed value of the Property. The taxable assessed value from year to year reflects the composite increases and decreases in actual assessed value from the previous five tax years.

Based on the above method, the Property has an "actual" assessed valuation of $4,908,240 for the 2018/2019 tax year, which at current rates would ordinarily result in taxes of $624,279. However, the Property receives 421-a tax exemption benefits which have the effect of substantially reducing the taxable assessed valuation of the Property. The Sponsor received a Final Certificate of Eligibility for 421-a benefits on November 15, 2011 for 175 Spencer Street (the "175 421-a Final Certificate") and received a Final Certificate of Eligibility for 421-a benefits on November 9, 2011 for 192 Spencer Street (the "192 421-a Final Certificate", together with the 175 421-a Final Certificate, the "421-a Final Certificates") under Section 421-a of the Real Property Tax Law and Section 11-245 of the Administrative Code of the City of New York, which exempt certain properties from some or all of the increase in assessed value resulting from the construction of the building over the assessed value of the property for the tax years prior to commencement of construction. As detailed in the tax opinion letter of Metropolitan Realty

Exemptions which follows this Section, this means that the assessed value of the Property has been "frozen" at the level of the assessed value of the land prior to construction for the duration of the exemption. In this instance, 421-a benefits were granted for 25 years, with a current 100% exemption during the first twenty years and a 20% phase-out every year thereafter. They expire on November 10, 2036 and November 9, 2036, for 172 Spencer Street and 192 Spencer Street, respectively. Upon expiration, apartments that have been subject to rent regulation will no longer be regulated and rents may be set at fair market levels. In addition, the Sponsor is no longer required to offer renewal leases to tenants to whom apartments have been rented, unless such tenants qualify as Non-Purchasing Tenants under the Plan. For details regarding the notice requirements for tenants in occupancy as of the date that 421-a benefits expire, see Special Risk No. 25.

The following chart illustrates the progression of the exemption over 25 years:

Year	**Percentage Exemption**
1-20	100%
21	80%
22	60%
23	40%
24	20%
25+	0%

The Buildings are located outside of the statutory geographic exclusion area for 421-a benefits. Construction on the Buildings commenced prior to December 28, 2007. Accordingly: (i) the Buildings were eligible to receive their 421-a Final Certificates without satisfying amended Section 421-a[7](b) of the Real Property Tax Law; and (ii) no restrictive covenant has been recorded against the Buildings in the City Register's Office, as may otherwise be required pursuant to § 6-09(b)(3)(ii) of Title 28 of the Rules of the City of New York, with respect to the 421-a Final Certificates. In addition, the Buildings are exempt from the prevailing wage requirement under §421-a[8](b) since they each contain fewer than fifty (50) units and construction on the Buildings commenced prior to December 28, 2007. The Final 421-a Certificates were issued by the New York City Department of Housing Preservation and Development ("HPD") in 2011; therefore, the Sponsor has registered the Residential Units as rent-stabilized as they have become occupied.

The chart below illustrates the tax history of the two Buildings for the three (3) years prior to the submission of the Plan and taxes for 2019/2020 tax year as follows:

175 Spencer Street, Brooklyn, NY

Tax Year	Taxable Assessed Value	Tax Exemption	Net Taxable Assessed Value	Tax Rate Per $100 of Taxable Assessed Value	Taxes Paid
07/01/15 – 06/30/16	$1,593,955	$1,552,687	$41,268	12.8550%	$5,305
07/01/16 – 06/30/17	$1,906,560	$1,865,292	$41,268	12.8830%	$5,316
07/01/17 – 06/30/18	$1,990,260	$1,948,992	$41,268	12.8920%	$5,320
07/01/18 – 06/30/19	$2,093,580	$2,052,312	$41,268	12.7190%	$5,248
07/01/19- 06/30/20	$2,221,200	$2,179,932	$41,268	12.6120%	$5,204.76

192 Spencer Street, Brooklyn, NY

Tax Year	Taxable Assessed Value	Tax Abatement	Net Taxable Assessed Value	Tax Rate Per $100 of Taxable Assessed Value	Taxes Paid
07/01/15 – 06/30/16	2,815,200	2,727,450	$87,750	13.1450%	$11,534
07/01/16 – 06/30/17	2,683,260	2,595,510	$87,750	12.8830%	$11,304
07/01/17 – 06/30/18	2,733,030	2,645,280	$87,750	12.8920%	$11,313
07/01/18 – 06/30/19	$2,814,660	2,726,910	$87,750	12.7190%	$11,161
07/01/19- 06/30/20	$2,892,420	2,804,670	$87,750	12.6120%	$11,067.03

See Schedule A for the projected real estate taxes which shall be payable by each Unit Owner.

The total taxes for each Residential Unit shown on Schedule A represent the total taxes for the Building multiplied by the Units' percentage of Common Interest. However, there is no assurance that the Tax Assessor for the City of New York will allocate taxes among Units in proportion to their Common Interest. It is possible that the apportionment will be based upon the proportion of the projected selling price presented in the Plan which each Unit bears to the gross sellout price for all Units available for purchase in the Condominium, or in part, upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units or on some other basis.

The Sponsor makes no representation as to the accuracy of the (i) assessed value of the Property; (ii) projected assessed value of the Property; (iii) tax rate or projected tax rate; or (iv) method of assessing the real property described above.

As of the date of this Plan, there are no pending tax certiorari proceedings affecting the Property. The taxable assessment of the Property upon expiration will rise to the assessment in place at the time the benefits begin to expire. The Board of Managers will need to determine whether it is advisable to seek a reduction in Assessed Valuation during the term of the exemption (which may result in payment of fees to the attorney or consultant representing the Condominium, but without a corresponding reduction in actual tax payments by Unit Owners), or to wait until benefits begin to expire to commence proceedings to reduce the assessed valuation of the Property.

As of the closing date, tax certiorari proceedings affecting the Property may be pending, which may reduce the assessed valuation of the Property. Unit Owners will be required to sign a power of attorney at closing authorizing the Board of Managers to file tax protests on behalf of all Unit Owners.

23. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The Sponsor has been advised by its attorneys, Smith, Buss & Jacobs, LLP, 733 Yonkers Avenue, Yonkers, New York 10704 that for Federal income tax purposes, under Sections 163 and 164 of the Internal Revenue Code of 1986, as amended by the terms of the federal "Tax Cuts and Jobs Act of 2017", a Unit Owner will be entitled to a deduction for interest paid or accrued with respect to any mortgage indebtedness encumbering the Unit(s) to a maximum mortgage of $750,000 ($375,000 for married taxpayers filing separately), and for real estate taxes paid or accrued with respect to the Unit to a maximum of $10,000. As of the date of this offering plan, for New York State and New York City income tax purposes, will be entitled to a deduction equivalent to that which is allowed for Federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year. However, the Sponsor has been advised that New York State is considering changes to state law to allow more or different levels of deductions, distinct from the federal standards, to take into account the effect of the "Tax Cuts and Jobs Act of 2017." Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

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

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

The "Tax Cuts and Jobs Act of 2017" has not been interpreted by applicable governmental or judicial authorities and no regulations have been issued by the Internal Revenue Service or the Treasury Department with respect to particular provisions of the act. Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert, and all Purchasers are advised to consult with their counsel to determine their tax liability for the particular circumstances.

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

Under Section 528 of the Internal Revenue Code, a Condominium may be eligible to be exempt from taxation on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. One of the requirements to be met is that at least eighty-five percent (85%) of the total square footage of the Units must be used by individuals as residences

or (if unoccupied) zoned for individuals as residences. As currently used, the Condominium meets this criterion and therefore, the Condominium may elect to be taxed as a homeowners association under Section 528.

In the opinion of Counsel, it does not appear that the Condominium's members would incur substantial taxes even if Section 528 did not apply, i.e., if the Condominium is treated either as their agent or as a partnership for tax purposes. If, as anticipated, its income is largely offset by expenses, the ultimate income tax payable would be small. Hence, the major concern, if Section 528 is not available, would lie in assuring that the net taxable income derived from the Condominium's activities in any year is minimal. With careful attention to the various accounting and other administrative details, this would not be difficult to accomplish. For example, assessments for capital expenditures would be made and held in trust by the Board of Managers until the funds were disbursed, and careful documentation to this effect should be prepared on each occasion.

The opinion of Sponsor's Counsel is not a guarantee. It is based upon existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which Counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's Counsel, the Board of Managers of the Condominium, the selling agent, managing agent (if any) or any other person be liable if the Unit Owners cease to meet the requirements of the Internal Revenue Code of 1986, as amended by the "Tax Cuts and Jobs Act of 2017", or the New York State tax law, as amended, if there are changes in the facts on which Counsel relied in issuing its opinion, or if there are changes in the applicable statutes or regulations. Further, the opinion does not address the tax consequences that might result from the ownership by any person or entity of a Storage Bin License.

Smith Buss & Jacobs LLP

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Kenneth Jacobs
Partner
914-476-0600
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24. OPINION OF COUNSEL re: DEDUCTIBILITY OF TAXES

The Spencer Street Condominium
175 & 192 Spencer Street
Brooklyn, New York 11205

Dear Sir/Madam:

You have requested our opinion with respect to the deductibility for Federal and New York State income tax purposes of mortgage interest and real estate taxes paid by a person (a "Unit Owner" or an "Owner") who purchases a unit (a "Unit") under the offering plan for the above-referenced condominium (the "Plan"). The Plan provides for the condominium conversion of the building to eighty-two (82) residential condominium Units, forty-two (42) parking units and sixty-four (64) storage bins.

In connection with this opinion, we have reviewed the Plan, including the schedules and exhibits thereto. The opinions expressed in this letter are based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms so that valid condominium ownership of the premises known as The Spencer Street Condominium, 175 & 192 Spencer Street, Brooklyn, New York 11205 (the "Condominium") is established upon the filing of a Condominium declaration. In our opinion, pursuant to the Plan:

A. A Unit Owner will own fee simple title to his or her Unit and an undivided interest in the common elements;

B. Each Unit, together with its appurtenant interest in the common elements, will be a separate tax lot for purposes of New York State, Kings County and City of New York real estate taxation, and the Unit Owner will be directly liable for the real estate tax assessment with respect to his or her Unit, but not with respect to any other Unit;

C. Subject to certain restrictions described in the Declaration and By-Laws of the Condominium, a Unit Owner may mortgage his or her Unit as he or she wishes, and the Unit will not be subject to the lien of any mortgage placed on other Units; and

D. A Unit Owner may transfer his or her Unit subject, with certain exceptions, to certain rights of the Board of Managers as described in the Plan.

Under the Plan, the Condominium will be managed by a Board of Managers whose members will be elected by the Unit Owners (and by the Sponsor of the Plan, to the extent that the Sponsor owns any Units). We also understand that the Condominium will, at least initially, be an unincorporated association under New York law. The Plan and the By-Laws provide that the expenses incurred in the operation and maintenance of the Condominium, exclusive of the Units themselves (the "Common Expenses"), shall be borne by the individual Unit Owners and assessed (in proportion to each Unit Owner's "Common Interest") and collected by the Condominium Board on behalf of the Condominium (the "Common Charges").

Based upon the foregoing, it is our opinion that an individual Unit Owner who purchases a residential Unit as his or her principal or second residence and who itemizes deductions will be entitled, under present tax laws and regulations, to deduct from adjusted gross income, for Federal income tax purposes, real estate taxes, if any, assessed against such Owner's Unit, as well as qualified residence interest on acquisition indebtedness up to $750,000 ($375,000 for a married individual filing a separate return) secured by a Unit (See Sections 163(h) and 164 of the Internal Revenue Code of 1986, as amended (the "Code")). We express no opinion as to the availability of such deductions under applicable requirements of the Code with respect to payment of alternative minimum tax under Sections 55-59 of the Code, or as to the availability of such deductions to the Owner of a residential Unit which is not used as the Unit Owner's principal or second residence (e.g., a rental Unit).

Where an Owner does not occupy the Unit, but holds it instead as an investment, current Federal tax law imposes a limit on the amount of interest that is deductible equal to the taxpayer's net investment income for the year. The deduction is also considered a miscellaneous deduction that (together with other miscellaneous deductions) must exceed two percent (2%) of adjusted gross income to have effect. An investor-owner should obtain the opinion of their own tax advisor to determine how the investment interest limitation affects him/her.

Common Charges will be borne by Unit Owners and assessed and collected by the Board of Managers. If the Condominium is treated for tax purposes as merely the agent of the Unit Owners, the income received by the Board of Managers and the Condominium, and the expenses incurred would be deemed to be income and expenses of the individual Unit Owners, in proportion to their respective interests, and the amount of such income less such expenses would be taxable to them in the same proportion. See, e.g., Rev. Rul. 74-563.

The law in this area is uncertain, though. If the Internal Revenue Service asserts that the Condominium constitutes an association under the default rules of Section 301.7701-3(b), it would be taxable as a partnership, unless it elects to be taxable as a corporation. If so, members of the Condominium would be subject to Federal income tax on their pro-rata share of the Condominium's income.

Receipts by the Condominium from capital or special assessments are not taxable income where the funds are properly treated as trust funds, or set aside in separate bank accounts for a

specific purpose, designated as such and properly accounted for. See GCM 36188; Rev. Rul. 75-371. Interest earned on these funds would be taxable income as discussed below. Annual assessments in excess of annual expenses will also be includable in the Condominium's income, unless the member-owners are given the option to have excess assessments returned to them at the end of each year. See Rev. Rul. 70-604; TAM 9539001; Mission Heights Homeowners Association v. U.S. 96-2 USTC ¶ 50,489 (S.D. Cal).

Under Section 528 of the Internal Revenue Code, a Condominium Management Association may elect to be exempt from Federal tax on membership fees, dues, assessments and other "exempt function income" received from the owners of the condominium units who are members of the association. To be exempt function income, the income must be received by the association as part of the obligation of ownership of the residential property and not as payment for private services. For example, annual fees for special facilities such as tennis courts are exempt, but guest fees, rentals of a clubhouse for a private party and interest earned by the association are not. The association is taxed on its non-exempt function income less any expenses directly connected with the production of this taxable income.

To qualify for the above election, which must be made annually, the following requirements must be met:

1. It must be organized and operated to carry out exempt functions, such as management, maintenance and care of association property.

2. At least sixty percent (60%) of gross income must consist of membership dues, fees or assessments from the owners of the residences.

3. At least ninety percent (90%) of annual expenditures must be to acquire, construct, manage, maintain, care for or improve association property.

4. No part of net earnings may inure to the benefit of any private shareholder or individual.

5. Substantially all (at least 85%) of the total square footage of the Units must be used by individuals as residences or (if unoccupied) zoned for individuals as residences.

Based on the information provided to us regarding the use of the Units, it appears that the Condominium may elect to be taxed as a homeowners association under Section 528, and accordingly, its membership income will not be subject to Federal tax.

However, it does not appear that the Condominium's members would incur substantial taxes even if Section 528 did not apply, i.e., if the Condominium is treated either as their agent or as a partnership for tax purposes. If, as anticipated, its income is largely offset by expenses, the ultimate income tax payable would be small. Hence, the major concern, if Section 528 is not available, would lie in assuring that the net taxable income derived from the Condominium's activities in any year is minimal. With careful attention to the various accounting and other administrative details, this would not be difficult to accomplish. For

example, assessments for capital expenditures would be made and held in trust by the Board of Managers until the funds were disbursed, and careful documentation to this effect should be prepared on each occasion.

Please note further that it is also possible that other sources of income, such as interest on interim investments by the Board of Managers, income from concessions or rentals, if any, and possibly income from the sale of Units acquired by the Board of Managers pursuant to its right of first refusal, may be subject to Federal or State income taxation.

The New York State Department of Taxation and Finance is likely to take the position that the Condominium is subject to the New York State Corporation Franchise Tax even though the Condominium does not (absent an election) constitute an association taxable as a corporation for Federal income tax purposes.

We express no views as to any Federal or New York State tax consequences, or as to any aspects of the Plan, other than those aspects explicitly discussed in this opinion, or as to any tax status of the Plan under the laws of any other jurisdiction. Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with a Unit Owner's trade or business, or for the purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his or her foreign status. This opinion also does not deal with the tax consequences which may arise if Units or common elements are acquired, sold, and/or leased by the Board of Managers. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his or her own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

We note that on January 1, 2018, the "Tax Cuts and Jobs Act of 2017" went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to home ownership. As a result, unit owners' ability to deduct mortgage interest and state and local taxes (including real estate taxes) could be significantly limited. In addition, the "Tax Cuts and Jobs Act of 2017" has not been interpreted by applicable governmental or judicial authorities and no regulations have been issued by the Internal Revenue Service or the Treasury Department with respect to particular provisions of the Act. Neither the Sponsor nor the Counsel to the Sponsor will be liable if it is determined that the income tax deductions referred to herein are not allowable in whole or in part based on rulings or interpretations issued by any judicial or governmental authority after the date hereof.

Tax laws, regulations and rulings are subject to change by the Federal and State governments and their agencies, and also by judicial interpretation. Moreover, facts and conditions assumed in this opinion are subject to change. To the extent that such changes may occur, no warranties or assurances are made that the Internal Revenue Service or the New York State Department of Taxation and Finance will allow income tax deductions. Neither the Sponsor nor the counsel to the Sponsor will be liable if such changes occur and, as a result, it is determined that the income tax deductions referred to herein are not allowable in whole or in part. All Purchasers are advised to consult with their counsel to determine their tax liability for the particular circumstances.

Based on the letter dated November 2, 2018 from MNS, a copy of which is reproduced in Part I of the Plan, the allocation of the percentage of common interest to individual Units complies with the requirements of Section 339-i of the Real Property Law.

We hereby authorize the use of this opinion, or reproduction thereof, in the Plan.

Very truly yours,
SMITH, BUSS & JACOBS, LLP

By: _____
Kenneth R. Jacobs, Partner

Dated: January 23, 2020

25. RESERVE FUND

Within thirty (30) days after the closing date, the Sponsor will establish and transfer to the Condominium a Reserve Fund (the "Statutory Reserve Fund") pursuant to Title YYYY-51 of the New York City Administrative Code (the "Reserve Fund Statute") to be used exclusively for making building-wide replacements of a major component of any of the following systems: elevator; heating, ventilation and air conditioning; plumbing, wiring, window, or a major structural component to the building (other than replacements to cure code violations). The Reserve Fund will not be subject to reduction for closing costs and adjustments. While the Sponsor is in control of the Board of Managers, the Statutory Reserve Fund will not be used to reduce projected Common Charges in the Plan. After Sponsor relinquishes control of the Board of Managers, the Reserve Fund Statute requires that reserve funds be used by the Condominium subject to the foregoing restrictions .

The Reserve Fund Statute provides that the Statutory Reserve Fund shall be in an amount equal to (i) three percent (3%) of the lowest aggregate price offered to Tenants in occupancy prior to the effective date of this Plan ("Total Price") or (ii) (a) three percent (3%) of the actual sales price of all Units sold at the time this Plan is declared effective, but not less than one percent (1%) of the Total Price, plus (b) supplemental contributions at the rate of three percent (3%) of the actual sales price of Units sold to bona fide Purchasers after the effective date (notwithstanding that the total contributions may exceed three percent (3%) of the Total Price), but if within five (5) years and thirty (30) days after the closing date, the total contributions are less than three percent (3%) of the Total Price, the Sponsor will pay the deficiency. Such supplemental contributions will be paid within thirty (30) days of each sale. The Statutory Reserve Fund payments using the methodology in subparagraph (ii) herein may be more, and, in some cases, substantially more, than it would have been had a Sponsor funded using the methodology of subparagraph (i) because prices can be increased over time; under such circumstances, the Sponsor will receive no refund or allowance at the conclusion of the five-year period. The amount of the Reserve Fund may be decreased if the aggregate price offered to Tenants in occupancy is decreased prior to the effective date of this Plan. Purchasers will not be offered a right of rescission under their Purchase Agreements in the event that the amount of the Statutory Reserve Fund is decreased prior to the effective date of the Plan.

Notwithstanding the foregoing, the Sponsor is entitled to a credit against the mandatory initial contribution to the fund equal to the lesser of the actual cost of the capital replacements begun after this Plan was submitted for filing to the Department of Law and before this Plan is declared effective or one percent (1%) of the Total Price. The Sponsor will disclose the details of any credit which it seeks to take, and the final determination of the amount of the Statutory Reserve Fund, in an amendment to the Plan either simultaneously with or before the filing of the effectiveness disclosure amendment.

The minimum Reserve Fund cannot be determined with particularity as of the date of this Plan. When the amount of the Reserve Fund has been accurately determined in accordance with

the criteria summarized above, the Sponsor will disclose the amount in the amendment disclosing that the Plan has been declared effective (i.e., the "effectiveness amendment").

The foregoing commitment of the Sponsor is being made pursuant to the Reserve Fund Statute, and Sponsor undertakes no greater obligation than is therein prescribed.

Initially, the Sponsor has elected to fund the Statutory Reserve Fund using option (ii) above. However, the Sponsor reserves the right, at closing of title to the Condominium, to fund the entire Reserve Fund as per option (i) above.

The Reserve Fund Statute also requires the Sponsor, not later than the 30th day following the acceptance of this Plan for filing and until the closing date, to post and maintain in a prominent place, accessible to all Tenants in the Building, a listing 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 after their issuance and maintained as described above.

The Reserve Fund Statute also provides for civil and criminal penalties for its violation and further provides that any waiver of its provisions is void as against public policy.

The Statutory Reserve Fund is separate from the "Capital Replacement Reserve" described in Special Risk #21 and Footnote #11 to Schedule B. The Statutory Reserve Fund is a mandatory reserve fund established under the New York City Administrative Code which can be utilized for various types of capital repairs. The "Capital Replacement Reserve" is a recommended contribution to the capital reserves of the Condominium to provide sufficient funds to comply with the recommendations of the Reserve Study procured by the Sponsor to make capital replacements at the end of the useful life of various capital components. The size of the Capital Replacement Reserve contribution may be modified by the Board of Managers at any time. Although the size and timing of the contributions may vary, the purposes of the two funds largely overlap. Therefore, contributions to the Statutory Reserve Fund also satisfy the recommendations of the Reserve Study.

The projected Statutory Reserve Fund assumes that the Plan is declared effective during the 90-day Exclusive Purchase Period for Tenants in Occupancy, during which a discounted purchase price has been offered. The projected amount may change as detailed above. The Sponsor believes that the amount of the Statutory Reserve Fund (plus amounts budgeted for repairs and maintenance and contingencies by the Condominium Board, including the "Capital Replacement Reserve" described in Special Risk #21 and Footnote #11 to Schedule B)) will be sufficient to pay for the major capital improvements or replacements to the Building which are reasonably foreseeable within five (5) years from the date of this Plan, as disclosed in the Description of Property and Building Condition. However, the Sponsor makes no representation or warranty to that effect. Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the fund.

If additional funds are required, the Condominium has several options to raise funds. It may increase Common Charges, assess the Unit Owners or borrow money either on an

unsecured basis, or secured by a lien on Common Charges. In addition, under State law, the Condominium has the right to borrow money and place a lien on the Common Elements of the Condominium, provided that more than fifty percent (50%) of the Unit Owners have consented to such lien (unless such right has been granted to the Board of Managers under the By-laws or by Power of Attorney from the Unit Owners.).

26. WORKING CAPITAL FUND

At the closing of title to each Unit, the Condominium will collect an amount equal to two (2) months of Common Charges (as set forth in Schedule A) from each Purchaser for its working capital (the "Working Capital Fund"). The Sponsor shall not contribute to the Working Capital Fund.

At closing, the Sponsor shall adjust with the Condominium certain ongoing costs that had been pre-paid by Sponsor for the First year of Condominium Operation. It is anticipated that the closing adjustments with the Condominium Board as set forth in the Section 17(A) ("Closing Adjustments with Condominium Board") will result in a net credit to Sponsor. The cost of reimbursement may be paid from the Condominium's Working Capital Fund, as Units close. In the event the Working Capital Fund does not have sufficient funds to reimburse the Sponsor, the Common Charges may be increased accordingly.

The Working Capital Fund may be held or used at any time for working capital, to make Repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion. However, the Working Capital Fund will not be used to reduce projected Common Charges in the Plan while the Sponsor is in control of the Board of Managers.

THE PROPERTY IS OFFERED IN ITS CURRENT CONDITION AS SET FORTH IN THIS OFFERING PLAN.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND OR FOR ANY OTHER PURPOSE.

27. MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL OBLIGATIONS

At or prior to the First Unit Closing, the Board of Managers shall enter into a management agreement with Nieuw Amsterdam Property Management, LLC (the "Managing Agent"), 80 Fifth Avenue, Suite #1201, New York, New York 10011, or another company on terms which are no more expensive or restrictive to the Board of Managers than those set forth below. Currently, the Sponsor's Managing Member holds a 100% ownership interest in the management company, although it is independently run by Baruch Hersh.

The proposed agreement will be for a term of three (3) years, commencing on the First Unit Closing Date. The fee for the First Year of Condominium Operation shall be $25,000, increasing by 5% annually thereafter. The Managing Agent's fees are payable by the Condominium in equal monthly installments.

The duties and services to be rendered by the Managing Agent and pursuant to the proposed agreement include, among others:

(a) cause to be hired, paid and supervised all persons necessary to be employed in order to properly maintain and operate the Building and cause to be discharged all persons unnecessary or undesirable;

(b) cause the Building to be maintained in such condition as may be deemed advisable by the Board of Managers and cause Repairs and alterations of the Building to be made, subject to the Declaration and By-Laws of the Condominium, except that the prior approval of one of the designated officers of the Board is necessary for an expenditure of over $5,000 for any one item of ordinary Repairs or alterations (excepting emergency Repairs, which do not require the prior approval of the Board of Managers);

(c) recommend and, with the approval of the Board of Managers, cause all such acts and things to be done in or about the Building as shall be necessary or desirable to comply with any orders or violations affecting the Building as a result of any federal, state or municipal authority having jurisdiction over the Building (except that if failure to comply with any such order or violation would or could expose the Board of Managers to criminal liability, the Managing Agent may cause such order or violation to be complied with after consultation, if feasible, with an officer of the Board of Managers);

(d) enter into contracts for electricity, steam, telephone, window cleaning, rubbish removal, security services and other essential services, except that any such contract having a term longer than two (2) years must be authorized by an officer of the Board of Managers;

(e) purchase at competitive prices all supplies and engage all repair persons as shall be necessary to properly maintain and operate the Building;

(f) advise the Board of Managers, in conjunction with an insurance broker, with respect to proper insurance coverage for the Building, its employees and occupants and, if requested by the Board of Managers, cause to be effected and/or maintained, in such amounts as the Board of Managers shall designate or approve, insurance that the Board of Managers elects to carry;

(g) check all bills received for services, work, and supplies ordered in connection with the maintenance and operation of the Building and pay or cause to be paid or forward to the Board of Managers for payment, as the Board of Managers may direct, all such bills and mortgage interest, mortgage amortization, water charges, sewer rent, assessments, real estate taxes and other taxes assessed against the Board of Managers or the Building as and when the same shall become due and payable;

(h) bill or cause the Unit Owners to be billed for Common Charges, rent or other charges and use its best efforts to collect same;

(i) maintain accurate sets of books for the Condominium (other than books of account to be maintained by the Condominium's accountants) and orderly files of rent records, insurance policies, leases, receipted bills and the like;

(j) consider and, when reasonable, attend to complaints of Unit Owners, provided that if it shall deem any complaint unreasonable, it shall so advise the Board of Managers and give reasons for its opinion;

(k) cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and forms relating to the employment of Building employees and maintenance and operation of the Building;

(l) render or cause to be rendered regular monthly statements setting forth the amounts collected during the previous month less disbursements made and the like;

(m) set up and keep in good order a separate, accurate income and operating expense statement (other than books of account maintained by the Board of Manager's accountants) and maintain orderly files containing rent records, insurance policies, and all other documents and papers pertaining to the Building or the operation thereof;

(n) cooperate with the Board of Manager's accountants with regard to the annual audit of the books of account of the Board of Managers and the preparation and filing on behalf of the Board of Managers of federal, state, city and any other income and other tax returns required by any governmental authority;

(o) submit a proposed operating budget to the Board of Managers forty-five (45) days prior to the end of the Board of Manager's fiscal year;

(p) provide a suitable meeting place for the Board of Managers, send notices, prepare agendas, and attend the annual meeting of Unit Owners;

(q) prepare, type and send out all letters, newsletters and reports as the Board of Managers may request and make available the reproduction facilities of the Managing Agent at an "out-of-pocket" charge;

(r) accept applications and references from all prospective Unit Owners and Tenants and prepare all necessary documents required for approval of same;

(s) ascertain the assessment of the land on which each Unit is located and the assessment of each Unit and report such assessments to the Board of Managers and, if applicable, assist in the preparation of an application for correction of same;

(t) if requested by the Board of Managers, coordinate and assist in the processing and negotiation of insurance claims for losses sustained by the Board of Managers;

(u) if requested by the Board of Managers, for any mortgage or unsecured financing procured for the Board of Managers through the efforts of the Managing Agent, the Board of Managers shall pay the Managing Agent a commission as may be previously negotiated and agreed upon;

(v) oversee and endeavor to obtain the compliance of all Unit Owners with their obligations under the By-Laws, Declaration and other Condominium policies;

(w) do all things reasonably necessary or desirable by the Board of Managers for the proper management of the Building; and

(x) have authority to prepare and secure signs to the Building with the Managing Agent's name thereon upon obtaining the Board of Manager's prior written consent.

The annual financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Board of Managers, whose fees are to be paid by the Board of Managers and charged to the Unit Owners as a Common Expense. However, after control of the Board passes to Unit Owners other than the Sponsor, the Board reserves the right to provide financial statements in a form reasonably satisfactory to the Board.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Board of Managers and charged to the Unit Owners as a Common Expense. In addition, the Board of Managers will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Board of Managers or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful misconduct.

The Board of Managers is required to obtain property, liability, director's and officers, workers compensation,and crime insurance (and such other insurance as is customary for comparable properties) naming the Managing Agent as an insured party (or, where applicable, an additional insured.)If crime insurance has not been provided, then the Managing Agent, at the Board of Managers' expense, may procure a fidelity bond in an amount up to a minimum of $100,000 exclusively for the benefit of the Condominium, with a surety company authorized to do business in the State of New York, to protect against loss incurred by the Condominium through any improper acts of the officers and employees of the Managing Agent. The cost of the bond is not included in the Common Charge estimate for insurance. Alternatively, the Board of Managers may procure crime insurance to protect the Condominium against similar improper acts.

The Managing Agent will receive a reasonable fee from the Unit Owner for services rendered in connection with processing each application for the sale of a Unit by a Unit Owner (other than the Sponsor), including other agreements necessary to properly effect the transfer of an interest in the Unit. The Managing Agent shall receive a reasonable fee for processing each application for the lease of a Unit by a Unit Owner (other than the Sponsor). Additionally, with the exception of Units owned by Sponsor, the Managing Agent shall receive a reasonable fee to process each application to renew the lease of a Unit to the same lessee, for coordinating and assisting with financing or refinancing of residential mortgages, and for processing alteration applications.

The Managing Agent will work in the best interest of the Condominium and its Unit Owners and will not engage in any sweetheart deals.

Sponsor represents that at the time of the First Closing there shall be no service contracts which will be binding upon the Condominium, other than the service contracts set forth in Schedule B.

28. IDENTITY OF PARTIES

SPONSOR. The Sponsor of the Offering Plan is BSP Spencer LLC, a New York limited liability company, with an office c/o Black Spruce Management LLC, 80 Fifth Avenue, Suite 1201, New York, NY 10011. The Manager of BSP Spencer LLC is Black Spruce Management LLC. Joshua Gotlib is the sole Manager and member of Black Spruce Management LLC and sole principal of the Sponsor. Mr. Gotlib is a real estate owner and investor. BSP Spencer LLC is wholly owned by Black Spruce Partners VII, LLC, which is also solely managed by Black Spruce Management LLC.

Neither Sponsor nor any principal of Sponsor have any prior felony convictions. Neither Sponsor nor any principal of Sponsor have any prior convictions, injunctions and judgments against them that may be material to the Plan or an offering No principal of Sponsor, who owns or controls ten percent (10%) or more equity interest in the Sponsor, has had any prior bankruptcies, convictions, injunctions or adverse judgments that may be material to the Plan or to an offering of securities generally, and specifically none have occurred within the last fifteen (15) years prior to the submission of the Plan. Neither the Sponsor nor any principal of the Sponsor has engaged in a prior condominium offering within the last five (5) years.

MANAGING AGENT. The Managing Agent is Nieuw Amsterdam Property Management, LLC a New York limited liability company with an office at 80 Fifth Avenue, Suite #1201, New York, New York 10011. The Managing Agent is an affiliate of the Sponsor. The Managing Agent has over five (5) years of experience in managing rental properties in the New York area. Currently, the Sponsor's Managing Member holds a 100 percent ownership interest in the management company, however, the company is independently run by Baruch Hersh.

The Managing Agent currently manages over a thousand (1,000) rental units located in Manhattan and Brooklyn, including the following representative list:

150 Union Avenue, Brooklyn, NY
416-418 West 23rd Street, New York, NY
1765 Townsend Avenue, Bronx, NY
454 West 22nd Street New York, NY
340 West 49th Street, New York, NY

The Managing Agent will work in the best interests of the Condominium and its Unit Owners and will not engage in any sweetheart deals.

SELLING AGENT. The Selling Agent for this offering is MNS, with its principal office located at 97 North 10th Street, 2C Brooklyn, New York 11249. The Selling Agent has more than fifteen (15) years' experience as brokers in the sale of condominium and cooperative units. The Selling Agent is licensed as a real estate brokerage firm in the State of New York. The principals of the Selling Agent have been engaged in the real estate brokerage business for over fifteen (15) years and have been actively associated with the sale of condominium and cooperative units and

buildings in Kings County and the surrounding areas. The Selling Agent has no financial interest in the Property, the Sponsor or the Condominium, or any other party interested in this transaction, except that it shall receive a commission for its services rendered in connection with sales of the Units. The Selling Agent has no felony convictions or prior convictions and no injunctions or judgments that may be material to this offering Plan.

ARCHITECT. Kossar + Garry Architects, LLP ("the Architect" or "KGA") drafted the "Description of Property and Building Condition" contained in Part II of the Plan and reviewed the building plans and specifications for the Units. The Architect has issued an architect's certification on the basis of that review and its own independent inspection of the Building and the Units. The Architect is a certified woman owned, multidisciplinary architectural firm based in New York City. KGA has successfully completed over 850 residential, commercial & educational projects, recently including: Boerum Place Apartments, a new construction 101,000 SF mixed-use condominium in Brooklyn, NY; Eagle Building, the conversion 40,000 SF from industrial storage facility to luxury condominiums in New York, NY, and The Kimberly, a 47,500 SF mixed-use luxury condominium in New York, NY. Its specialty includes new construction, conversion & rehabilitation of mixed-use towers, offices, retail, dorms & TV studios commissioned by private, public, government & institutional clients. The Architect has extensive experience providing accurate Building Descriptions for review by the Attorney General's office, filing of subdivision applications at the Department of Buildings, and preparing tax maps for the City Surveyor's office to ensure inter-agency coordination and comprehensive oversight of the condominium formation process. The Architect does not have any financial interest in the Property or in the Sponsor, except that it will be paid a fee for their services.

COUNSEL TO SPONSOR FOR OFFERING. The Sponsor has retained the law firm of Smith, Buss & Jacobs LLP, 733 Yonkers Avenue, Yonkers, New York 10704, to represent it in the preparation of the Offering Plan. Kenneth Jacobs, Esq. prepared the Declaration and the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium. Sponsor's Counsel is also the Escrow Agent for Deposits under the Plan. Counsel's role as closing counsel for the Sponsor will not affect its ability to act as Escrow Agent under the Plan.

No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by their own counsel in connection with this Offering.

The above-noted Counsel has no financial interest in the Property or the Sponsor, except that it will be entitled to a fee for its services.

29. SPONSOR'S PROFIT

The Sponsor acquired the Building on November 5, 2015 from Spencer Street Realty LLC. The Sponsor anticipates that it will make a profit on the conversion of the Property to condominium ownership.

30. REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium to give all Unit Owners annually:

(a) a financial statement of the Condominium prepared by an independent certified public accountant or public accountant by April 30th of each calendar year, which shall be certified while the Sponsor controls the Board of Managers;

(b) 10 to 50 days prior notice of the annual meeting of Unit Owners for the purpose of electing a Board of Managers, to be received in accordance with the By-Laws; and

(c) a copy of the proposed annual budget of the Condominium at least 15 days before the date set for adoption thereof by the Board of Managers.

31. DOCUMENTS ON FILE

In accordance with Section 352-e(9) of the General Business law, copies of this Plan and all other exhibits and documents referred to herein shall be available for inspection, at the Office of the Sponsor's Selling Agent, MNS with an address at 97 North 10th Street, Brooklyn NY 11249, and shall remain available for inspection for a period of six (6) years from the date of the First Closing.

32. GENERAL

A. As of the date of first presentation of the Offering Plan, neither the Sponsor nor the Selling Agent, or any representative, or agent thereof, has raised funds or made any preliminary offering or binding agreement to or with the Tenants, sub-tenants, or non-resident prospective Purchasers with respect to Units in the Building.

B. There are no lawsuits or other legal proceedings pending which would materially affect this Offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all its obligations under the Plan, the Condominium or the operation thereof.

C. The Property has not been the subject of any prior public offering.

D. The Sponsor reserves the right, from time to time prior to the First Closing, without obtaining the consent of Purchasers or others, to revise the terms and conditions on which Units are to be sold, including changes affecting the rights, obligations and liabilities of the Condominium, Purchasers or prospective Purchasers. However, the Sponsor may not unilaterally cancel an outstanding Purchase Agreement, except as therein provided in the case of an uncured default, nor unilaterally change the Total Price or the payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers of Units, reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded the full Deposit (with any interest earned thereon) within thirty (30) days after the presentation of the amendment. However, such rescission, as to Purchasers who first became Tenants of the Building after the Plan was originally presented, shall be conditioned on the cancellation of any Interim Lease and surrender of possession of their Units within ninety (90) days thereafter.

E. In the event of any inconsistency between the terms of this Plan (as same may be amended from time to time) and the terms and provisions of the Rent Laws, then to the extent that eligible Tenants are adversely affected by such inconsistency, the terms of the Plan (as same may be amended from time to time), shall be deemed to be in complete conformity with applicable Rent Laws (if any).

F. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein, must not be relied upon. This Plan does not knowingly omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein. The Sponsor will disclose any changes in material facts in a duly filed amendment to the Plan.

G. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.

H. No person has been authorized to make a representation which is not expressly contained herein. This Plan may not be changed or modified orally.

I. The Sponsor has not taken any money, entered into any Purchase Agreements, or taken any reservations for Units at the Premises, as of the date hereof.

J. Final Certificates of Occupancy were issued by the New York City Department of Buildings on December 15, 2008 for 175 Spencer and September 15, 2011 for 192 Spencer.

K. To the best of Sponsor's knowledge, except as set forth in the violation reports attached to the Description of Property and Building Condition (Exhibit D), the improvements to the Property comply with applicable state and local Building and/or Health codes.

L. The Architect's Report set forth in Part II does not contain any recommended repairs or replacements to be made at the Building.

33. SPONSOR'S STATEMENT OF BUILDING CONDITION

Attached as Exhibit D in Part II of the Plan is the Description of Property and Building Condition detailing the condition of the Building (the "Report"). Purchasers should review the entire Report for more information regarding the existing condition of the Building. The Sponsor hereby adopts the Description of Property and Building Condition set forth in Part II.

The Sponsor makes the following representations as to the description and condition of the land and its improvements by including in this Plan the following Report prepared by the architect: (i) the Sponsor represents that it does not know of any material defects or need for major Repairs or existing conditions in the Building, except as set forth in the Report; and (ii) to the best of the Sponsor's knowledge, the following Report accurately states the condition of the Building and its equipment (other than equipment in the Units, as to which Sponsor makes no representation). Any claim based on the Description of Property and Building Condition which relates to the land and Building shall be made and enforced only by the Condominium and not by a Unit Owner individually.

The Property is offered in its current condition as of the presentation date. Except where specific representations have been made with respect to renovations or improvements, Units are sold in "as is" condition. The Sponsor makes no representations as to whether any tenant has made changes to their Unit, or as to compliance of any such Unit with applicable building codes. If any such Unit becomes vacant, the Sponsor will cure such non-compliant conditions in connection with its "Planned Post-Vacancy Renovations," as described below.

Planned Post-Vacancy Renovations. As detailed in Special Risk #23, as Units become vacant, the Sponsor intends to renovate the Units in accordance with the floor plans annexed to Exhibit D and entitled "Planned Post-Vacancy Renovations." The renovations include updating the kitchen and bathroom equipment and fixtures and (in some cases), minor reconfiguration of interior walls to accommodate such renovations. The Sponsor reserves the right not to make such renovations to a particular Unit, though, unless it has reached agreement with a proposed purchaser as to the price and scope of work with respect to the Unit.

The architect's Description of Property & Building Condition describes both existing conditions and the characteristics of renovated Units if the proposed renovations are performed. The renovations will be made in accordance with the configurations indicated on the floor plans entitled "Planned Post-Vacancy Renovation" and annexed hereto in Exhibit D following the floor plans of existing Units. The schedule for the renovation work will be 9 a.m. to 5 p.m., Monday through Friday. Proper precautions will be taken to ensure minimal disruption to other

tenants and Unit owners. All contemplated renovations of units will be performed in accordance with the requirements of the Department of Buildings and applicable law.

Currently the Sponsor has no plans to perform any other material work at the Building other than the finishing work in the common areas described in the Description of Property and Building Condition in Part II and as described above.

Neither the Sponsor nor the Condominium will have any obligation to make any Repairs or improvements prior to the First Closing. The Sponsor will, however, operate and maintain the Building in its customary manner, until the closing date, excepting reasonable wear and tear and capital work or alterations other than ordinary maintenance which Sponsor is not expressly obligated to perform under other provisions of this Plan. If Sponsor cannot so maintain and operate the Building as a result of strikes, acts of God, lockouts, labor difficulties, riots, insurrection, the inability to obtain materials, equipment or labor, governmental restrictions, damage by fire or the elements or any other contingencies which Sponsor cannot reasonably control, Sponsor will, after such condition ceases, perform any work which it was required to do prior to the closing date. As of the date of this Plan, there are open violations on the Property, listed as Exhibit C to the Report. The Sponsor will have no obligation to cure the violations noted in the Report or any other violations that are of record against the Property as of the closing date.

BSP Spencer LLC
Sponsor

THE SPENCER STREET CONDOMINIUM

PART II

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PURCHASE AGREEMENT

THE SPENCER STREET CONDOMINIUM
175 and 192 Spencer Street
Brooklyn, New York 11205

Unit No.: ____		Percentage of Common Interest: _____%
Storage Bin (if applicable) _____		
Purchaser		Tel. No.
Address		Fax No.
		SSN:
Purchaser		Tel. No.
Address		Fax No.
		SSN:
Purchaser's Attorney		Tel. No.
Address		Fax No.
		Email:
Co-Broker (if any)		Tel. No.
Address		Fax No.
Purchase Price of Unit	$	
Storage License (if applicable)	$	
Down Payment	$	(Payable to "Spolzino, Smith, Buss & Jacobs, LLP - The Spencer Street Condominium Special Escrow Account")
Balance Due at Closing	$	

Statement of Seller. BSP Spencer LLC, with an address at 80 Fifth Avenue, Suite 1201, New York, NY 10011, a New York limited liability company ("Seller"), has promulgated a Plan of Condominium Ownership ("Plan") for The Spencer Street Condominium, Brooklyn, New York ("Condominium") pursuant to which the land, with appurtenances, and the units ("Units") owned by Seller, located in the City of New York, County of Kings, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser. Purchaser acknowledges as follows:

Purchaser has received and read a copy of the Plan and all filed amendments thereto. The Plan and amendments, which include the Declaration to be made by the Seller and to be recorded in the Office of the New York City Register, the schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

PURCHASER HAS HAD THE OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) DAYS.

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid City Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit");

Agreement Between Seller and Purchaser. For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. (a) Payment for Unit. Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above. The Down Payment stated above has been paid on the signing of this Agreement, receipt of which by check, subject to collection, is hereby acknowledged by Seller. The Balance Due at Closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified check of Purchaser, or teller's or cashier's check, drawn on a bank or trust company which is a member of the New York Clearing House Association, to the order of the Seller or as Seller may direct.

(b) [If applicable] Payment for Storage Bin. Seller agrees to sell and grant, and Purchaser agrees to purchase the right to use Storage Bin # __ for a purchase price of $_____, to be paid in accordance with the Rider attached to this Agreement as Exhibit C and simultaneously executed by Seller and Purchaser.

2. Acceptance by Seller. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or

(b) reject this Agreement offer and refund the down payment tendered by Purchaser. If Seller takes no action within the aforesaid twenty (20) day period the Purchase Agreement shall be deemed null and void and the down payment shall be returned.

3. Closing of Title. The closing of title shall take place on no less than thirty (30) days written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. The closing of title may be adjourned to such later date as the parties may agree upon in writing, or otherwise as set forth in the following paragraph, and the adjourned date shall then be deemed the Closing Date hereunder. Purchaser shall be entitled to one reasonable adjournment of up to thirty (30) days, on written notice by Purchaser to Seller given at least five (5) days prior to the Closing Date specified by Seller, subject to the provisions of Paragraph 7. However, Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph 18(a) herein. TIME WILL BE OF THE ESSENCE AS TO THE ADJOURNED CLOSING DATE.

The Seller shall be entitled to reasonable adjournments in the closing of title in the event of delays by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other requirements.

At the closing of title, Seller shall deliver to Purchaser a bargain and sale deed in the form contained in Part II of the Plan, with covenants against grantor's acts, conveying the Unit to Purchaser, executed and acknowledged by Seller in form for recording.

Title to the Unit will close only after, or concurrently with, the occurrence of the events set forth in "Conditions of Closing Title to Individual Units" in Section 16 of the Plan, entitled "Terms of Sale."

4. Power of Attorney to Board of Managers and Seller. At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers and the Seller in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller at the closing of title for recording and to pay the recording fee.

5. Limited Financing Contingency.

(a) If Purchaser is electing to obtain financing, the obligations of Purchaser hereunder are conditioned upon issuance on or before the 45th day after the date of this Agreement of a written commitment from either (i) First Republic Bank, 1230 Avenue of the Americas, 2nd floor, New York, NY 10020 Att: Scott van der Marck, Senior Managing Director [(212)-259-3630 (o); (631)-836-1800 (c)); or (ii) Chase Bank, 41-22 Bell Boulevard, Bayside, NY 11361, Att: Justin Keesey [718-614-5610.] ("Sponsor Designated Lender"), subject to the following conditions and limitations:

(i) The financing contingency is only applicable to mortgage financing of no more than eighty percent (80%) of the purchase price (or such lesser amount as Purchaser shall apply for) at the Sponsor Designated Lender's prevailing rate of interest and for a customary loan term, secured by a first mortgage on the Unit;

(ii) Purchaser shall apply to the Sponsor Designated Lender for such first mortgage loan within ten (10) days after the date of this Agreement;

(iii) Purchaser shall furnish accurate and complete information to the Sponsor Designated Lender relating to Purchaser, as required;

(iv) Purchaser shall pay all fees, points and charges required in connection with such application and loan; and

(v) Purchaser shall pursue such application with diligence, and generally cooperate in good faith with such Sponsor Designated Lender to the end of securing such first mortgage. Purchaser shall notify the Sponsor promptly of the name and address of any other lender to which Purchaser has given an application. Purchaser shall furnish Seller with a copy of such commitment promptly after receipt thereof. If Purchaser fails to obtain such a commitment from the Sponsor Designated Lender on or before the 45th day after the date of this Agreement, Purchaser shall have the right to cancel this contract by giving notice to Seller by the 50th day after the date of this Agreement. Upon cancellation, the Deposit and accrued interest shall be promptly refunded to Purchaser, and neither party shall have any further rights against, or obligations or liabilities to the other by reason of this Agreement. If Purchaser does not give such notice to Seller on or before the 50th day after the date of this Agreement or if Purchaser has not applied to the Sponsor Designated Lender, this Agreement shall not be terminated by virtue of this paragraph and the Agreement shall remain in full force and effect, except that Purchaser's right to cancel under this Paragraph shall be deemed waived. A mortgage commitment conditional upon the Purchaser's selling any property that Purchaser owns, the liquidation or reduction of any existing installment debt prior to closing, or the furnishing of documents and information reasonably available to Purchaser, shall be deemed a firm mortgage commitment which satisfies the limited financing contingency clause in this Agreement.

(b) If Purchaser obtains a financing commitment from the Sponsor Designated Lender and the commitment lapses or expires before the date established by the Seller as the closing date through no fault of Purchaser, Purchaser shall make a good faith effort to extend the commitment, including payment of a reasonable and customary extension fee to the Lender and acceptance of changes in the interest rate to reflect prevailing market conditions. If the Lender is unwilling to extend the commitment on those terms, Purchaser shall have the right to cancel this Agreement by notice given to Sponsor within ten (10) days after receiving the Sponsor Designated Lender's notice of refusal to extend the commitment. In case of cancellation, the applicable provisions of subsection (a) shall apply.

(c) **Use of the Sponsor Designated Lender is not required to purchase a Unit or to obtain financing. A Purchaser may choose any lender to provide financing for the purchase of the Unit.** However, if Purchaser uses a lender other than the Sponsor Designated Lender, no financing contingency will apply to this Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's existing mortgage financing lapses or is canceled.

6. Condition of Title.

(a) Seller agrees to convey to Purchaser title in fee simple to the Unit, free and clear of all liens and encumbrances other than those set forth in the Plan (specifically in Part I thereof in the section titled "Terms of Sale") and Exhibits submitted in connection therewith. Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

(b) Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage now or hereafter encumbering the Property thereon, and any payments or expenses which at any time were or may be incurred pursuant to the terms thereof, incidental thereto or to protect the security thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply whether such lien is voluntary or involuntary and whether made in accordance with the loan documents or accelerated thereunder by virtue of lender's rights to make advances in the event of a default by Sponsor. However, at closing the Unit will be conveyed free and clear of all mortgage liens.

7. Expenses of Closing and Closing Adjustments.

(a) Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments," including, without limitation, the following:

(i) fee title insurance;

(ii) deed, power of attorney and any mortgage recording fee;

(iii) mortgage costs chargeable by the lender, mortgage title insurance, and mortgage taxes (including a reimbursement to the Seller for 50% of the mortgage tax savings resulting from the assignment of Seller's existing mortgage to Purchaser as per subsection (d) below);

(iv) two (2) months of common charges for the working capital fund (unless the Sponsor has previously made such contribution, in which case payment shall be made to the Sponsor);

(v) attorneys' fees of Seller (as detailed in the Plan), Purchaser and Mortgage Lender (if any);

(vi) New York State and New York City real property transfer taxes attributable to the transfer of the Unit, as described in the Plan;

(vii) Escrow for real estate taxes payable with respect to the Unit for the next tax payment period following the Closing Date; and

(viii) If the purchase price of the Unit exceeds $1,000,000, an additional New York State tax due under Article 31 of the Tax Law, which currently provides for a tax equal to one percent (1%) of the purchase price for purchases costing less than $2,000,000 (with increases for purchases costing $2,000,000 or more).

Purchaser should refer to Section 17 of the Plan for a detailed description and calculation of the estimated closing costs and adjustments to be borne by Purchaser.

(b) If Purchaser adjourns the Closing, the Purchaser will be liable for all common charges and real estate taxes assessed against the Unit from and after the scheduled closing date; and interest on the purchase price at the rate of twelve percent (12%) per annum from the scheduled closing date until the actual closing date to reimburse the Sponsor for its lost opportunity costs with respect to the unpaid purchase price.

(c) Except as otherwise provided in this agreement, real estate taxes and Common charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of Two Hundred ($200.00) Dollars will be paid by certified check or bank check.

(d) Upon request made by the Purchaser and received by the Sponsor at least fourteen (14) days before the scheduled Closing Date, the Sponsor will seek the approval of its current mortgage lender (the "**Existing Mortgage Lender**") to sever the portion of the Existing Mortgage that encumbers the Unit from the balance of the Existing Mortgage, and to assign the severed mortgage (the "**Severed Mortgage**") to Purchaser's lender at closing. Assuming the Existing Mortgage Lender consents, the Severed Mortgage will be assigned subject to the following conditions: (i) Purchaser will pay all fees charged by the Existing Mortgage Lender to effect the assignment; (ii) Sponsor will receive a credit at closing equal to 50% of the mortgage tax that would otherwise be paid by Purchaser but for the assignment of the Severed Mortgage; and (iii) the legal fees of Sponsor's closing counsel will be increased by $750. Purchaser will be responsible for any recording charges or other charges from its lender in connection with the assignment. If the Existing Mortgage Lender does not consent, then the Unit will be released from the lien of the Existing

Mortgage at closing, but the Purchaser will be responsible for the entire mortgage tax payable for the Purchaser's mortgage (if any).

8. Default by Purchaser.

(a) If Purchaser shall fail to pay any portion of the purchase price when due; fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 3 hereof; fail to perform any of Purchaser's other obligations hereunder; or if any of Purchaser's representations in this Agreement shall be untrue in any respect, Purchaser shall be in default, and Seller may send a notice to Purchaser to cure the default within thirty (30) days. If within the thirty (30) day period Purchaser shall fail to cure the default, Seller, at its option, may cancel this Agreement by notice of cancellation to Purchaser. If Seller shall elect to cancel this Agreement, Seller shall certify to its counsel that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof. Counsel shall thereupon pay over to Seller as liquidated damages the Down Payment and the interest earned thereon, if any. Upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Agreement shall be canceled by Seller, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Counsel may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

(b) TIME IS OF THE ESSENCE AS TO PAYING THE BALANCE DUE, AND AS TO CURING ALL DEFAULTS WITHIN ANY GRACE PERIODS GRANTED HEREUNDER. FAILURE TO MAKE A PAYMENT WITHIN THE GRACE PERIOD AFTER A PURCHASER IS CALLED UPON TO MAKE SUCH PAYMENT MAY RESULT IN LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE PURCHASE AGREEMENT. Purchaser should consult his or her own attorney prior to executing a Purchase Agreement.

(c) In the event of an uncured default by Purchaser in his or her obligations under the Purchase Agreement, no more than ten percent (10%) of the purchase price, plus any interest earned thereon and the cost of any special work performed for the Purchaser, may be retained by Seller as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No down payment or other monies shall be released pursuant to an uncured default by Purchaser before the First Unit Closing.

9. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed canceled, and the plan terminated and not later than forty-five (45) days thereafter, all monies paid by Purchaser hereunder shall be refunded in full, and upon such repayment no party shall have any claim against any other party, person or entity,

and all parties shall be released from all obligations hereunder and under the Plan. Seller may cancel this agreement if any of the following occur: (a) any government bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution, or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction or completion of the dwellings; or (b) Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed. If Seller elects at any time to cancel this agreement pursuant to any rights granted under the Plan, Seller's cancellation shall be effective by forwarding its check in the full amount paid by the Purchaser and interest earned, together with a notice in writing, addressed to the Purchaser at his or her address set forth on page 1.

10. Agreement May Not Be Assigned. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller.

11. Survival. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

12. No Representations. Except as specifically set forth herein or in the Plan, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, representations, warranties or statements of any nature, whether made by Seller, the Selling Agent, Seller's Counsel, or otherwise, including, but not limited to, any relating to the description or physical condition of the building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated Common Charges and expenses allocable to the Unit, the availability of any tax benefits, or the right to any income tax deduction on account of any real estate taxes or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the building are not accurate or correct provided such layout or dimensions conform to the floor plans and the architectural plans and specifications for the building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error.

13. Recording of Deed and Power of Attorney. At the closing of title, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the City Register, County of Kings. Such deed and power of attorney will be in the forms annexed hereto (and made a part hereof) as set forth in Part II of the Plan.

14. Binding Effect. This agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the

provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

15. Monies to be Held in Trust, Payment of Purchase Price; Notice of Closing.

(a) The required down payment pursuant to this Agreement will be ten percent (10%) of the purchase price for the Unit as set forth in the Plan, as amended. Spolzino, Smith, Buss & Jacobs, LLP is the escrow agent under this Agreement ("Escrow Agent"). All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited with The Westchester Bank, 2001 Central Avenue, Yonkers, New York 10710, in an account or accounts entitled "Spolzino, Smith, Buss & Jacobs, LLP - Attorney Trust Account for the Spencer Street Condominium" or similar name, which account or accounts shall be interest-bearing for the benefit of the Purchaser in accordance with Section 71-a(3) of the Lien Law. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2)(b) of the New York General Business Law, and Regulations, if any, promulgated pursuant to said Section 352-e(2)(b). Such funds will be disbursed only upon the signature of Counsel for the Sponsor as follows: (i) to Seller if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the Plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is cancelled (without default by either party) in accordance with its terms. Down payments, with any accumulated interest, shall remain the property of the Purchaser except as provided by law.

Down payments will be retained in the Escrow account as set forth above until: (i) Seller performs under the terms of the Purchase Agreement; (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Seller; (iii) release or discharge of Seller's liability to refund such down payment; (iv) upon transfer of title to the Unit to the Purchaser; or (v) by mutual consent of Seller and Purchaser.

The parties acknowledge that the Escrow Agent for the down payment is also counsel for the Sponsor. Purchaser agrees that in case of any dispute relating to the disposition of the down payment, counsel for the Sponsor may continue to represent the Sponsor.

(b) Simultaneously with the execution of this Purchase Agreement, Purchaser shall execute the Escrow Agreement designated as Exhibit G in the Plan. Seller will return a fully executed Escrow Agreement to Purchaser simultaneously with delivery of the fully executed Purchase Agreement. The provisions of the Escrow Agreement are incorporated into this Agreement as if set forth in full herein. In the event of any conflict between the Escrow Agreement and the provisions of this Agreement, the Escrow Agreement shall prevail.

16. Equipment and Furnishings. For the Purchaser who is purchasing a vacant Unit, Seller will provide such Purchaser only with fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office that are not referred to in the Plan are excluded from this sale unless specifically

included by a rider to this Purchase Agreement. The cost of any such special items will be an addition to the purchase price. In all other respects, Section 18 shall apply.

17. Acceptance of Condition of Unit; Risk of Loss.

(a) Purchaser shall accept title without abatement in or credit against the purchase price, and without provision for escrow, notwithstanding that Seller may not have completed construction or renovation of (i) minor details of the Unit or the Building; (ii) another Unit; or (iii) portions of the Common Elements that do not materially affect Purchaser's access to and use of the Unit.

(b) (i) The risk of loss from fire or other casualty with respect to each Unit shall remain with Seller until the closing of title, but without any obligation or liability by Seller to repair or restore any Unit. In case of damage or destruction of a Unit due to fire or other casualty prior to the closing, Seller will have the right to elect whether to repair or restore the Unit, which election shall be in the Seller's sole discretion. If the Seller elects to restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the purchase price for the Unit. In that event the Seller shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Seller. If the Seller elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium but before closing of title to the Unit) the Board of Managers elects not to restore the common elements of the Condominium, the Purchase Agreement shall be deemed cancelled, the Seller shall return to Purchaser all sums deposited thereunder (together with interest), and the parties shall have no further liability to each other. Purchaser may nullify such cancellation (provided the damage relates solely to an individual Unit and does not affect the common elements of the Condominium) by notice given within 10 days thereafter, agreeing to take title subject to the damage without abatement or reduction in the purchase price, but with an assignment of all insurance proceeds allocable to the repair of the Unit. In that case, at closing the Seller shall assign to the Purchaser all insurance proceeds allocable to the Unit and the Seller shall have no further responsibility to repair the Unit. The foregoing rights apply only if Purchaser is not in default. If Purchaser is in default under the Purchase Agreement at such time, the Purchaser may not nullify the Seller's option to cancel and the Seller may retain all sums paid as liquidated damages.

(ii) Notwithstanding part (i), if Purchaser enters into actual possession of a Unit prior to the closing of title, the Purchaser shall bear the risk of loss or other casualty with respect to any alterations or improvements made by or for the benefit of Purchaser, and any personal property of Purchaser within the Unit, from and after the date of possession.

18. Inspection, Condition of Units. Units are being sold in "**AS IS**" condition as of the date of this Purchase Agreement. Sponsor shall have no obligation to repair or improve the Unit, any portion of Property, or the appliances, equipment, or fixtures attached to or used in connection with the Unit or the Property.

19. Possession of Unit Prior to Closing. If the Unit is vacant, it is expressly understood and agreed that the Purchaser shall in no event take possession of the unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser, whether same is delivered to the property before, on or after the closing of title herein.

20. Limitation of Seller's Liability. Except as may otherwise be required by law, the Seller's liability under this agreement for failure to complete any portion of the Unit or Building, or deliver title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the Unit marketable or to cure any objection to title.

21. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person is purchasing the Unit, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. Amendment of Purchase Agreement. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the selling agent described in the "Identity of Parties" section of the Plan ("Selling Agent") and the agent(s) set forth on page 1 of this Agreement (if any). Purchaser hereby agrees to indemnify, defend and hold harmless Seller, the Selling Agent, and their respective agents, counsel and employees, from any claims by any other broker that alleges that it has dealt with Purchaser in connection with the purchase of the Unit.

26. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York.

In witness whereof, each party has signed this Agreement.

Dated: _____

_____
Purchaser

_____
Purchaser

Accepted: BSP Spencer LLC

By: Black Spruce Management LLC, its Manager

By: _____
Josh Gotlib, Sole Manager and Member

Dated: _____

EXHIBIT A

Affidavit of Bona Fide Tenant Purchaser For Purposes of Declaring Offering Plan Effective

Name of tenant Purchaser[s]: _____

Re: The Spencer Street Condominium, 175 and 192 Spencer Street, Brooklyn, New York

AG File No. CD18-0448

Unit No. _____

Purchase Price: $_____

Down Payment: $_____

STATE OF NEW YORK _____)
: SS.:

COUNTY OF _____)

I/We, a purchaser[s] under the offering plan for the above-referenced condominium, 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 § 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;

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, 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]

_____
[Tenant Purchaser]

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 tenant Purchaser[s]: _____

Re: The Spencer Street Condominium, 175 and 192 Spencer Street, Brooklyn, New York

AG File No. CD18-0448

Unit No. _____

Purchase Price: $_____

Down Payment: $_____

STATE OF NEW YORK _____)
: SS.:

COUNTY OF _____)

I/We, a purchaser[s] under the offering plan for the above-referenced condominium, 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 § 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 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;

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, 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]

_____

Sworn to before me this _____

day of _____, 20_____

_____

NOTARY PUBLIC

EXHIBIT B

SMOKING POLICY

In accordance with NYC Local Law 147, smoking shall be prohibited everywhere else in the Building including, but not limited to, the indoor and outdoor common areas of the Building including, but not limited to, the laundry room, roof deck, the roof, the passenger elevator, the stairwells, any area of the basement, the hallways of any and all floors, the lobby, and within 25 feet of the building entrance or of any operable openings or air intakes. Smoking shall be permitted within individual Units, but no smoke shall be allowed to exfiltrate into other Units or into common areas. Nothing in this section shall relieve individual Unit Owners from liability for nuisance or negligence in connection with smoking within an individual Unit. No owner shall smoke, or permit smoking by any occupant, agent, tenant, invitee, guest, friend, or family member anywhere smoking is prohibited at the Building.

Smoking is in violation of this rule shall constitute violation in the form of a nuisance pursuant to the terms and provisions of the Condominium's governing documents. Smoking shall include carrying, burning, or otherwise handing or controlling any lit or smoldering product containing tobacco, or cloves, or marijuana, or any similar plant product or using a similar type of lighted, smoldering or vapor-producing product in any manner or form, including but not limited to cigarettes, cigars, pipes, e-cigarettes or vaping apparatus.

a. Violations of this rule will be enforced as follows:
b. $250.00 First Offense;
c. $500.00 Second Offense; and
d. $1,000.00 Each Offense thereafter.

If a Unit Owner smokes or allow others to smoke in its Unit or elsewhere in the Building, the Unit Owner is responsible for ensuring that the smoke does not affect its neighbors or infiltrate any other parts of the Building. (Unit Owners should be proactive and take steps to mitigate the possibility of second hand smoke becoming a problem.) If a Unit Owner fails to do so and the Board of Managers or managing agent receives a complaint about smoke emanating from an apartment, the Unit Owner will be notified and required to immediately address the problem. If the Unit Owner fails to promptly and permanently resolve it, the Unit Owner will then be required, at a minimum, to take the following measures:

(i) Install a silent room air purifier (clean-air delivery rate (CADR) of 300 or better) in each and every room in which smoking occurs and it must be USED while smoking and for at least 1 hour after smoking;
(ii) Install insulating gaskets for all outlets and light switches;
(iii) Caulk all baseboards in rooms adjacent to neighboring apartments;
(iv) Install a door sweep on the front door to the apartment and the service door;
(v) Provide documentation to building management that items (i)-(iv) above have been satisfied; and

(vi) Allow building staff to timely inspect the apartment and perform such tests as the board may deem advisable to confirm that smoke from your apartment is not infiltrating other apartments and/or other areas of the building.

If the above steps are not sufficient to resolve the problem and the Board has the legal obligation with or without the Unit Owner's cooperation to implement such other measures as it deems necessary to effectively and permanently remediate the condition at the owners cost & expense. Violation of this rule shall be considered to be objectionable conduct by the Unit Owner and a violation of the House Rules. The Board will take legal action as a result of any such violation, as permitted in the By-Laws and Declaration.

EXHIBIT C

RIDER TO PURCHASE AGREEMENT
RE: STORAGE BIN LICENSE

This Rider is made as of _____ , 201_ between Sponsor and Purchaser.

Re: Unit _____("Unit")
Spencer Street Condominium
___ Spencer Street
Brooklyn, NY 11205

LICENSE

A. Sponsor agrees to sell and grant, and Purchaser agrees to purchase a license to use Storage Bin # __ for a purchase price of $_____ The Storage Bin License to use the Storage Bin 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 down payment due in connection with the purchase of the Storage Bin License (the "Storage Bin Deposit").

C. Upon issuance of the Storage Bin License, Purchaser shall pay to Sponsor the balance of the purchase price allocable to the Storage Bin License in the amount of $ ___ _

D. Upon issuance of the Storage Bin License, Purchaser shall pay to Sponsor's Counsel the sum of $500 to reimburse Sponsor for a portion of its attorney processing fees in connection with the issuance of each Storage Bin License.

E. Purchaser shall be responsible for the payment of transfer taxes or other taxes, if any, that are payable in connection with the issuance of the Storage Bin License.

DAMAGE TO THE STORAGE BINS

If there is a fire or other casualty to the Storage Bins 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 Unit only. In such event, any deposit therefore paid hereunder in respect of the Storage Bin License shall be refunded to Purchaser.

SPONSOR'S RIGHT TO SUBSTITUTE STORAGE BINS

At or prior to delivery of the Storage Bin License to Purchaser, Sponsor hereby reserves the right, with or without prior notice to Purchaser, to substitute the Storage Bin designated in Paragraph A above (the "Original Storage Bin") for an alternate Storage Bin (the "Substituted

Storage Bin"), provided that such Substituted Storage Bin is equally sized or larger than the Original Storage Bin and provided further that any monthly license fees payable by Purchaser to the Condominium in connection with such Substituted Storage Bin are comparable per square foot to those payable in connection with the Original Storage Bin. Any exercise of Sponsor's rights to designate a Substituted Storage Bin hereunder shall not result in an increased Storage Bin Deposit or purchase price hereunder and shall not afford Purchaser any abatement in purchase price or excuse Purchaser from its obligations hereunder.

CROSS DEFAULT

A default by Purchaser under this Rider shall constitute a default under the Agreement for the Unit and any other default by Purchaser under the Agreement for the Unit shall constitute a default under the Rider entitling Sponsor to those default remedies as more fully described in the Agreement and the Plan. Notwithstanding an earlier closing of title with respect to the Unit, the provisions of the Agreement with respect to the delivery of the Storage Bin License shall survive. If for any reason the closing of title with respect to the Unit does not occur, there shall be no issuance of the Storage Bin License to the Purchaser and this Rider shall have no further force or effect except that to the extent the Purchaser is entitled to have its Deposit refunded, then the Purchaser shall also be refunded the Storage Bin Deposit.

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.

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.

FULL FORCE & EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Agreement remain unchanged and in full force and effect.

[Balance of Page intentionally left blank]

In witness whereof, each party has signed this Rider.

Dated: _____

_____
Purchaser

_____
Purchaser

Accepted: BSP Spencer LLC

By: Black Spruce Management LLC, its Manager

By: _____
Josh Gotlib, Sole Manager and Member

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POWER OF ATTORNEY

I (we) _____, residing at _____ the owner(s) of Condominium Unit No. _____ in the Condominium known as the The Spencer Street Condominium ("**Condominium**") covering the property located in the City of New York, County of Kings, do hereby irrevocably nominate, constitute and appoint the following as my (our) true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution in my (our) name and on my (our) behalf pursuant to the plan of Condominium ownership evidenced by the Declaration and By-Laws filed with respect to the Condominium (but subject to Part III below):

I. The members of the Board of Managers of the Spencer Street Condominium ("**Condominium Board**") and their successors, jointly, to (1)(a) vote on, exercise or waive any right of first refusal to purchase a Unit available to the Condominium under the By-Laws of the Condominium, subject to any other limitations contained in the By-Laws, or (b) acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same or whose owner desires to sell the same or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale at such price and on such terms as my (our) said attorney-in-fact shall, in their sole discretion deem proper; and thereafter to convey, sell, lease, sublease, mortgage, or otherwise deal in such Condominium Unit so acquired at such terms as my (our) attorney-in-fact may in their sole discretion determine granting to my (our) said attorney-in-fact the power to do all things in the said premises which I (we) could do if I (we) were personally present; (2) to vote on, execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Zoning Board and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, rehabilitation, alteration, repair or restoration of the Condominium, or (b) any consent, covenant, restriction, easement or declaration, or (c) any amendment to the Declaration of Condominium or By-Laws affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate; (3) to file applications and protests (or employ persons to do same) in my (our) name and stead with respect to the assessed valuation of my (our) Unit, and to execute all documents and pay all costs in connection therewith; (4) to borrow funds to repair the Common Elements pursuant to Real Property Law Section 339-jj; or (5) to act as my agent and my attorney-in-fact on my behalf, at my expense, to take such action against any tenant or occupant of my Unit, including (but not limited to) maintaining summary proceedings for eviction or engaging in other litigation, as the Condominium Board may deem necessary in order to protect the interests of the Condominium if (a) such tenant or occupant remains in possession of the Unit after any lease or occupancy for the Unit has been terminated or expires; or (b) such tenant or occupant violates the terms of the Condominium Documents or any lease or occupancy agreement between myself and such tenant or occupant. In addition, notwithstanding anything to the contrary contained herein, no exercise of the above Power of Attorney by the Board shall

adversely affect the rights or privileges granted to the Sponsor or the Commercial Unit Owner without their written consent.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorney-in-fact.

II. BSP Spencer LLC, its officers, directors, successors and assigns, severally ("**Sponsor**") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

(1) Amend from time to time the Declaration, By-Laws and the Rules and Regulations of said Condominium, or any of said documents, when such amendment shall be required (a) to reflect any changes in Unsold Units or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor in accordance with the Declaration; (b) to make non-material changes in the Condominium Documents that are required to correct technical errors in the Condominium Documents, to conform them to legal requirements, or to correct discrepancies (as of the date of recording of the Declaration of Condominium) between the provisions of the offering plan under which the Condominium Units were originally offered and the Condominium Documents; or (c) by (i) an institutional lender as a condition of making a mortgage loan secured by a mortgage on any Unit, (ii) any governmental agency having regulatory jurisdiction over the Condominium, or (iii) any title insurance company in order to insure title to any Unit;

(2) Execute any documents that may be required to be filed with the City of New York in order to complete construction or alteration of the Common Elements of the Condominium or to make an alteration to an Unsold Unit permitted under the Declaration and By-Laws of the Condominium, or to fulfill the Sponsor's obligations under the Offering Plan pursuant to which my Unit was originally offered for sale, including execution of such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration;

(3) Cause the Board of Managers and all of the Unit Owners and their successors and/or assigns, to take such action, and/or to execute, acknowledge, deliver and record on their behalf such instruments and documents (including, but not limited to deed(s), lease(s), zoning lot agreement(s), declaration(s), lot line window declaration(s) and/or grant(s) of any such Unit Owner's and the Board's interest, if any, in any floor area development rights allocated to the Property ("**Air Rights**")) for the purpose of (i) confirming the rights of the Sponsor to cause any transfer or allocation of Air Rights on behalf of the Condominium, and for the Sponsor to receive all consideration for causing such transfer; (ii) effectuating the conveyance, transfer, assignment or surrender of such rights by the Condominium and its Unit Owners; and (iii) making any amendment to the Condominium Declaration which the Sponsor deems necessary or appropriate to effectuate its rights described above.

III. Limitations on Power of Attorney Given to Board of Managers and Sponsor.

Unless the undersigned shall consent thereto by giving written consent or joining in the execution of such document, nothing in this Power of Attorney shall entitle the attorney-in-fact to (x) change the boundaries, voting rights or Common Interest of the undersigned's Unit, (y)

require a material, physical modification to the undersigned's Unit, or (z) adversely affect the priority or validity of the lien of any mortgage held by an institutional lender covering the undersigned's Unit.

IV. Unanimous Consent. The holder of this Power of Attorney is authorized to give consent to an act permitted hereunder as part of a "Unanimous Consent of Unit Owners in Lieu of a Meeting," subject to any other limitations contained herein and in the Declaration and By-laws of the Condominium.

This power of attorney is coupled with an interest and is irrevocable.

IN WITNESS WHEREOF, I (we) have hereunto set my (our) hand(s) and seal this _____ day of _____, 20___.

_____
Purchaser

_____
Purchaser

STATE OF NEW YORK)
)SS.:
COUNTY OF _____)

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
)SS.:
COUNTY OF _____)

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
NOTARY PUBLIC

UNIT DEED

THIS INDENTURE made the _____ day of _____, 202___ between BSP SPENCER LLC ("Grantor") a limited liability company existing under the laws of the State of New York having a place of business 80 Fifth Avenue, Suite 1201, New York, NY 10011, and _____ ("Grantee").

WITNESSETH:

That the Grantor, in consideration of Ten Dollars ($10.00), lawful money of the United States and other good and valuable consideration, paid by Grantee, does hereby grant and release unto the Grantee, their heirs and successors and assigns of the Grantee forever,

The Condominium Unit (the "Unit") known as Unit No.___ in the buildings designated as THE SPENCER STREET CONDOMINIUM in 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 "New York Condominium Act") dated _____ recorded in the Office of the Register of New York County (the "Register's Office") under CRFN _____, and also designated as Tax Lot ____ in Block _____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of said buildings certified by _____ R.A., Architect, and filed with the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____, and also filed in the City Register's Office on _____ as Map No._____. The premises within which the Unit is located (the "Property") is more particularly described in Schedule A attached hereto and made a part hereof.

TOGETHER with an undivided _____% in the common elements of the Condominium to said premises. Together with the appurtenances and all the estate and rights of the Grantor in and

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, and regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded or filed simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded or filed in the Office of the City Register of the County of New York, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited at length herein.

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, the heirs or successors and assigns of the Grantee forever.

AND the Grantor covenants that the Grantee has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the Grantor, in compliance with Section 13 of the Lien Law covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

By acceptance of this deed, Grantee ratifies the provisions of the Declaration and the By-laws of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the New York City Register, County of New York, and to comply with the Rules and Regulations of the Condominium.

The use for which the Unit is intended is that of residential occupancy subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance was authorized by a vote of the holders of two thirds of the membership interest of the Grantor a meeting duly noticed and called for that purpose.

The word "party" shall be construed as if it read "parties" whenever the sense of the indenture so requires.

IN WITNESS WHEREOF, the Grantor has duly executed this deed and the Grantee acknowledges this deed, on the day and year first above written.

Grantor: **BSP Spencer LLC**

By: Black Spruce Management LLC, its Manager

By: _____
Josh Gotlib, Sole Manager and Member

Grantee:

_____

_____

STATE OF NEW YORK)
)SS.:
COUNTY OF NEW YORK)

On the ____ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared Joshua Gotlib, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
)SS.:
COUNTY OF NEW YORK)

On the ____ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
)SS.:
COUNTY OF NEW YORK)

On the ____ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
NOTARY PUBLIC

SCHEDULE A
PROPERTY DESCRIPTION

[TO BE INSERTED]

Architect's Report
175/192 Spencer Street
Brooklyn, New York 11205

I. Introduction

This report contains a detailed description of two buildings: 175 Spencer Street and 192 Spencer Street, located in Brooklyn, New York. These mid-rise residential buildings were designed and documented by Kossar + Garry Architects, Matthew K. Bendix PE PC Consulting Engineers (Mechanical Engineers), and Robert Silman Associates PC (Structural Engineers).

Plans were approved by the NYC Department of Buildings in 2005 (192 Spencer St.) and 2006 (175 Spencer St.). Certificates of Occupancy were issued by the NYC DOB on December 15, 2008 and September 15, 2011, respectively.

II: 175 Spencer Street – Building Description

The project consists of two six story structures in Brooklyn, known as 175 Spencer Street. The building is of residential use (Use Group 2). 175 Spencer Street's first floor includes a lobby, four (4) apartments with Accessory Use Cellar, and a trash compactor room. The second and third floors consist of eight (8) one-bedroom apartments without private terraces. The fourth floors consists of seven (7) one-bedroom apartments. Two of these have access to a private terrace. The fifth floor has six (6) units. Two of these have access to a private terrace. There are two (2) apartments on the sixth floor. Both have access to a private terrace. The sixth floor also has a common terrace.

(a) Location and Use of Property

The property is located at 175 Spencer Street, on Block 1763 and Lot 24 in the borough of Brooklyn. The subject property is located within an R-6 Zoning District as indicated on Zoning Map 17a. As per the zoning resolution, multiple dwellings are considered Use Group 2. In the R-6 Zoning District, Use Group 2 is permitted. This building complies with all applicable zoning and use requirements in place at the time of its construction.

(b) Status of Construction

As per the 1968 NYC Building Code, the building is a Class 1-D Non-combustible structure, which includes buildings and spaces in which the bearing walls and other major structural elements are generally of one-hour fire resistant rated construction. The plans for construction were approved by the Department of Buildings (DOB) as a New Building, under Job No. 302205726, on November 20, 2006. Construction began on February 9, 2007. A Final Certificate of Occupancy, no. 302205726F, was issued by NYC DOB on September 15, 2011.

The building located at 175 Spencer Street complies with Quality Housing regulations in place at the time of DoB approval. See below list, excerpted from the drawings.

Architect's Report
175 Spencer Street
Brooklyn, New York 11205

28-12 street trees as illustrated on the first floor plan:
Minimum of 3-1/2" caliper
Minimum one tree per 25' of street frontage
Total front age = 218'-6"
135'-0" / 25 = 5.40, 83'-6"/25 = 3.34
8 trees provided

28-21 minimum permitted dwelling unit size, 400 sf
Minimum proposed dwelling unit size: 634 sf

28-22 all windows are double glazed

28-23 storage of refuse will be contained within the building:
Residential compactor room shall be located in the cellar
Minimum permitted refuse disposal room per floor, 12 sf
Actual area refuse disposal room per floor: 17 sf
Refuse disposal room has a container for recycling materials
Deduction taken = 12sf per floor x 6 = 72sf

28-24 laundry facility is within each apartment

28-25 this building takes the floor area credit for daylight in corridors

28-31 minimum required recreation space ratio: 0.033
Proposed zoning floor area: 26,410 sf
Minimum required recreation space: 857 sf
Proposed recreation space:
Communal terrace: 1,156sf
1,156sf > 857sf

28-32 all recreation space is accessible to all residents of the building.
Permitted minimum dimension of recreation space: 15'-0" proposed minimum dimension of recreation space: 16'-7"
Outdoor recreation space must be open to the sky
Interior recreation space must have one exterior wall with minimum window area equal to 9.5% of the space's floor area

28-33 except at the building entry. The area between the lot line and the building street wall is occupied by sunken planting beds

28-41 permitted maximum number dwelling units per corridor: 11
Actual number dwelling units per corridor 8 @ 2nd & 3rd floors, fewer on floors above.
This building takes the floor area credit for density in corridors

28-50 minimum required parking space ratio: 0.5
Proposed number dwelling units: 35
Minimum required parking spaces: 18
Proposed number parking spaces: 18

28-51 open accessory off-street parking shall be screened from residential units, adjacent, lots, and streets

28-53 accessory parking shall not be permitted between street line and building street wall

The below table illustrates the active jobs filed under BIN No. 3397891 at the time of this writing. Jobs will be closed out as quickly as construction permits, but no later than December 31, 2021.

JOB #	FILE DATE	JOB TYPE	JOB STATUS	STATUS DATE
321962097	6/4/2019	A2	PERMIT-PARTIAL	7/16/2019
INTERIOR RENOVATION INCLUDING PLUMBING WORK AS PER PLANS FILED HEREWITH. NO CHANGE IN USE, EGRESS OR OCCUPANCY.				
321950689	5/17/2019	A3	PERMIT-ENTIRE	5/17/2019
FOAM STUCCO AS PER PLANS FILED. NO CHANGE IN USE, EGRESS OR OCCUPANCY				
320880374	11/27/2013	A2	DISAPPROVED	3/9/2015
FACADE RESTORATION, WATERPROOFING FACADE AND UNDER SHEET METAL CLADDING AT SPANDRELS AS PER PLANS FILED. NO CHANGE IN USE, EGRESS OR OCCUPANCY.				

(c) Site

The site is occupied by a 6 story residential building. The site lot area is approximately 12,015 square feet, with 127'-8" frontage on Spencer Street and 83'-6' on Willoughby Avenue.

On Spencer Street and Willoughby Avenue, the sidewalks, curbing, and roadways, are publicly owned by New York City. Materials and conditions are as follows:

Item	Material	Condition
Spencer Street	Asphalt	Good
Willoughby Avenue	Asphalt	Good
Parking Lot	Asphalt	Good
Sidewalk	Concrete	Fair
Curb	Concrete & Steel	Good

Ramps	Concrete	Good
Curb Cuts	Concrete	Good
Aprons	Concrete	Good

There is a 12" Combined Sewer Line with two sewer manholes 116'-0" apart directly in front of the property and a 6" water main along Spencer Street. There is one (1) fire hydrant across Spencer Street approximately 76'-6" from the southern property line, and approximately 58'-6" from the corner of Willoughby Avenue. These elements are publicly owned and maintained. They are in good condition and are in conformity with fire district codes in place at the time of construction.
There are two nearby streetlights – one on the southeast corner of Spencer Street and Willoughby Avenue, and another approximately 86'-8" south of aforementioned corner. Both are made of aluminum and appear to be in fair condition.

There are two nearby catch basins on the southeast and southwest corners of Spencer Street and Willoughby Avenue. Both appear to be in good condition.

Drives, Sidewalks, Ramps

There is one 12'-0" wide driveway, for vehicle entry and exiting on Willoughby Avenue. The paving material of the driveway at the sidewalk is concrete. Curbs are concrete with steel. The asphalt, concrete sidewalks, and concrete and steel curbs appear to be in acceptable condition.

The above listed site conditions are existing to remain.

(d) Utilities

Item:	Supplied	How Billed
Water/Sewer	New York City	New York City General Building Meter for all water use, common and residential
Electric	Con Edison	Common areas including public lights and power, and residential units metered individually per unit
Gas	Con Edison	two (2) meters provided for domestic hot water generation and space heating and cooking
Telephone	Verizon	Individual subscription (prewired)
Cable TV	Time Warner	Individual subscription (prewired)

All water, sewer and gas charges are commonly metered and paid for by all units, residential and common, on a pro rata basis. Electrical charges are directly meters and paid

for by the individual unit owners for their respective units or the Condo Board for the common areas.

(e) **Sub-soil Condition**

There is a layer of fill 4' to 4'-6"'thick on the site consisting of coarse, fine sand and fine gravel, silty, gravelly sand. This layer of material was classified as nominally unsatisfactory bearing material. Beneath the fill, the deposit consisted of gray coarse to fine sand and traces of silt. The static groundwater level is at approximately 35' below the ground surface. The soil bearing capacity is 5 tons per square foot.

The depth of the water table does not pose a potential risk of infiltration through the foundation.

Based on the effective and preliminary FIRM maps available, neither 175 Spencer Street nor 192 Spencer Street are in a special hazard floor area. (Tile # 3604970204F & G respectively).

There exist no hazardous materials and/or environmental restrictions on this property. No work to remediate, nor monitoring is required.

No uneven foundation movement or differential settling has resulted in visible damage (i.e. cracking). No observable cracks in cellar slab; no observable mortar joint decay.

No evidence of moisture, seepage, or ground water infiltration was observed during our walkthrough. No corrective action required.

(f) **Landscaping and Enclosures**

There are two planting beds at the front of the building on either side of the main entrance. Each is bounded by the building's cast-in-place concrete retaining walls, the lot line, and both pedestrian and vehicular circulation to and from the building at the sides.

The planting beds are demarcated from the sidewalk with concrete bricks. The bricks appear to be in good condition.

Cast-in-place retaining walls run along the front and back of the building. The front wall is about eight inches (8") above the sidewalk, the lower portion is about two feet (2'-0") below the level of the sidewalk. The rear wall is about two feet eight inches (2'-8") above the pavement, the lower portion is about 10 feet (10'-0") below the pavement. The front left retaining wall is 29 feet long (29'-0"). The front right retaining wall is 26 feet eight (8) inches long (26'-8"). The rear retaining wall is 72 feet eight (8) inches long (72'-8").

All of the retaining wall appears to be in good condition.

There are four (4) street trees planted along the sidewalk on Spencer Street and three (3) street trees planted along the sidewalk on Willoughby Ave.

The street trees and planting areas fulfill the requirements for Quality Housing.

The parking area is located at the rear of the building with an entrance on Willoughby Avenue, and is paved with asphalt. Gates which enclose the parking are steel, painted grey, and appear in good working condition

(g) Building Size

The building is a six (6) story structure with one (1) cellar. No distinction is made between actual and marketing floor numbers.
The high point of the roof is approximately 55'-0" above grade (at approximately 2'-0"). The high point of the elevator bulkhead is 64'-8" (at approximately 2'-0") above grade, 9'-8" above roof.

Floor to ceiling heights in the main spaces are approximately as follows:

Cellar:	9'-8"
First Floor:	9'-8"
Second – Sixth Floor:	9'-4"

There are six (6) rooms in the cellar which contain building services: the trash compactor room, the boiler room, the water and gas meter room, the telecom room, the electrical room, and the traction elevator machine room.
The roof is protected with a parapet 3'-6" above the walking surface of the roof.

(h) Structural System

The existing foundation at 175 Spencer Street consists of 12" solid grout CMU and reinforced concrete. There is no danger of structural failure or other conditions. There is no immediate need for structural bracing or shoring.

The super structure is comprised of 8" pre-cast hollow core concrete plank, 8" reinforced CMU walls, shear walls, and a mat slab foundation. Concrete block returns at the front and rear exterior wall accommodate lateral loads as do the sheer walls at the elevator. Sheer walls are structural walls that provide lateral bracing for a building. The building conforms to Chapter 16 of the NYC Building Code.

The Cellar Floor slab is a 5" thick cast-in-place concrete slab on grade. The First through Sixth floors and Roof are 8" thick concrete plank.

Bituminous damp proofing is installed on the outboard side of the foundation walls. The slab-on-grade assembly consists of a 10 mil polyethylene vapor barrier and 6" of crushed stone below the slab.

Sound attenuation batt insulation (SAB) has been installed in all internal partitions. The unit partitions have an STC of 48 as they are composed of 2-½" stud with 2-½" sound attenuation batt insulation in between studs. The unit demising walls consist of fully grouted 8" CMU furred out with 1-⅝" stud and 1-½" SAB. This assembly has an STC of at least 55 according to the National Concrete Masonry Association.

A sub-grade drainage system is not provided.

Exterior of Building

This building is not subject to LL11/1998. This local law applies to the **inspection of the exterior walls of buildings greater than six stories in height. The subject property is six stories.**

Walls:

The exterior walls of the building are comprised of loadbearing 8" thick reinforced CMU blocks with 3" batt insulation. A floor to ceiling storefront system containing metal panels, fixed, and operable glazing is used in combination with the CMU blocks. Exterior walls have a fire rating in excess of 4 hours per 2014 Building Code.

The R value for the exterior wall assembly is R 5.2

The overall exterior wall condition including that of the storefront appears to be in good order with no leaking.

At the time of this writing, the building is in the process of receiving a single coat stucco over all exterior CMU.

There is no existing or proposed EFIS system.

At the time of filing and construction, Local Law 10 was in effect and applicable.

Partitions separating rooms within the same unit are made of one layer 5/8" gypsum wall board on either side of a metal stud with sound attenuating batt insulation between, and are not fire rated nor are they required to be by code.

There are two types of partitions separating units and separating units from the corridor. The first type is made of two layers 5/8" gypsum wall board on either side of a metal stud with sound attenuating batt insulation between. This has a fire rating of two hours as

required by code. The second type is made of one layer of 5/8" gypsum wall board on 1-5/8" metal stud with batt insulation over loadbearing 8" thick reinforced CMU blocks. This has a fire rating in excess of 4 hours.

Windows:

All windows are aluminum framed, casement operation, storefront windows. Insulated glazing units are ¾" thick with clear glass. Glazing at the entrance door is clear 3/8" tempered glass. Glazing throughout is gasketed into the aluminum extrusions.

There are no sills – the bottom window extrusions are Aluminum. Storefronts span vertically between the top and bottom of slabs – there are no lintels in typical conditions. At the rear of first floor units, the storefront spans a double-height space. In these conditions steel HSS6x4x1/4 and L2-1/2x2-1/2 members are used for support. No storm sash, window guards, or screens present. Windows by Crowne Architectural Products.

The terraces receive aluminum double-glazed swing doors by Crowne Architectural Products, with 5/8" – 1" insulated glass with a thermal barrier. Windows facing terraces are also aluminum framed casement operation, with clear ¾" insulating glass.

There is no warranty for the windows supplied by Crowne Architectural Products.

Overall, the windows inspected appear to be in good working order. This includes parts such as caulk, seal, gaskets, hinges, handles, opening mechanisms, and locking mechanisms.

At the time of this writing, the owner has no open complaints relating to leaking or dysfunctional windows

There are no curtain walls at 175 Spencer Street.

There are no lot-line windows at 175 Spencer Street.

The amount of windows provided exceeds the requirement of Quality Housing. Section 28-22 of the NYC Zoning –Resolution states "Windows - All windows in the residential portion of a development or enlargement shall be double glazed.

Exterior Entrances

The residential floors are accessible through a residential lobby on the first floor with an entrance on Spencer Street. This entry is through double storefront doors with glazing in an aluminum frame. The residential vestibule follows, after passage through the second set of double storefront doors with glazing in an aluminum frame. Both sets of doors are magnetically locked and controlled by individual intercom buzzers in the apartments.

There is also a vestibule at the rear consisting of two (2) single doors in succession leading from the parking area into the residential lobby. All doors mentioned above have manual key access. Exterior entrance doors were manufactured by TRACO and appear to be in good working order, including the continuous hinges, frame, threshold, latching mechanism, lock, and door pulls.

Doors from the roof bulkhead to the roof are hollow metal in hollow metal frames.

There is a cast in place concrete exterior stair and ramp serving the entrance from Spencer Street. The handrail runs down the middle and is a round tube of painted steel.

The exterior concrete stairs appear to be in fair working condition.

Mailboxes are US Postal Office approved front loaded boxes with full height doors. These mailboxes are located adjacent to the elevator lobby.

The mailboxes appear to be in good working condition.

Parapets and Copings

There are two (2) types of parapets:

1. CMU anchored to structural concrete plank via rebar. SBS roofing system runs up 9" above roof finish level to provide waterproofing. Aluminum coping, screwed into wood blocking, which in turn is bolted to CMU beneath, runs the entire length of the CMU parapets.

2. Aluminum railing is installed typically at communal and private roof terraces. The aluminum rails are welded to aluminum poles which run through the SBS roofing system and are anchored to the concrete planks below using sealant and non-shrink grout.

   Parapets of both types appear firmly secured and appear to be in good order with no signs of leakage.

Chimneys and Caps

There are no chimneys as defined by NYC building code.
Toilet and kitchen exhaust vents terminate at the roof with standard metal mushroom-type caps and Greenheck GB141-5 or GB101HP-4 fans. Sizes of such caps vary appropriately with the size of vent covered.

The hot water heater flue is a prefabricated eight inch (8") double wall 'B' vent metal flue extending five feet (5') above the roof.

Balconies and Terraces

There are two private terraces at the fourth and fifth floors each, on the south side of the building. At the sixth floor, there is one public terrace on the north side and two private terraces on south side of the building. a parapet with aluminum coping lines the perimeter of all terraces at 3'-6" above the walking surface.

Metal railings are provided at all balconies at 3'-6" above finished concrete surface. Metal balustrades are spaced a maximum 5" O.C. as per code.

Access to all balconies and terraces is provided by single aluminum double-glazed hinge doors. Balcony doors are manufactured by TRACO, and are aluminum with a glass panel.

Stone Source Lagos Grey 24" by 24" outdoor pavers are provided at 175 Spencer Street. Finish roofing material is black modified SBS rolls, installed per manufacturers guidelines. This condition provides a suitable walking surface.

Unit purchaser may not alter roofing or construct/place items that may obstruct the mandatory FDNY access path.

Terraces have not been listed on the final Certificate of Occupancy No. 302205726.

Roof and Roof Structure

All roof surfaces have a slope of ¼" per foot to 1/8" per foot. The roof is adequately drained with roof drains in conformance with NYC Reference Standards. In addition, the structural system for the roof was designed to conform to the regulations for live and dead loads as per the NYC Administrative Code.

Insulation for the roof under the membrane is rigid tapered insulation of varying width from 8" to 4" (R value 33).

Finish roofing system is a modified bitumen membrane built up roof system. At the time of construction, NYC used the Material and Equipment Acceptance (MEA) program to indicate approved assemblies and materials. While the City no longer uses this system, the MEA number for this roof was 5-01-M. The roof appears to be in good condition. Modified bitumen flashing is counter-flashed with stainless steel and aluminum flashing to cover seams and prevent water infiltration. Both flashing systems appear to be in good condition. The terrace on the sixth floor is a concrete paver system over the roofing system previously mentioned. Roof membrane manufacturer was Johns Manville Commercial/Industrial Roofing System. This system was specified for flat roofs. Insulation for the roof under the membrane is rigid tapered insulation of varying width from 8" to 4" (R value 33).

There is currently no known warranty bond, or guarantee for the roof system. It is approximately 9 years into a useful life of 15 years

Existing roof is in good condition and will remain.

Drains

Four (4) internal drains are evenly distributed on the main roof. The bulkhead roofs are drained via scuppers and leaders. Twelve (12) internal drains are provided, one at each terrace on the third, fourth and fifth floors. Four (4) internal drains are located at the sixth floor: one (1) placed at the centers of each the private terrace and two (2) at the public terrace on the roof.

Roof drains are 4" in diameter and appropriately distributed for each terrace and roof area. Such drains are of galvanized steel. Aluminum flashing, in combination with the modified SBS roofing system, seals the drains against ingress of water. As required, roof drains are installed with galvanized steel strainer to prevent clogs.

There are no gutters on 175 Spencer Street. The building's storm water is drained internally. However, the bulkhead roofs are drained via aluminum scuppers installed appropriately in the parapets of such areas.

Skylights

The required skylight over the fire stair bulkhead was substituted with a window (see Windows) as per NYS Multiple Dwelling Law.
There are no skylights at 175 Spencer Street.

Bulkheads/Observatories

The bulkheads located at the fire stairs were constructed of 6CW8 C-Studs @ 16" O.C. The elevator bulkhead was constructed of an 8" reinforced CMU shear wall.

Bulkheads appear to be in good working condition and are existing to remain.

Rooftop Facilities

The 6th floor recreational terrace described under Terraces and Balconies serves as a recreational rooftop to comply with Quality Housing regulations. It is 52'-8" at its deepest point and 27'-4" at its widest point. It is approximately 1,210 sf in area, 1,156 sf of which is accessible to tenants for recreation purposes.

Per Quality Housing zoning regulations:
Minimum Required Recreation Space Ration = 0.033

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Proposed Zoning Floor Area =	26,410 sf
Minimum Required Recreation Space =	857 sf
Proposed Recreation Space =	1,156 sf

100% of the buildings maximum 72 occupants can legally occupy the roof.

The roof complies with all building code provisions in place at the time of its construction.

Deck finish at 175 Spencer St. (limited common element) is of modified SBS. Such a roofing system is acceptable for daily foot traffic. The SBS system is a standard 3-ply Firestone product installed over a ½" Firestone DensDek cover board. The cover board adequately support the weight of foot traffic. Installation of roof pavers is not mandated by the manufacturer to retain the warranty.

Other than the painted aluminum guard rails described under the Parapets section, painted metal posts have been provided to support partitions which separate the private terraces from each other.

Terraces below the sixth floor are divided with white vinyl terrace fencing mounted on metal posts embedded in pitch pockets.

Terraces appurtenant to dwelling units are private and will be illustrated as a limited common element in the declaration and condominium plans to be filed with the Department of Finance.

The roof will be illustrated as a general common element in the declaration and condominium plans to be filed with the Department of Finance.

No easement agreement will be required between the LCE roofs and GCE roof

Building Bulletin 2018-002 is not applicable to this building as the roof is not being converted from un-occupy-able to occupy-able.

There are no vertical ladders on the roof levels. Consequently, there are no goosenecks for the ladders.

There are no roof hatches at 175 Spencer Street.

Purchaser cannot obstacles fire department access path.

Terraces are not presently listed on the Certificate of Occupancy.

Yards and Courts

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There are four (4) private sunken courts at the cellar level of the apartments with accessory use cellar. Each unit has access to this space through a storefront door at the bottom of the stairs within each unit. There is one (1) additional common sunken court which provides access between the cellar and the parking area in the rear. The surface of each court is cast-in-place concrete. No additional paving materials were proposed as part of the initial design.

Each court has one (1) yard-drain. A metal grate flush with the surface of the concrete prevents large detritus from clogging the pipe.

There are no railing at the residential courts, nor is there fencing or stairs. The walls are cast-in-place concrete retaining walls. This wall appears to be structurally sound and not needing of any emergency supports.

The common sunken court contains a stair made of metal stringers, metal grated treads and has open risers. The hand and guardrails are made from the same painted aluminum

tubes as the parapets. The wall is the same cast-in-place concrete retaining wall as in the residential courts.

The retaining wall referenced above appears to be in good working condition.

Interior Stairs

There is a scissor stair located in the center of the building servicing the cellar through sixth floors, and the roof as the required fire-protected two means of egress. The fire stair enclosure is fabricated from a combination of 8" reinforced CMU with metal studs and gypsum wallboard at the cellar through sixth floors. The stair bulkhead is made of 6CW8 steel C-Studs @ 16" O.C. and gypsum board with batt insulation. The enclosure comprised of CMU is fire rated in excess of four (4) hours. Stairs are made from 3'-0" wide metal pans with concrete treads and metal railings. The fire-rated scissor stairs are existing to remain and appear to be in good working condition.

On the first floor there are four (4) stairs within each dwelling unit which connect the first floor to the accessory cellar. These stairs are open and constructed with oak risers and treads supported on oak stringers. The handrails are wood. These stairs are existing to remain and the conditions range from fair to good.

Interior Doors and Frames

Fire stair, roof, and apartment entry doors are 1-1/2 hour rated hollow metal doors and frames with self-closing hinges. Interior apartment doors throughout are 1-3/8" thick hollow wood doors with wood frames. Bathrooms have marble saddles.

The fire rating of all doors comply with applicable requirements of the building code. All doors are existing to remain and appear to be in fair working order.

Elevators

There is one single car traction passenger elevator in the center of the building servicing the cellar through sixth floors. The elevator is microprocessor-controlled type, by KONE with sliding doors. The elevators travel a maximum of 150 feet per minute and has a capacity of 2,000 pounds and a passenger capacity of 16. The machine room is located in the cellar.

The elevator is subject to Local Law 10 elevator inspections. As stated under section (u) Permits and Certificates, the Category 1 Test (annual test) was conducted by Kone on 08/27/2015 and was accepted - unsatisfactory pending satisfaction of administrative requirements, not for safety issues. Sponsor will satisfy the appropriate administrative requirements. The Category 5 Test (five year test) was conducted by Kone on 05/28/2015 and accepted - satisfactory.

The elevator appears to be in good working order. Elevator is existing to remain.

DC motor manufacturer is unknown.

AC motor-generator set manufacturer is unknown.

Elevator Cabs

The traction elevator interior finish is stainless steel finish with plastic laminate paneling on walls and ceiling, and slip resistant floor tiles. Internal lighting, emergency telephone, and safety elements as required by NYC Building Code is also provided.

Elevator cab appears to be working order. Condition of finishes appear to be fair.

Elevator cab was built by KONE. Model is unknown.

Landmark Status

None.

(i) **Auxiliary Facilities**

Laundry Rooms

Electricity, hot and cold water piping connections for a washing machine and dryer have been provided in each apartment. Electric washing machines (Bosch Axxis WFL2090UC/22 or better) and electric dryers (Bosch 300 Series WTG86400UC/01 or better) have been installed.

Refuse Disposal

There is a trash chute and area for recycling on each floor off the public corridor which fulfills the requirement of Quality Housing. As per NYC Zoning Resolution Section 28-23 Refuse Storage and Disposal In R6 through R10 Districts, developments, enlargements, extensions and conversions with nine or more dwelling units or rooming units per vertical circulation core shall comply with the provisions of this Section.

The storage of refuse shall occur entirely within an enclosed area on the zoning lot and appropriate locations within the zoning lot shall be delineated for this purpose: at least one for residential uses and at least one for community facility and commercial uses. Residential storage and removal locations shall be provided at the rate of 2.9 cubic feet per dwelling unit or 1.15 cubic feet per rooming unit. A refuse disposal room of not less than twelve square feet with no dimension less than three feet shall be provided on each

story that has entrances to dwelling units or rooming units. Twelve square feet of such refuse storage room shall be excluded from the definition of floor area.

Residential refuse is collected in the cellar floor trash room through the trash chute and compacted in the compactor. Compactor manufacturer is Royal Pak, Model FK, Type R, Serial 1598. The compacted refuse must be periodically placed on the street for collection by the City of New York.

Tenant Storage

There are sixteen (16) metal cage lockers in a storage room at the cellar. Each locker is approximately 18sf. The storage room is approximately 341sf. Lockers are secured with locks supplied by tenants and are rented separately from dwelling units.

The lockers will not be given condo lot numbers and the storage room will be illustrated as a general common element in the declaration and condo plans filed with the Department of Finance.

There are no package rooms or other auxiliary facilities. There is no bicycle parking.

(j) Plumbing and Drainage

1. Water Supply

a. A 6" combined fire and domestic water service enters the building at the cellar from Spencer Street. It passes through the O,S&Y House Control Valve and splits into a 3" cold water domestic water via a Double Check Valve Assembly (DCVA) Wilkins Model 350 and a 6" sprinkler line via a 6" DCDA Wilkins Model 350 ADA. Domestic water pipe is Type "L" copper tubing with wrought copper fittings. Cold water pipes have ½" thick, one piece fiberglass pipe insulation. Hot water pipes have 1" thick one piece fiberglass pipe insulation.

b. The domestic water supply is metered and provided with an approved double check valve backflow preventer. The entire building is supplied water pressurized by a duplex domestic water booster system located in the cellar level.

c. Domestic hot water is generated using a duplex gas fired hot water heater heaters and stored in two (2) 60 gallon hot water storage tanks. The heater discharges the hot water at 140 deg. F; the hot water temperature is further controlled by a thermostatic mixing valve set to deliver 120 deg. F discharge hot water temperature to fixtures requiring hot water. The hot water heater manufacturer is Bradford White Model EF-60T-199E-3N(A), 60 gallon capacity, and 92% energy efficiency. It is located in the mechanical room on the roof. There is no known warranty on this equipment.

d. The temperature of the hot water in the piping system is maintained by recirculation piping and an aqua-stat controlled recirculation pump.

e. Manufacturer:

Duplex Sump Pump: Manuf. ITT Goulds, Model: 3888 WS 50 D3, Design: 300 GPM @ 35feet, Motor 5HP 208v 3phase

Duplex Sewage: Manuf. ITT Goulds, Model: 3888 WS 15 D3, Design: 125 GPM @ 28feet, Motor 1.5HP 208v 3phase

Duplex water booster: Manufactured by Sico, Model: SR-F-22, Design: 100gpm, 3HP, 208v 3phase

2. Fire protection system

a. The building is provided with an automatic sprinkler system serving the entire building. A 4" combined sprinkler/standpipe is located in the egress stair. It is made out of Schedule 40 pipe. The building is provided with trash chute sprinklers and sprinkler protection for the entire cellar level, common areas and all apartments.

b. Water supply is piped to the suction side of the 250GPM automatic sprinkler booster pump. The sprinkler booster pump discharge is piped to the 4" fire sprinkler riser located in the stairwell. It is made of Schedule 40 pipe. At each floor level a floor control valve assembly is connected to the riser controlling the water supply to all sprinklers on the specific floor. A separate control valve assembly is provided for the trash chute sprinklers and the cellar sprinklers.

c. Flush type fire sprinkler siamese is provided at Spencer Street, piped with check valve and automatic ball drip to connection with pump discharge piping at the cellar ceiling.

d. There are no hose racks required or provided.

e. In the units, there are a combination of concealed and sidewall sprinkler heads. In the corridors and lobby, there are concealed sprinkler heads. In the cellar utility rooms, there are upright sprinkler heads.

f. Recurring inspections of the sprinkler system have and will occur as required by the DoB.

3. Sanitary drainage system

a. Plumbing fixtures and appliances from the second floor and above drain by gravity and connect to the new 8 inch combined house drain located above the cellar floor slab. The sewage pipe consists of extra heavy cast iron soil pipe and appears to be in good working condition.

b. Drainage piping from first floor and below is piped to an ejector system. The pump will discharge the effluent to the combined house sewer.

c. The sewage pipe consists of extra heavy cast iron soil pipe and appears to be in good working condition.

d. Plumbing fixtures by Kohler; bathtub, Maestro Model; toilet by Toto.

4. Storm drainage

a. Roof drains and terrace drains is piped by gravity and connect to the 8" combined house drain located above the cellar floor slab.

b. There are three interconnected storm water detention tanks with approximately 942 cubic feet of volume (6,822 gallons) located below the parking lot at grade close to Spencer Street.

c. Access to the detention tanks is via three manholes.

d. The tank interior, exterior and roof at 175 Spencer Street are concrete.

e. The storm water pipe consists of extra heavy cast iron soil pipe and seems to be in good working condition.

f. No roof ponding was reported by building super, nor observed during site visit. System seems to be in good working order.

5. Gas system

a. Natural gas service provided to with-in building extents by Con-Edison is extended to individual gas hot water and combined cooking and gas heating meters. The incoming gas line is 4" in diameter and made of schedule 40 cast iron.

b. Piping from the gas cooking meter extends to each gas range within an apartment and to the individual gas fired PTAC units for space heating. Gas piping from gas domestic hot water heating meters extends to gas fired water heaters in the 6th floor hot water heater room.

(k) Heating

1. The building's space heating systems are designed in accordance with the New York City Building Code and the New York State Energy Conservation Code to maintain an indoor temperature of 70 deg. F with a simultaneous outdoor temperature of 5 deg. F and a wind velocity of 15 miles per hour. Domestic hot water heating systems are

designed to meet each apartment's peak hot water load in accordance with calculation methods outlined in the American Society of Heating Refrigerating and Air Conditioning Engineers (ASHRAE) method. The approximate remaining useful life of this system is 10-15 years

2. The common spaces are heater with a gas fired roof mounted make-up air system for the common corridors and lobby and with supplemental electric heaters in the stairs, mechanical spaces and other miscellaneous building areas.

3. Each apartment above the first floor is heated by dedicated gas fired PTAC (packaged terminal air conditioner) units. The PTAC units each have their own gas connection and gas fire furnace. The space temperature is controlled in the space by the resident from the PTAC unit. Heating is available and individually controlled in each room anytime 12 months a year. PTACs appear to be in good condition and will remain. Any PTACs which are not fully functional will be replaced with new units. There is no known warranty for the PTAC units.

4. The PTAC units are manufactured by Islandaire and are model EZ 09, EZ12 and EZ15, or similar, with heating outputs of 12,100, 14,700 and 20,600 btu/hr each respectively. The size of the units vary based on the heating and cooling loads in the spaces they serve. EER ratings for the three sizes are 11.2, 10.7, and 9.6 respectively.

5. The apartments on the first floor with accessory cellars are provided with sealed combustion gas fired furnaces mounted vertically in the apartments and ducted to the various spaces in the apartment. The furnaces are manufactured by Carrier and are Model 58MPV060 or similar. They are combined with Carrier model CK5PA036 cooling coils and 38TDB024 condensing units, or similar to complete the air conditioning and heating package.

6. Heating for the residential common corridors is provided with a roof mounted gas fire makeup air system. The system heats 100% outside air to heat and ventilate the building common corridors in accordance with code. The unit provided is an Aaon model: RDCA-374-350 or similar. The unit has an output of 219,000 btu/h for 2,450 CFM.

7. The ductwork at the cellar and first floor is not insulated.

8. The domestic hot water heaters, PTAC units and corridor make-up air unit are fired with natural gas, supplied to the building by the Con Edison Utility Company. See plumbing sections of this report for additional details.

(m) Air Conditioning

1. Air Conditioning systems are designed to meet the New York State Energy Conservation Code requirements at 78 deg. F dry bulb/50% relative humidity indoor conditions when outdoor temperature is 92 deg. F dry bulb and 74 deg. F wet bulb.

2. Air Conditioning for the residential spaces above the first floor is supplied by floor mounted, console type PTAC units located under windows. The same units provide air conditioning and heating in the residential units. PTAC units operate year-round and do not have insulation within. There is insulation in the exterior walls they are set in to. The penetrations are flashed and sealed on the interior and exterior. Condensate is drained through the louvers.

3. Air conditioning is individually controlled and is available year round, 24 hours a day at each heat pump unit.

4. Air conditioning is supplied to the first floor and cellar duplexes from the split air cooled condensing unit and furnace mounted air conditioning coils. Heating and cooling are available year round as desired and is controlled from programmable thermostats in the apartments.

5. Air conditioning is provided to the common corridors and residential lobby from the roof mounted make-up air unit.

6. Exterior metals such as fasteners and louvers are corrosion resistant.

7. The makeup air unit is situated on the roof. Sound attenuation is provided by mounting the equipment on neoprene pads.

(n) Ventilation

1. Interior toilet rooms in each apartment are mechanically ventilated by roof mounted exhaust fans utilizing common duct risers.

2. Clothes dryers located in the apartment self-contained type and need no ventilation.

3. Cellar compactor room and community area trash room, as well as trash chute room on each floor are mechanically ventilated by a common roof exhaust fan.

4. Public corridors are ventilated by a roof mounted make-up air system.

5. Ventilation systems components and capacities are designed to meet the New York City Building Code requirements.

6. Ventilation equipment is manufactured by AAON model "Generation"

7. Cellar ventilation volume complies with the code requirements in place at the time of construction.

8. Make-Up-Air unit is Reznor model RDCA 374 and supplies 2,450 CFM.

9. The above referenced unit has been discontinued and information on noise emission rating appears to be unavailable.

(o) Electrical System

The electrical systems are as follows:

a. Electrical service terminates at the end box, located in the cellar. The electrical service is rated at 2,200 Amps, 208/120 volt, 3 phase, 4 wire system. The routing of the underground cables and the location of the service end box were properly coordinated with Con Edison. Service equipment consists of the following: two (2) 400 Amps service switches for the residential loads, one (1) 600 Amp service switch for the RTU, elevator, and sump pump, and one (1) 800 Amp service switch for the building's common loads, sprinkler fire and jockey pump. Service provided to each residential unit ranges between 60, 70, and 80 Amps.

b. The wires sizes for the above referenced panels are: 2 sets of 4#600 MCM in two (2) 3-1/2" conduits for each of the two (2) 400 Amp residential meters. 2 sets of 4#350 MCM in two (2) 3" conduits run to the 600 Amp house panel. Three (3) #1/0 wires in one (1) 2 ¼" conduit run to the jockey and fire pump from the 800 Amp service switch.

c. Each unit's panel is rated for 100 amp service. There are an average of 20 circuits per apartment. There is ample capacity to run modern appliances, such as dishwashers and refrigerators.

d. Separate meters for each apartment and common area are provided and are read individually by the utility company.

e. Branch circuits are provided from the tenant panel to all lighting, receptacles and appliances located in each space. The air conditioning unit IS powered from the same panel.

f. The house power is served by a separate utility meter. Panels and branch circuiting is provided for all corridor lighting, hot water heating room, elevator, etc.

g. Switches and wiring devices is provided throughout the building to comply with the code requirements, equipment and furniture layout.

h. Starters, disconnect switches and power for motors, elevator and other mechanical equipment is provided.

i. Each unit has been pre-wired for telephone and cable service.

j. Audio/Visual indicators at the fire alarm panel have been provided in the cellar as per code.

k. No emergency backup generator is provided.

Apartments:

Electrical service:

Each apartment is metered by Con Edison via a meter bank located in cellar. Each apartment service is 208/120 volts, single phase, three wire. The feeders are sized to compensate for the voltage drop. The voltage drop to each outlet in the apartment is less than 2.5%. Each apartment has a lighting panel, which is for 208/120 volts, single phase, three wires.

Lighting and power for apartments:

In each apartment, ceiling mounted lighting fixtures are provided in living room, dining room, corridor and kitchen, as well as bathrooms. In the bedroom, receptacles are provided with wall-mounted switch controls.

In each apartment receptacles are strategically located in accordance with code (the spacing of receptacles along walls in rooms will ensure that no point on the wall is more than six (6) feet from a receptacle).

In kitchen and laundry room special receptacles are provided to power all appliances and small appliance circuits and receptacle spacing in accordance with code.

In bathroom and kitchen ground fault interrupter receptacles have been installed.

Telephone Service:

Each apartment is pre-wired with jacks in living room, kitchen and bedrooms.

Television/Cable Facilities:

Each apartment is pre-wired for cable TV. The TV jacks are located in the master bedroom and living room.

Smoke and Carbon monoxide (CO) Detection:

In each apartment, next to the bedrooms a 120 volt, hard wired combined type ionization smoke detectors and CO detectors with buzzers have been provided. In apartments for handicap occupants, the smoke detectors have a strobe light.

(p) Intercom System

The residential entry is provided with an audio/visual intercom system at the outside face of the building. Guests are able to be buzzed in from this intercom. Intercom model "GH-1KD" is manufactured by AIPhone.

There is no warranty for the intercom system.

A CCTV system is in place but the make and model of the equipment are obstructed. There is no known warranty for the security systems.

At time of inspection, the intercom system appeared to be in acceptable working condition. There are no outstanding complaints regarding the functionality of the intercom system at the time of this writing.

(q) Public Area Lighting

Interior

Public areas are adequately illuminated per code. The entry lobby, vestibule, elevator lobbies, public corridors, stairways and sidewalk areas at the front door are lit with fluorescent or LED lighting. Public corridor light fixtures are Lumens brand wall sconces, Norfolk model. The sides of the building will be lit with Ylighting 20" Root Outdoor Light by Tech Lighting. The exterior entrance will be lit with a Lightology Trenton Outdoor Ceiling Light. The entrance vestibule will be lit with a Cedar & Moss Terra Surface Light in black. Bathroom fixtures are Sonneman Stiletto Lungo 60" LED Wall Bar.

Emergency Lighting:

Some of the lighting fixtures located in the public corridors in the stairways are provided with emergency battery units.

Exterior

The parking area is illuminated at night via six (6) flood lights in metal housing mounted to exterior walls approximately 10 feet above ground. Lights appear to be in good condition and satisfy the requirements of applicable code provisions.

There is lighting at the exterior entrances of the building in the following locations:

First Floor:	(1)	at the residential lobby entrance on Spencer Street
	(2)	at the entries by the outdoor stainless steel metal grate walkway at rear of building.
	(3)	above building entrance from parking area.
All Res. Floors:	(1)	at each balcony and terrace
Roof:	(1)	at the fire stair door to the roof
	(2)	around the elevator and stair bulkheads
	(3)	at the public terrace on the roof

The exterior entrance lighting appears to be in good working condition.

(r) Garages and Parking Areas

There are a total of 18 parking spaces provided at the rear of the building at the first floor. Of these, there are two (2) parking spaces which are accessible. These accessible parking spaces are located under the building toward the rear. The parking area is paved with asphalt and security lighting is provided. Motorized rolling gates are provided at the entrance for secured parking.

At the time of construction, the applicable zoning resolution section was ZR 28-50 which required the project to provide parking spaces for 50% of the dwelling units. There are 35 dwelling units. 50% of 35 is 17.5 which is rounded up to arrive at 18 parking spaces.

The total parking area at 175 Spencer Street is approximately 6,430sf. 18 parking spaces multiplied by 300sf each equals 5,400sf. Therefore we comply ZR 25-62
The driveway width is 10'-9" which exceeds the minimum requirement of 8'-0".

The minimum parking space dimensions of 8'-6" wide by 18'-0" long are met.

The covered parking area has a floor to ceiling height of approximately 7'-4"

Drainage

There are three (3) 12" round drains in the parking lot and one (1) 8ft long trench drain adjacent to the rolling entry gate. These drains appear to be in good working order.

The storm water pipe consists of extra heavy cast iron soil pipe and seems to be in good working condition.

No ponding was reported by building super, nor observed during site visit. System seems to be in good working order.

There are three interconnected storm water detention tanks with approximately 942 cubic feet of volume (6,822 gallons) located below the parking lot at grade close to Spencer Street. Access to the detention tanks is via three manholes located in the parking area below the building.

The tank interior, exterior and roof at 175 Spencer Street are concrete and seem to be in good working condition.

The above listed site conditions are existing to remain.

Special risk: The Sponsor may rent the required accessory off-street parking spaces to non-residents of the building, for periods of not less than one week and not more than one month. All required accessory off-street parking spaces shall be made available to residents within 30 days after written request made to the sponsor, by such residents.

Fencing, Gates

Covered parking is separated from the sidewalk by a fence. Vehicular entry to the parking area is separated from the sidewalk by a fence with a motor powered rolling steel gate.

Rolling steel gate appears to be in good working condition. At the time of this writing there are no known defects in, or tenant complaints regarding the functionality of the rolling steel gate.

All fencing is steel, painted grey, appear to be in good condition, and will remain.

(s) **Swimming Pools**

None Provided

(t) Tennis Courts, Playgrounds and Recreation Facilities

No tennis courts playgrounds, etc. are provided at 175 Spencer Street. See section "h" under "rooftop facilities" for detailed information on recreational facilities.

(u) Permits and Certificates

Sprinkler (NFPA 25)
The last Five Year Pressure Test was conducted July 2018 and passed. The test was conducted by Safety Fire Sprinkler for both the FDNY connection and the Dry Valve and was deemed satisfactory. The NFPA 25 test has been conducted every month. The last test was conducted 7/22/19.

RPZ
N/A. There is no RPZ.

Elevator Safety/ Elevator Load Test
The Category 1 Test was conducted by Kone on 08/27/2015 and was accepted - unsatisfactory pending satisfaction of administrative requirements, not for safety issues. Sponsor will satisfy the appropriate administrative requirements. The Category 5 Test (Five year test) was conducted by Kone on 05/28/2015 and accepted - satisfactory.

Boiler Safety
There is no boiler in the building.

Fire Alarm
The FACP is Bosch Systems Model # D7412GV2 and ties in with a Central Station. The panel is located in the lobby. It was last inspected 05/24/2018.

All RTUs and condensing units are below the threshold requiring inspection.

(v) Violations

175 Spencer Street DoB Violations

Number	Condition	Date	Work Required to Cure
V 010317ACC109486	Vio issued to elevator - fail to correct defects on 2015 cat 1 insp/tst	1/3/2017	Call for Inspection
V 072417E9027/605666	Elevator Device No.: 3P12529	7/24/2017	Call for Inspection
V 091517EVCAT104076	Violation issued to elevator-failure to file category 1 2016 inspection/test	9/15/2017	Call for Inspection

V 083018E9027/635380	Elevator Device No.: 3P12529	8/30/2018	Call for Inspection
V 040519EVCAT103395	Violation issued to elevator - failure to file category 1 2017 inspection/test	4/5/2019	Call for Inspection

175 Spencer Street ECB Violations

ECB Number	Condition	Date	Work Required to Cure
35410299N (DOB #072919CN03RA02)	Failure to safeguard all persons and property affected by construction operation.	7/29/2019	Safeguard shed at entrance

175 Spencer Street HPD Violations

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Apt Story	Reported Date, nov ISSUED Date	Hzrd Class	Order no	Violation ID, NOV ID, NOV Type	Violation Description	Status Status Date	Certify By Date Actual Cert. Date
1C 1	2017/12/04 2017/12/06	C	670 *	12125842 5947041 Original	§ 27-2031 adm code provide hot water at all hot water fixtures in the 2nd room from east located at apt 1c, 1st story, 1st apartment from east at south	CERT INVALID2017/12/15	2017/12/17
1D 1	2017/07/14 2017/07/17	A	508	11879442 5801951 Original	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color south wall in the kitchen located at apt 1d, 1st story, 1st apartment from south at west	NOV LATE2017/11/06	2017/11/03 2017/11/06
5C 5	2017/07/11 2017/07/13	A	556	11872807 5800051 Original	§ 27-2013 adm code paint with light colored paint to the satisfaction of this department north wall in the 1st room from north at west located at apt 5c, 5th story, 1st apartment from south at west	NOV LATE2017/11/06	2017/10/30 2017/11/06
5C 5	2017/07/11 2017/07/13	B	1503	11872830 5800052 Original	§ 27-2046.1 hmc: repair or replace the carbon monoxide detecting device(s). defective in the entire apartment located at apt 5c, 5th story. 1st apartment from south at west	CIV10 MAILED2017/09/28	2017/08/31 2017/08/25
5C 5	2017/07/11 2017/07/13	B	702	11872834 5800052 Original	§ 27-2045 adm code repair or replace the smoke detector defective in the entire apartment located at apt 5c, 5th story, 1st apartment from south at west	CIV10 MAILED2017/09/28	2017/08/31 2017/08/25
	2017/07/11 2017/07/13	A	1506	11872837 5800051 Original	§ 27-2005 hmc: post, in a form approved by the commissioner, and maintain a notice in a common area of the building regarding the procedures that should be followed when a gas leak is suspected	NOV LATE2017/11/06	2017/10/30 2017/11/06
1	2017/07/11 2017/07/13	A	556	11872848 5800051 Original	§ 27-2013 adm code paint with light colored paint to the satisfaction of this department ceiling in vestibule at public hall, 1st story	NOV LATE2017/11/06	2017/10/30 2017/11/06

Yards / Courts	2016/10/11 2016/10/13	B	687	11430641 5535304 Original	§ 27-2040 adm code install and maintain sufficient light or lights of at least 100 watts incandescent or equivalent each, to light adequately from sunset to sunrise the north yard	NOV SENT2016/10/13	2016/12/01
All Stories	2016/10/11 2016/10/13	B	682 *	11430644 5535304 Original	§ 27-2038 adm code provide adequate lighting for compactor closet at all stories at public hall	NOV SENT2016/10/13	2016/12/01
1A 1	2012/08/23 2012/08/27	B		9550472 4474394 Original	§ 27-2046.1, 2046.2 hmc: provide an approved and operational carbon monoxide detecting device, installed in accordance with applicable law and rules, located at apt 1a, 1st story, 2nd apartment from south at west	NOV SENT2012/08/27	2012/10/15
1A 1	2012/08/22 2012/08/24	B	1502	9549441 4473642 Original	§ 27-2046.1, 2046.2 hmc: provide an approved and operational carbon monoxide detecting device, installed in accordance with applicable law and rules, located at apt 1a, 1st story, 4th apartment from south at west	NOV SENT2012/08/24	2012/10/12
XX 1	2012/08/09 2012/08/13	C	670 *	9533950 4467180 Original	§ 27-2031 adm code provide hot water at all hot water fixtures in the entire apartment located at apt xx, 1st story, 1st apartment from east at south	NOV SENT2012/08/13	2012/08/20
Yards / Courts	2012/08/09 2012/08/13	C	672	9533952 4466982 Original	§ 27-2033 adm code provide ready access to buildings heating system locked at cellar	NOV SENT2012/08/13	2012/08/24
3C 3	2011/08/31 2011/09/07	B	508	9093578 4246939 Original	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color ceiling in the 2nd room from north located at apt 3c, 3rd story, 1st apartment from north at east	NOV SENT2011/09/07	2011/10/26
3C 3	2011/02/17 2011/02/23	A	556	8818227 4117360 Original	§ 27-2013 adm code paint with light colored paint to the satisfaction of this department ceiling and walls in the 2nd room from north at east located at apt 3c, 3rd story,	NOV SENT2011/02/23	2011/06/12

					4th apartment from north at east		
Cellar	2010/11/21 2010/11/23	B	510	8701953 4061265 Original	§ 27-2005 adm code & 309 m/d law abate the nuisance consisting of offensive odor emanating from cellar at public hall	NOV SENT2010/11/23	2011/01/11

Based on information provided from the owner, all work required to cure the above violations has been performed.

(w) Unit Information

The offering plan includes floor plans of all Residential Units. For clarity, each residence is numbered by floor. All apartment designations are identified on the floor plans. Substitutes for materials of equal or better quality may be made.

Kossar and Garry Architects visited one (1) unit at 175 Spencer Street on two (2) separate occasions.

Vacant Units

At the time of this writing, there are 15 vacant units at 175 Spencer Street

All vacant units offered for sale will be renovated.

Finishes – Renovated Residential Units

All rooms in First through Sixth Floor apartments except bathrooms:

Ceilings: Painted concrete plank.

Walls: Painted gypsum wallboard. Benjamin Moore CC-20 Flat Decorator's White

Floors: PID Hope 5 ½" white oak engineered tongue in grove wood flooring

Master Bathrooms:

Ceilings: Painted gypsum wallboard

Walls: Painted gypsum wallboard at non-tile walls and above tile at tub surrounds. Keep existing subway tile or replace with similar as needed Tile at tub to be 3'-3" above finish floor. Tile at shower enclosure to be full ceiling height.

Floors: AKDO Mark Pearl Matt 12" x 24" porcelain

Toilet Rooms:

Ceilings:	Painted gypsum wallboard
Walls:	Keep existing subway tile or replace with similar as needed
Floors:	AKDO Mark Pearl Matt 12" x 24" porcelain tile

Appliances and Fixtures- Renovated Residential Kitchens and Bathrooms:

All apartment kitchens have a faucet, a sink, a refrigerator, a dishwasher, and a gas stove, all of which appear to be in fair working condition.

All apartment bathrooms have a sink, a toilet, a bathtub with a shower, all of which appear to be in fair working condition.

The kitchen cabinets are wood veneer. The cabinets are new and appear to be in fine working condition.

The kitchen counter tops are Ceasarstone classique with a honed finish or equal. They are new and appear to be in fine working condition.

Laundry Equipment

All units are equipped with one (1) each Bosch stackable electric washer and dryer. This equipment is not new, but appears to be fine adequate working condition.

Kitchen Appliances/Fixtures

All Units furnished with the following:
Range: Bosch 800 Series Gas Slide-in 30" range HGI8054UC, or similar
Refrigerator: Liebherr CBS 1660, or similar
Microwave Oven: Bosch 800 Series 24" Drawer Microwave HMD8451UC, or similar
Dishwasher: Bosch 800 Series SPV68U53UC Custom Panel Ready 18", or similar, paneled with cabinetry
Range Hood: Zephyr Europa Pisa Series ZPIE30AG290, or similar
Sink: either Elkay 24" under mount single basin stainless steel kitchen sink or Kohler 25" Riverby K-5872-5UA1-0, or similar
Faucet: Grohe 32665001 Starlight Chrome Concetto, or similar

Bathroom Fixtures

Tub: either Kohler Archer 60" by 30" alcove KBF1946-L-0 in white or Duravit 59" by 29" drop-in acrylic tub Model No. 700095000000090, or similar
Tub & Shower Trim: Grohe GSS-Europlus-DPB-05 in polished chrome, or similar
Sink: Kohler Verticyl Rectangle under-mount bathroom sink Model No. K-2882-0 or similar set in a quartz countertop by MSI Surfaces, style Calcatta Classique or similar.

Counter is mounted onto a 30" wide, 2-drawer vanity with a Wilsonart laminate color, Phantom Pearl 8221k-28, or similar.
Faucet: Grohe Concetto 8" Widespread Two-Handle in polished chrome, or similar.

Bathroom Accessories

Towel Bar: Grohe Essentials 24" Towel Bar, or similar
Shower Rod: Kohler Expanse curved shower rod K-9351-S in chrome, or similar
Robe Hook: Grohe Essentials Robe Hook, or similar
Toilet Paper Holder: Grohe Essentials Toilet Paper Holder, or similar
Medicine Cabinet: custom designed wood cabinet with open shelves. Wood grain to match vanity.

Finishes – Existing Residential Units

All rooms in First through Sixth Floor apartments except bathrooms:

Ceilings:	Painted concrete plank.
Walls:	Painted gypsum wallboard.
Floors:	Wood flooring

Master Bathrooms

Ceilings:	Painted gypsum wallboard
Walls:	Painted gypsum wallboard at non-tile walls and above tile at tub surrounds. Tile at tub is about 3'-3" above finish floor. Tile at shower enclosure is full ceiling height.
Floors:	Porcelain Tile.

Toilet Rooms

Ceilings:	Painted gypsum wallboard
Walls:	Tile
Floors:	Tile

Appliances and Fixtures- Existing Residential Kitchens and Bathrooms:

All apartment kitchens have a faucet, a sink, a refrigerator, a dishwasher, and a gas stove, all of which appear to be in fair working condition.

All apartment bathrooms have a sink, a toilet, a bathtub with a shower, all of which appear to be in fair working condition.

The kitchen cabinets are plastic laminate. The cabinets appear to be in fine working condition.

The kitchen counter tops are engineered nonporous stone, in black. They appear to be in fine working condition.

Laundry Equipment

All units are equipped with one (1) each Bosch stackable electric washer and dryer. This equipment is not new, but appears to be fine adequate working condition.

Kitchen Appliances/Fixtures

Non-Renovated Units furnished with the following:
Frigidaire Stainless Steel Gas Range Model # FGF366EC, or similar
Frigidaire Stainless Steel Refrigerator; Model # FRT8S6ES, or similar
Frigidaire Stainless Steel Over the range Microwave Oven; Model #FMV156DC, or similar
Frigidaire Stainless Steel Dishwasher; Model # FDB1050RE, or similar

Bathroom Fixtures

Tub: American Standard Studio series or equivalent either 60" by 30" or 59" by 29" drop-in, in white
Tub & Shower Trim: Delta Foundations series in polished chrome, or similar
Sink: American Standard Studio series under-mount bathroom sink or equivalent set in a countertop. Counter is mounted onto a 30" wide, 2-drawer vanity
Faucet: Delta Foundations series in polished chrome, or similar

Bathroom Accessories

Towel Bar: Moen 24" or equivalent
Shower Rod: Moen adjustable shower bar in brushed nickel or equivalent
Robe Hook: Moen in brushed nickel or equivalent
Toilet Paper Holder: Moen spot resistant in brushed nickel or equivalent
Medicine Cabinet: Glacier Bay recessed medicine cabinet with mirror or equivalent.

Unit Size by Line

The criteria for calculating the apartment size are based upon the NYC Zoning Resolution methodology for zoning rooms. Rooms in a dwelling unit are based on "living rooms."

No illegal partitions were observed in any of the units inspected.

The room size, space designations, and light and air provided were all code compliant at the time of construction.

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175 Spencer Street
Brooklyn, New York 11205

To the best of my knowledge, there are no outstanding complaints regarding water leaks into the building

The number of "living rooms" as defined in Section 4 of the NYS Multiple Dwelling Law, except that:

- Kitchens or other cooking spaces (without limit as to size) shall not be counted as "living rooms";
- Dining alcoves, dinettes, or other dining spaces (without limit as to size) when not separated by walls or doors from other "living rooms" or cooking spaces, shall not be counted as "living rooms";
- Dining rooms in dwelling units containing three or more bedrooms, and one or more other "living rooms" as herein computed shall not be counted as "living rooms";
  For dwellings between 1 and 6 "living rooms", the total number of "living rooms" plus 1-1/2 equals the total zoning rooms per dwelling. For dwellings in excess of 6 "living rooms" 1 is added to arrive at the total zoning rooms. A dwelling with 6 "living rooms" has 7-1/2 zoning rooms, for example. A dwelling with 7 "living rooms" has 8 zoning rooms.
- The Cellars which comprise part of units A, B, C, and D on the first floor may not be used for bedroom, dining room or any other use considered being a habitable space as defined by the New York City Building Code. Any other use as living and sleeping may result in a violation against the building being issued by the New York City building department and a fine imposed.

Unit Designation:	Number of Zoning Rooms	Net Square Footage
A 1st Floor	4-1/2	1058 square feet
B 1st Floor	4-1/2	1011 square feet
C 1st Floor	4-1/2	1011 square feet
D 1st Floor	4-1/2	1058 square feet
A 2nd - 5th Floor	3-1/2	708 square feet
B 2nd - 3rd Floor	3-1/2	706 square feet
C 2nd - 3rd Floor	3 1/2	739 square feet
D 2nd - 3rd Floor	3-1/2	690 square feet
E 2nd - 3rd Floor	3-1/2	656 square feet
F 2nd - 3rd Floor	3-1/2	657 square feet
G 2nd - 3rd Floor	3 1/2	680 square feet
H 2nd - 3rd Floor	3-1/2	761 square feet
B 4th Floor	3-1/2	714 square feet
C 4th Floor	3-1/2	788 square feet
D 4th Floor	3-1/2	658 square feet
E 4th Floor	3 1/2	662 square feet
F 4th Floor	3-1/2	681 square feet
G 4th Floor	3-1/2	769 square feet
B 5th Floor	3-1/2	783 square feet
C 5th Floor	3 1/2	666 square feet

D 5th Floor	3-1/2	661 square feet
E 5th Floor	3-1/2	681 square feet
F 5th Floor	3-1/2	769 square feet
A 6th Floor	3-1/2	792 square feet
B 6th Floor	3-1/2	669 square feet

(x) Finishes – Residential Common Areas:

Generally, the finishes in common areas are as follows:

Cellar corridor: painted CMU walls, painted cast-in-place concrete floor, painted pre-cast hollow-core plank ceiling.

Egress stairs: painted CMU walls, painted cast-in-place concrete metal pan stairs and landings, painted pre-cast hollow-core plank ceiling.

Elevator: Paneled walls w/ plastic finish, vinyl flooring, mirrored paneled ceiling.

Trash room: painted CMU walls, painted cast-in-place concrete floor, painted pre-cast hollow-core plank ceiling.

First floor vestibule and lobby: painted gypsum board walls, tiled floor, painted gypsum wall board ceiling.

Second through Sixth floor corridor: wall paper over gypsum board walls, tile and carpeted floors, painted gypsum board.

Finishes within the cellar corridor, egress stairs, elevator, and trash rooms are in good condition and are existing to remain.

Finishes within the first floor vestibule, lobby, and second through sixth floor corridors will be new, replaced as noted below.

First Floor Vestibule and Entry Lobby:

Ceilings: Two coats of paint on gypsum wallboard
Walls: Olympia Tile and Stone Muse Series 24" by 24" tiles in a matt white finish & MDC Boss Tweed | Optic White wall paper above in the lobby.
Floors: Olympia Tile and Stone Muse Series 24" by 24" dark grey with a matt finish.

Second through Sixth Corridors:

Ceilings: Two coats of paint on gypsum wallboard.
Walls: MDC The Printery | River Haze wallpaper

Floors: Shaw Memory Tile carpet in Hearten and Olympia Tile and Stone Muse Series 24" by 24" dark grey with a matt finish. 5.5" square edge primed MDF baseboard painted in Benjamin Moore Stormy Sky Semi-Gloss

Egress Stairs:
Ceilings: Two coats of paint on concrete stairs.
Walls: Two coats of paint on CMU and gypsum wallboard.
Floors: Two coats of paint on concrete and vinyl base

Trash Room:
Ceilings: Two coats of paint on concrete.
Walls: Two coats of paint on gypsum wallboard and concrete.
Floors: Two coats of paint on concrete

Site Plan and Floor Plans for each floor indicating all units drawn to scale are attached.

(y) Fire and Smoke Monitoring System:

Smoke detectors have been provided in elevator machine room, mechanical, electrical meter room and in each apartment.

The devices are Model SC9120B as manufactured by BRK Brands, Inc., 3901 Liberty Street Road, Aurora, IL 60504-8122 or equal. There is no known warranty for this equipment.

The FACP is Bosch Systems Model # D7412GV2 and ties in with a Central Station. The panel is located in the lobby. There is no known warranty for this equipment.

(z) Asbestos

This building was built after regulations banning the use of asbestos were put in place in 1989. Asbestos was not used as a building material during the construction of the building.

End of Section II

Architect's Report
192 Spencer Street
Brooklyn, New York 11205

III. 192 Spencer Street – Building Description

The project consists of a six story structure in Brooklyn, known as 192 Spencer Street. The building is of residential use (Use Group 2). 192 Spencer Street's first floor includes a lobby, seven (7) apartments with Accessory Use Cellar, and a trash compactor room. The second floor consists of eleven (11) apartments - ten (10) one-bedroom apartments and one (1) two-bedroom apartment. The third floor consists of nine (9) apartments – three (3) two-bedroom apartments, and six (6) one-bedroom apartments. The fourth floor consists of nine (9) apartments – one (1) two-bedroom apartments and eight (8) one-bedroom apartment. The fifth floor consists of seven (7) apartments – one (1) two-bedroom apartment and six (6) one-bedroom apartments. There are four (4) apartments on the sixth floor – three (3) one-bedroom apartments and one (1) two-bedroom apartment. The roof has three private terraces, each serve one of the sixth floor units.

(a) Location and Use of Property

The property is located at 192 Spencer Street, on Block 1762 and Lot 41 in the borough of Brooklyn. The subject property is located within an R-6 Zoning District as indicated on Zoning Map 17a. As per the zoning resolution, multiple dwellings are considered Use Group 2. In the R-6 Zoning District, Use Group 2 is permitted. This building complies with all applicable zoning and use requirements in place at the time of its construction.

(b) Status of Construction

As per the 1968 NYC Building Code, the building is a Class 1-D Non-combustible structure. The plans for construction were approved by the Department of Buildings as a New Building, no. 302005586, on October 25, 2005. Construction commenced on July 20, 2006. A Final Certificate of Occupancy was obtained 09/15/2011.

The building located at 192 Spencer Street complies with Quality Housing regulations in place at the time of DoB approval. See below list, excerpted from the drawings.

28-12 street trees as illustrated on the first floor plan:
Minimum of 3-1/2" caliper
Minimum one tree per 25' of street frontage
Total front age = 167' - 0"
167'- 0" / 25 = 6.68
7 trees provided

28-21 minimum permitted dwelling unit size, 400 sf
Minimum proposed dwelling unit size: 634 sf

28-22 all windows are double glazed

28-23 storage of refuse will be contained within the building:
Residential compactor room shall be located in the cellar
Minimum permitted refuse disposal room per floor, 12 sf
Actual area refuse disposal room per floor: 17 sf
Refuse disposal room has a container for recycling materials

28-24 laundry facility is within each apartment

28-25 this building takes the floor area credit for daylight in corridors

28-31 minimum required recreation space ratio: 0.033
Proposed zoning floor area: 36, 119 sf
Minimum required recreation space: 1, 122 sf
Proposed recreation space: 570 sf rec room, 1, 492 sf
Public terrace 2, 062 sf > 1, 122 sf

28-32 all recreation space is accessible to all residents of the building permitted
Minimum dimension of recreation space: 15'-0" proposed minimum dimension of recreation space: 18'- 0"
Outdoor recreation space must be open to the sky interior recreation space must have one exterior wall with minimum window area equal to 9.5% of the space's floor area

28-33 except at the building entry. The area between the lot line and the building street wall is occupied by sunken planting beds

28-41 permitted maximum number dwelling units per corridor: 11
Actual number dwelling units per corridor 11 @ 2nd floor, fewer on floors above.

28-50 minimum required parking space ratio: 0.5
Proposed number dwelling units: 41
Minimum required parking spaces: 24
Proposed number parking spaces: 24

28-51 open accessory off-street parking shall be screened from residential units, adjacent, lots, and streets

28-53 accessory parking shall not be permitted between street line and building street wall

The below table illustrates the active jobs filed under BIN No. 3397891 at the time of this writing. Jobs will be closed out as quickly as construction permits, but no later than December 31, 2021.

JOB #	FILEDATE	JOB TYPE	JOB STATUS	STATUS DATE
321951027	5/20/2019	A3	APPROVED	5/20/2019
FOAM STUCCO AS PER PLANS FILED. NO CHANGE IN USE, EGRESS OR OCCUPANCY				
320880356	11/27/2013	A2	DISAPPROVED	3/9/2015
FACADE RESTORATION, WATERPROOFING FACADE AND UNDER SHEET METAL CLADDING AT SPANDRELS AS PER PLANS FILED. NO CHANGE IN USE, EGRESS OR OCCUPANCY.				

(c) **Site**

The site is occupied by a 6 story residential building. The site lot area is approximately 16,700 square feet, with 167'-0" frontage on Spencer Street and 100'-0" deep. The site is located approximately 73'-0" from the corner of Willoughby Avenue and Spencer Street.

On Spencer Street, the sidewalks, curbing, and roadways, are publicly owned by New York City. Materials and conditions are as follows:

Item:	Material	Condition
Spencer Street	Asphalt	Good
Parking Lot	Asphalt	Good
Sidewalk	Concrete	Fair
Curb	Concrete & Steel	Good
Ramps	Concrete	Good
Curb Cuts	Concrete	Good
Aprons	Concrete	Good

There is a 12" Combined Sewer Line with two sewer manholes 130'-0" apart directly in front of the property and an 6" water main along Spencer Street. There is one (1) fire hydrant on Spencer Street approximately 67'-1" south of the southern property line, and approximately 307'-1" from the corner of Willoughby Avenue. These elements are publicly owned and maintained. They are in good condition and are in conformity with fire district codes in place at the time of construction.

There are two nearby streetlights – one approximately 86'-8" south of the southeast corner of Spencer Street and Willoughby Avenue, and another approximately 26'-6" north of the southern property line. Both are made of aluminum and appear to be in fair condition.

There are two nearby catch basins on the southeast and southwest corners of Spencer Street and Willoughby Avenue. Both appear to be in good condition.

Drives, Sidewalks, Ramps

There are two 12'-0" wide driveways, one for vehicle entry and one for vehicle exit, both on Spencer Street. The paving material of the driveway at the sidewalk is concrete. Curbs are concrete with steel.

All of the above conditions are existing to remain.

(d) Utilities

Item:	Supplied	How Billed
Water/Sewer	New York City	New York City General Building Meter for all water use, common and residential
Electric	Con Edison	Common areas including public lights and power, and residential units metered individually per unit
Gas	Con Edison	two (2) meters provided for domestic hot water generation and space heating and cooking
Telephone	Verizon	Individual subscription (prewired)
Cable TV	Time Warner	Individual subscription (prewired)

All water, sewer and gas charges are commonly metered and paid for by all units, residential and common, on a pro rata basis. Electrical charges are directly meters and paid for by the individual unit owners for their respective units or the Condo Board for the common areas.

(e) Sub-soil Condition

There is a layer of fill 2' to 8 'thick on the site consisting of silty, gravelly sand mixed with brick, concrete and miscellaneous demolition debris. This layer of material was classified as nominally unsatisfactory bearing material. Beneath the fill, the deposit consisted of brown gravel and coarse to fine sand and traces of silt.
The static groundwater level is at approximately 36.3' below the ground surface. The soil bearing capacity is 4 tons/ square foot.

Based on the effective and preliminary FIRM maps available (Tile # 3604970204F & G respectively) neither 175 Spencer Street nor 192 Spencer Street are in a special hazard floor area.

There exist no hazardous materials and/or environmental restrictions on this property. No work to remediate, nor monitoring is required.

No uneven foundation movement or differential settling has resulted in visible damage (i.e. cracking). No observable cracks in cellar slab; no observable mortar joint decay.

No evidence of moisture, seepage, or ground water infiltration was observed during our walkthrough. No corrective action required.

(f) Landscaping and enclosures

There are two planting beds at the front of the building on either side of the main entrance which are enclosed by cast-in-place concrete retaining walls approximately eight inches above grade. The left retaining wall is approximately 56'-10" long. The right retaining wall is approximately 23'-6" long. Both appear to be in good condition.

There are seven (7) street trees along the sidewalk of Spencer Street.
The parking area is at the rear of the building with entrances along Spencer Street and is paved with asphalt.

(g) Building Size

The building is a six (6) story structure plus one (1) cellar. No distinction is made between actual and marketing floor numbers.
The high point of the roof is approximately 55'-0" above grade (at approximately 2'-0").
The high point of the elevator bulkhead is 66'-2" (at approximately 2'-0") above grade, 9'-8" above roof.

Floor to ceiling heights in the main spaces are approximately as follows:

Cellar:	9'-8"	First Floor:	9'-8"
Second – Sixth Floor:	9'-4"		

There are six (6) rooms in the cellar which contain building services: the trash compactor room, the boiler room, the water and gas meter room, the telecom room, the electrical room, and the traction elevator machine room.

The roof is protected with a parapet 3'-6" above the walking surface of the roof.

(h) Structural System

The existing foundation at 192 Spencer Street consists of 12" solid grout CMU and reinforced concrete. There is no danger of structural failure or other conditions. There is no immediate need for structural bracing or shoring.

Bituminous damp proofing is installed on the outboard side of the foundation walls. The slab-on-grade assembly consists of a 10 mil polyethylene vapor barrier and 6" of crushed stone below the slab.

The super structure consists of 8" pre-cast, hollow-core concrete plank, supported by 8" reinforced CMU walls, shear walls, and a mat slab foundation. Concrete block returns at the front and rear exterior wall accommodate lateral loads as do the sheer walls at the elevator.

The Cellar Floor slab is a 5" thick cast-in-place concrete slab on grade. The first through sixth floors and roof are 8" thick concrete plank.

Bituminous damp proofing is installed on the outboard side of the foundation walls. The slab-on-grade assembly consists of a 10 mil polyethylene vapor barrier and 6" of crushed stone below the slab.

Sound attenuation batt insulation (SAB) has been installed in all internal partitions. The unit partitions have an STC of 48 as they are composed of 2-½" stud with 2-½" sound attenuation batt insulation in between studs. The unit demising walls consist of fully grouted 8" CMU furred out with 1-⅝" stud and 1-½" SAB. This assembly has an STC of at least 55 according to the National Concrete Masonry Association.

A sub-grade drainage system is not provided.

Exterior of Building

This building is not subject to LL11/1998. This local law applies to the **inspection of the exterior walls of buildings greater than six stories in height. The subject property is six stories.**

Walls:

The exterior walls of the building are comprised of loadbearing 8" thick reinforced CMU blocks with 3" batt insulation. A floor to ceiling storefront system containing metal panels, fixed, and operable glazing is used in combination with the CMU blocks. Exterior walls have a fire rating in excess of 4 hours per 2014 Building Code.

The R value for the exterior wall assembly is R 5.2

The overall exterior wall condition including that of the storefront appears to be in good order with no leaking.

At the time of this writing, the building is in the process of receiving a single coat stucco over all exterior CMU.

There is no existing or proposed EFIS system.

At the time of filing and construction, Local Law 10 was in effect and applicable.

Partitions separating rooms within the same unit are made of one layer 5/8" gypsum wall board on either side of a metal stud with sound attenuating batt insulation between, and are not fire rated nor are they required to be by code.

There are two types of partitions separating units and separating units from the corridor. The first type is made of two layers 5/8" gypsum wall board on either side of a metal stud with sound attenuating batt insulation between. This has a fire rating of two hours as required by code. The second type is made of one layer of 5/8" gypsum wall board on 1-5/8" metal stud with batt insulation over loadbearing 8" thick reinforced CMU blocks. This has a fire rating in excess of 4 hours.

Windows:

All windows are aluminum framed, casement operation, storefront windows. Insulated glazing units are ¾" thick with clear glass. Glazing at the entrance door is clear 3/8" tempered glass. Glazing throughout is gasketed into the aluminum extrusions.

There are no sills – the bottom window extrusions are Aluminum. Storefronts span vertically between the top and bottom of slabs – there are no lintels in typical conditions. At the rear of first floor units, the storefront spans a double-height space. In these conditions steel HSS6x4x1/4 and L2-1/2x2-1/2 members are used for support. No storm sash, window guards, or screens present. Windows by Crowne Architectural Products.

The terraces receive aluminum double-glazed swing doors by Crowne Architectural Products, with 5/8" – 1" insulated glass with a thermal barrier. Windows facing terraces are also aluminum framed casement operation, with clear ¾" insulating glass.

There is no warranty for the windows supplied by Crowne Architectural Products.

Overall, the windows inspected appear to be in good working order. This includes parts such as caulk, seal, gaskets, hinges, handles, opening mechanisms, and locking mechanisms.

At the time of this writing, the owner has no open complaints relating to leaking or dysfunctional windows

There are no curtain walls at 192 Spencer Street.

There are no lot-line windows at 192 Spencer Street.

Exterior Entrances

The residential floors are accessible through a residential lobby on the first floor with an entrance on Spencer Street. This entry is through double aluminum storefront doors with

glazing in an aluminum frame. The residential vestibule follows, with passage through another double aluminum storefront doors with glazing in an aluminum frame. Both sets of doors are magnetically locked and controlled by individual intercom buzzers in the apartments. There is also vestibule at the rear consisting of two (2) single doors in succession leading from the parking area into the residential lobby. All doors to have manual key access. Exterior entrance doors were manufactured by TRACO and appear to be in good working order, including the continuous hinges, frame, threshold, latching mechanism, lock, and door pulls.

Doors from the roof bulkhead to the roof are hollow metal in hollow metal frames.

There is a cast in place concrete exterior stair and ramp serving the entrance from Spencer Street. The handrail runs down the middle and is a round tube of painted steel. The exterior concrete stairs appear to be in fair working condition.

Mailboxes are US Postal Office approved front loaded boxes with full height doors. These mailboxes are adjacent to the elevator lobby. The mailboxes appear to be in good working condition.

Service Entrance

The residential traction elevator machine room is accessible via the cellar level.

Parapets and Copings

There are two (2) types of parapets:

1. CMU anchored to structural concrete plank via rebar. SBS roofing system runs up 9" above roof finish level to provide waterproofing. Aluminum coping, screwed into wood blocking, which in turn is bolted to CMU beneath, runs the entire length of the CMU parapets

2. Aluminum railing is installed typically at communal and private roof terraces. The aluminum rails are welded to aluminum poles which run through the SBS roofing system and are anchored to the concrete planks below using sealant and non-shrink grout.

Parapets of both types appear firmly secured and appear to be in good order with no signs of leakage.

Chimneys and Caps

There are no chimneys as defined by NYC building code.

Toilet and kitchen exhaust vents terminate at the roof with standard metal mushroom-type caps and Greenheck GB141-5 or GB101HP-4 fans. Sizes of such caps vary appropriately with the size of vent covered.

The hot water heater flue is a prefabricated eight inch (8") double wall 'B' vent metal flue extending five feet (5') above the roof.

Balconies and Terraces

There are four (4) private terraces each at the third through fifth floors. on the west side of the building, and one (1) private terrace on the sixth floor, one public terrace on the south side and three private terraces on the roof level on the north side of the building. There are three (3) private roof terraces, each of which is accessed from the appurtenant unit below by an interior stair. There is a parapet with aluminum coping around the perimeter of the terraces at 3'-6" above the walking surface.

Metal railings are provided at all balconies at 3'-6" above finished concrete surface. Metal balustrades are spaced a maximum 5" O.C. as per code.

Access to all balconies and terraces is provided by single aluminum double-glazed hinge doors. Balcony doors are manufactured by TRACO, and are aluminum with a glass panel.

Stone Source Lagos Grey 24" by 24" outdoor pavers are provided at 192 Spencer Street. Finish roofing material is black modified SBS rolls, installed per manufacturers guidelines. This condition provides a suitable walking surface.

Unit purchaser may not alter roofing or construct/place items that may obstruct the mandatory FDNY access path.

Terraces have not been listed on the final Certificate of Occupancy No. 302005586.

Roof and Roof Structure

All roof surfaces have a slope of 1/4" per foot to 1/8" per foot. The roof is adequately drained with roof drains in conformance with NYC Reference Standards. In addition, the structural system for the roof was designed to conform to the regulations for live and dead loads as per the NYC Administrative Code.

Insulation for the roof under the membrane is rigid tapered insulation of varying width from 8" to 4" (R value 33).

Finish roofing system is a modified bitumen membrane built up roof system. The roof appears to be in good condition. Roof membrane manufacturer was Johns Manville Commercial/Industrial Roofing System. This system was specified for flat roofs.

Modified bitumen flashing is counter-flashed variously with stainless steel and aluminum flashing to cover seams and prevent water infiltration. Both flashing systems appear to be in good condition and correctly installed. No missing flashing was observed.

The terrace on the sixth floor is a concrete paver system over the roofing system mentioned above.

There is currently no known warranty bond, or guarantee for the roof system. It is approximately 9 years into a useful life of 15 years

Existing roof is in good condition and will remain.

Drains

Six (6) internal drains are distributed on the main roof. The bulkhead roofs are drained via scuppers and leaders. Eight (8) internal drains are provided. Three (3) internal drains are at the sixth floor, one of them placed at the center of the private terrace, and one at each of the private terraces on the roof. One at each of the four terraces on the fifth floor, two (2) each on the fourth and third floors. Two (2) scuppers drain two (2) of the four (4) terraces on the fourth floor.

Roof drains are 4" in diameter and appropriately distributed for each terrace and roof area. Such drains are of galvanized steel. Aluminum flashing, in combination with the modified SBS roofing system, seals the drains against ingress of water. As required, roof drains are installed with galvanized steel strainer to prevent clogs.

There are no gutters on 192 Spencer Street. The building's storm water is drained internally. However, the bulkhead roofs are drained via aluminum scuppers installed appropriately in the parapets of such areas.

Skylights

The required skylight over the fire stair bulkhead was substituted with a window (see Windows) as per code.

Three (3) skylights are provided over the private bulkheads which provide access to private terraces for 6th floor units A, B, and C only. Skylights are approximately 2'-6" wide and vary in length between 19'-4" and 14'-4". They are made of aluminum extrusions. These skylights are not required by code. The skylights appear to be in good condition and are existing to remain.

Bulkheads/Observatories

The bulkheads located at the fire stairs were constructed of 6CW8 C-Studs @ 16" O.C. The elevator bulkhead was constructed of an 8" reinforced CMU shear wall.

Bulkheads appear to be in good working condition and are existing to remain.

Rooftop Facilities

The 6th floor recreational terrace serves as a recreational rooftop and indoor gym to comply with Quality Housing regulations. It is 52'-3" at its deepest point and 27'-4" at its widest point. It is approximately 1,492 sf in exterior area. The indoor recreation room is approximately 242 SF. Its dimensions are 12'-9" x 16-1". There is a total of about 1,734 sf for recreation space.

Per Quality Housing zoning regulations:	
Minimum Required Recreation Space Ration =	0.033
Proposed Zoning Floor Area =	36,119 sf
Minimum Required Recreation Space =	1,122 sf
Proposed Recreation Space =	1,734 sf

100% of the buildings maximum 104 occupants can legally occupy the roof.

The roof complies with all building code provisions in place at the time of its construction.

Deck finish at 192 Spencer St. (limited common element) is of modified SBS. Such a roofing system is acceptable for daily foot traffic. The SBS system is a standard 3-ply Firestone product installed over a ½" Firestone DensDek cover board. The cover board adequately support the weight of foot traffic. Installation of roof pavers is not mandated by the manufacturer to retain the warranty.

Other than the painted aluminum guard rails described under the Parapets section, painted metal posts have been provided to support partitions which separate the private terraces from each other.

Terraces below the sixth floor are divided with white vinyl terrace fencing mounted on metal posts embedded in pitch pockets.

Terraces appurtenant to dwelling units are private and will be illustrated as a limited common element in the declaration and condominium plans to be filed with the Department of Finance.

The roof will be illustrated as a general common element in the declaration and condominium plans to be filed with the Department of Finance.

No easement agreement will be required between the LCE roofs and GCE roof

Building Bulletin 2018-002 is not applicable to this building as the roof is not being converted from un-occupy-able to occupy-able.

There are no vertical ladders on the roof levels. Consequently, there are no goosenecks for the ladders.

There are no roof hatches at 192 Spencer Street.

Purchaser cannot obstacles fire department access path.

Terraces are not presently listed on the Certificate of Occupancy

Yards and Courts

There are seven (7) private sunken courts at the cellar level of the apartments with accessory use cellar. Each unit has access to this space through a storefront door at the bottom of the stairs within each unit. There is one (1) additional common sunken court which provides access between the cellar and the parking area in the rear via a stair. The surface of each court is cast-in-place concrete. No additional paving materials were proposed as part of the initial design.

Each court has one (1) yard-drain. A metal grate flush with the surface of the concrete prevents large detritus from clogging the pipe.

There are no railing at the residential courts, nor is there fencing or stairs. The walls are cast-in-place concrete retaining walls.

The common sunken court contains a stair made of metal stringers, metal grated treads and has open risers. The hand and guardrails are made from the same painted aluminum tubes as the parapets. The wall is the same cast-in-place concrete retaining wall as in the residential courts.

The retaining wall referenced above appears to be in good working condition.

Interior Stairs

There is a scissor stair located in the center of the building servicing the cellar through sixth floors, and the roof as the required fire-protected two means of egress. The fire stair enclosure is fabricated from a combination of 8" reinforced CMU with metal studs and gypsum wallboard at the cellar through sixth floors. The stair bulkhead is made of 6CW8 steel C-Studs @ 16" O.C. and gypsum board with batt insulation. The enclosure comprised of CMU is fire rated in excess of four (4) hours. Stairs are made from 3'-0" wide metal

pans with concrete treads and metal railings. The fire-rated scissor stairs are existing to remain and appear to be in good working condition.

There are three (3) private stairs, each with access from the apartments on the sixth floor to the rooftop terraces. The private stairs are fabricated from a combination of metal studs and gypsum wallboard from the sixth floor through roof. The stairs are 2'-6" wide and made constructed with oak risers and treads and wood handrails.

On the first floor there are seven (7) stairs within each dwelling unit which connect the first floor to the accessory cellar. These stairs are open and constructed with oak risers and treads supported on oak stringers. The handrails are wood. These stairs are existing to remain and the conditions range from fair to good.

Interior Doors and Frames

Fire stair, roof, and apartment entry doors are 1-1/2 hour rated hollow metal doors and frames with self-closing hinges. Interior apartment doors throughout are 1-3/8" thick hollow wood doors with wood frames. Bathrooms have marble saddles.

The fire rating of all doors comply with applicable requirements of the building code. All doors are existing to remain and appear to be in fair working order.

Elevators

There is one single car traction passenger elevator in the center of the building servicing the cellar through sixth floors. The elevator is microprocessor-controlled type, by KONE with sliding doors. The elevators travel a maximum of 150 feet per minute and has a capacity of 2,000 pounds and a passenger capacity of 16. The machine room is located in the cellar.

The elevator is subject to Local Law 10 elevator inspections. As stated under section (u) Permits and Certificates, the Category 1 Test (annual test) was conducted by Kone on 08/27/2015 and was accepted - unsatisfactory pending satisfaction of administrative requirements, not for safety issues. Sponsor will satisfy the appropriate administrative requirements. The Category 5 Test (five year test) was conducted by Kone on 05/28/2015 and accepted - satisfactory.

The elevator appears to be in good working order. Elevator is existing to remain.

DC motor manufacturer is unknown.

AC motor-generator set manufacturer is unknown.

Elevator Cabs

The traction elevator interior finish is stainless steel finish with plastic laminate paneling on walls and ceiling, and slip resistant floor tiles. Internal lighting, emergency telephone, and safety elements as required by NYC Building Code has been provided.
Elevator cab appears to be working order. Condition of finishes appear to be fair.

Elevator cab was built by KONE. Model is unknown

Landmark Status

None.

(i) Auxiliary Facilities

Laundry Rooms:

Electricity, hot and cold water piping connections for a washing machine and dryer have been provided in each apartment. Electric washing machines (Bosch Axxis WFL2090UC/22 or better) and electric dryers (Bosch 300 Series WTG86400UC/01 or better) have been installed.

Refuse Disposal

There is a trash chute and area for recycling on each floor off the public corridor which fulfills the requirement of Quality Housing. As per NYC Zoning Resolution Section 28-23 Refuse Storage and Disposal In R6 through R10 Districts, developments, enlargements, extensions and conversions with nine or more dwelling units or rooming units per vertical circulation core shall comply with the provisions of this Section.

The storage of refuse shall occur entirely within an enclosed area on the zoning lot and appropriate locations within the zoning lot shall be delineated for this purpose: at least one for residential uses and at least one for community facility and commercial uses. Residential storage and removal locations shall be provided at the rate of 2.9 cubic feet per dwelling unit or 1.15 cubic feet per rooming unit. A refuse disposal room of not less than twelve square feet with no dimension less than three feet shall be provided on each story that has entrances to dwelling units or rooming units. Twelve square feet of such refuse storage room shall be excluded from the definition of floor area.

Residential refuse is collected in the cellar floor trash room through the trash chute and compacted in the compactor. Compactor manufacturer is Royal Pak, Model FK, Type R, Serial 1598. The compacted refuse must be periodically placed on the street for collection by the City of New York.

Tenant Storage

There are 48 metal cage lockers distributed throughout three (3) storage rooms at the cellar. Each locker is approximately 18sf. Each storage room is approximately 376sf. Lockers are secured with locks supplied by tenants and are rented separately from dwelling units.

The lockers will not be given condo lot numbers and the storage room will be illustrated as a general common element in the declaration and condo plans filed with the Department of Finance.

There are no package rooms or other auxiliary facilities. There is no bicycle parking.

(j) Plumbing and Drainage

1. Water Supply

a. A 6" combined fire and domestic water service enters the building at the cellar from Spencer Street Domestic water pipe is Type "L" copper tubing with wrought copper fittings. Cold water pipes have ½" thick, one piece fiberglass pipe insulation. Hot water pipes have 1" thick one piece fiberglass pipe insulation. It passes through the O,S&Y House Control Valve and splits into a 3" cold water domestic water via a Double Check Valve Assembly (DCVA) Wilkins Model 350 and a 6" sprinkler line via a 6" DCDA Wilkins Model 350 ADA.

b. The domestic water supply is metered and provided with an approved double check valve backflow preventer. The entire building is supplied water pressurized by a duplex domestic water booster system located in the cellar level.

c. Domestic hot water is generated using a duplex gas fired hot water heater heaters and stored in three (3) 80 gallon hot water storage tanks. The hot water heater manufacturer is Bradford White Model EF-60T-199E-3N(A), 60 gallon capacity, and 92% energy efficiency. It is located in the mechanical room on the roof. The heater discharges the hot water at 140 deg. F; the hot water temperature is further controlled by a thermostatic mixing valve set to deliver 120 deg. F discharge hot water temperature to fixtures requiring hot water.

d. The temperature of the hot water in the piping system is maintained by recirculation piping and an aqua-stat controlled recirculation pump.

2. Fire protection system

a. The building is provided with an automatic sprinkler system serving the entire building. . A 4" combined sprinkler/standpipe is located in the egress stair. It is made out of

Schedule 40 pipe. The building is provided with trash chute sprinklers and sprinkler protection for the entire cellar level, common areas and all apartments.

b. Water supply is piped to the suction side of the 250GPM automatic sprinkler booster pump. The sprinkler booster pump discharge is piped to the 4" fire sprinkler riser located in the stairwell. It is made of Schedule 40 pipe. At each floor level a floor control valve assembly is connected to the riser controlling the water supply to all sprinklers on the specific floor. A separate control valve assembly is provided for the trash chute sprinklers and the cellar sprinklers.

c. Flush type fire sprinkler siamese is provided at Spencer Street, piped with check valve and automatic ball drip to connection with pump discharge piping at the cellar ceiling.

d. There are no hose racks required or provided.

e. In the units, there are a combination of concealed and sidewall sprinkler heads. In the corridors and lobby, there are concealed sprinkler heads. In the cellar utility rooms, there are upright sprinkler heads.

f. Recurring inspections of the sprinkler system have and will occur as required by the DoB.

3. Sanitary drainage system

a. Plumbing fixtures and appliances from the second floor and above will drain by gravity and connect to the new 8 inch combined house drain located above the cellar floor slab. The sewage pipe consists of extra heavy cast iron soil pipe and appears to be in good working condition.

b. Drainage piping from first floor and below is piped to an ejector system. The pump will discharge the effluent to the combined house sewer.

4. Storm drainage

a. Roof drains and terrace drains are piped by gravity and connect to the 8" combined house drain located above the cellar floor slab.

b. There is no detention tank at 192 Spencer Street

c. The storm water pipe consists of extra heavy cast iron soil pipe and seems to be in good working condition.

d. No roof ponding was reported by building super, nor observed during site visit. System seems to be in good working order.

5. Gas system

a. Natural gas service is provided with a 4" Schedule 40 cast iron pipe by Con-Edison. It extends to individual gas hot water and combined cooking and gas heating meters. There are 2 domestic hot water meters and 2 cooking gas meters. Gas supplies 7 gas furnaces in the cellar

b. Piping from the gas cooking meter extends to each gas range within an apartment and to the individual gas fired PTAC units for space heating. Gas piping from gas domestic hot water heating meters extends to gas fired water heaters in the 6th floor hot water heater room.

(k) Heating

1. The building's space heating systems are designed in accordance with the New York City Building Code and the New York State Energy Conservation Code to maintain an indoor temperature of 70 deg. F with a simultaneous outdoor temperature of 5 deg. F and a wind velocity of 15 miles per hour. Domestic hot water heating systems are designed to meet each apartment's peak hot water load in accordance with calculation methods outlined in the American Society of Heating Refrigerating and Air Conditioning Engineers (ASHRAE) method. The approximate remaining useful life of this system is 10-15 years

2. The common spaces are heater with a gas fired roof mounted make-up air system for the common corridors and lobby and with supplemental electric heaters in the stairs, mechanical spaces and other miscellaneous building areas.

4. Each apartment above the first floor is heated by dedicated gas fired PTAC (packaged terminal air conditioner) units. The PTAC units each have their own gas connection and gas fire furnace. The space temperature is controlled in the space by the resident from the PTAC unit. Heating is available and individually controlled in each room anytime 12 months a year. PTACs appear to be in good condition and will remain. Any PTACs which are not fully functional will be replaced with new units. There is no known warranty for the PTAC units.

4. The PTAC units are manufactured by Islandaire and are model EZ 09, EZ12 and EZ15, or similar, with heating outputs of 12,100, 14,700 and 20,600 btu/hr each respectively. The size of the units vary based on the heating and cooling loads in the spaces they serve. EER ratings for the three sizes are 11.2, 10.7, and 9.6 respectively.

5. The apartments on the first floor with accessory cellars are provided with sealed combustion gas fired furnaces mounted vertically in the apartments and ducted to the various spaces in the apartment. The furnaces are manufactured by Carrier and are

Model 58MPV060 or similar. They are combined with Carrier model CK5PA036 cooling coils and 38TDB024 condensing units, or similar to complete the air conditioning and heating package.

6. Heating for the residential common corridors is provided with a roof mounted gas fire makeup air system. The system heats 100% outside air to heat and ventilate the building common corridors in accordance with code. The unit provided is an Aaon model: RDCA-374-350 or similar. The unit has an output of 219,000 btu/h for 2,450 CFM.

7. The ductwork at the cellar and first floor is not insulated.

8. The domestic hot water heaters, PTAC units and corridor make-up air unit are fired with natural gas, supplied to the building by the Con Edison Utility Company. See plumbing sections of this report for additional details.

(m) Air Conditioning

1. Air Conditioning systems are designed to meet the New York State Energy Conservation Code requirements at 78 deg. F dry bulb/50% relative humidity indoor conditions when outdoor temperature is 92 deg. F dry bulb and 74 deg. F wet bulb. PTAC units operate year-round and do not have insulation within. There is insulation in the exterior walls they are set in to. The penetrations are flashed and sealed on the interior and exterior. Condensate is drained through the louvers.

2. Air Conditioning for the residential spaces above the first floor is supplied by floor mounted, console type PTAC units located under windows. The same units provide air conditioning and heating in the residential units.

3. Air conditioning is individually controlled and is available year round, 24 hours a day at each heat pump unit.

4. Air conditioning is supplied to the first floor and cellar duplexes from the split air cooled condensing unit and furnace mounted air conditioning coils. Heating and cooling are available year round as desired and is controlled from programmable thermostats in the apartments.

5. Air conditioning is provided to the common corridors and residential lobby from the roof mounted make-up air unit.

6. Exterior metals such as fasteners and louvers are corrosion resistant.

7. The makeup air unit is situated on the roof. Sound attenuation is provided by mounting the equipment on neoprene pads.

(n) Ventilation

1. Interior toilet rooms in each apartment are mechanically ventilated by roof mounted exhaust fans utilizing common duct risers.

2. Clothes dryers located in the apartment self-contained type and need no ventilation.

3. Cellar compactor room and community area trash room, as well as trash chute room on each floor are mechanically ventilated by a common roof exhaust fan.

4. Public corridors are ventilated by a roof mounted make-up air system.

5. Ventilation systems components and capacities are designed to meet the New York City Building Code requirements.

6. Ventilation equipment is manufactured by AAON model "Generation"

7. Cellar ventilation volume complies with the code requirements in place at the time of construction.

8. Make-Up-Air unit is Reznor model RDCA 374 and supplies 2,450 CFM

1. The above referenced unit has been discontinued and information on noise emission rating appears to be unavailable.

(o) Electrical System

The electrical systems are as follows:

a. New electrical service from the utility company has been brought to the building. The new service terminates at the service end box which is located in the cellar. The electrical service is rated at 2,200 Amps, 208/120 volt, 3 phase, 4 wire system. The routing of the underground cables and the location of the end box will have to be coordinated with Con Edison. Service equipment consists of the following: one 600 Amp service switch for building's common loads, two 600 Amps service switches for the residential loads, and one 400 amp service switch for the sprinkler booster and jockey pump, 60 amp service has been provided to each residential unit.

b. The wires are 2 sets of 4#350 MCM in 2 3" conduits for each residential meter. 2 sets of 4#350 MCM in 2 3" conduits run to the house panel. 3 #6 wires in ¾" conduit run to the jockey and fire pump.

c. Each unit's meter is rated for 100 amp service. There are an average of 24 circuits per apartment. There is ample capacity to run modern appliances.

d. New distribution systems have been provided to each apartments and common areas. The meters are read by the utility company.

e. Branch circuits are provided from the tenant panel to all lighting, receptacles and appliances located in each space. The air conditioning units are powered from the same panel.

f. The house power are served by a separate utility meter. New panels and branch circuiting are provided for all corridor lighting, hot water heating room, elevator, etc.

g. Switches and wiring devices are provided throughout the building to comply with the code requirements, equipment and furniture layout.

h. Starters, disconnect switches and power for motors, elevator and other mechanical equipment are provided.

i. Provision to permit installation of a Telephone system and cable TV system are provided. The routing of the underground telephone and TV cable has been coordinated with the utility company.

j. Audio/Visual indicators at the fire alarm panel are provided in the cellar as per code.

k. There is no emergency generator on site.

Apartments

Electrical service:

Each apartment is metered by Con Edison via a meter bank located in cellar. Each apartment service is 208/120 volts, single phase, three wire. The feeders is sized to compensate for the voltage drop. The voltage drop to each outlet in the apartment is less than 2.5%. In each apartment a lighting panel is located. The panel is rated for 208/120 volts, single phase, three wires.

Lighting and power for apartments:

In each apartment ceiling mounted lighting fixtures is provided in living room, dining room, corridor and kitchen. In the bathroom, ceiling mounted lighting fixtures have been provided. In the bedroom a receptacles have been provided which are controlled by a wall mounted switch.

In each apartment receptacles are located in accordance with code (the spacing of receptacles along walls in rooms will ensure that no point on the wall is more than six (6) feet from a receptacle).

In kitchen and laundry room special receptacles are provided to power all appliances and small appliance circuits and receptacle spacing in accordance with code.

In bathroom and kitchen ground fault interrupter receptacles have been installed.

Telephone Service:

Each apartment is pre-wired with jacks in living room, kitchen and bedrooms.

Television/Cable Facilities:

Each apartment is pre-wired for cable TV. The TV jacks are located in the master bedroom and living room.

Smoke and Carbon monoxide (CO) Detection:

In each apartment, next to the bedrooms a 120 volt, hard wired combined type ionization smoke detectors and CO detectors with buzzers have been provided. In apartment for handicap occupants the smoke detector have a strobe light.

(p) Intercom System

The residential entry are provided with an audio intercom system at the outside face of the building for use when the building lobby is not staffed. Guests can be buzzed in from this intercom.

A CCTV system is in place. Manufacturer is HDView. The Model No. is: ED7216TEL. There is no warranty.

At time of inspection, the intercom system appeared to be in acceptable working condition. There are no outstanding complaints regarding the functionality of the intercom system at the time of this writing.

(q) Public Area Lighting

Interior

Public areas are adequately illuminated per code. The entry lobby, vestibule, elevator lobbies, public corridors, stairways and sidewalk areas at the front door are lit with fluorescent or LED lighting. Public corridor light fixtures are Lumens brand wall

sconces, Norfolk model. The sides of the building will be lit with Ylighting 20" Root Outdoor Light by Tech Lighting. The exterior entrance will be lit with a Lightology Trenton Outdoor Ceiling Light. The entrance vestibule will be lit with a Cedar & Moss Terra Surface Light in black. Bathroom fixtures are Sonneman Stiletto Lungo 60" LED Wall Bar.

Emergency Lighting:

Some of the lighting fixtures located in the public corridors in the stairways are provided with emergency battery units.

Exterior

The parking area is illuminated at night via six (6) flood lights in metal housing mounted to exterior walls approximately 10 feet above ground. Lights appear to be in good condition and satisfy the requirements of applicable code provisions.

There is lighting at the exterior entrances of the building in the following locations:

First Floor:	(1)	at the residential lobby entrance on Spencer Street
	(2)	at the entries by the outdoor stainless steel metal grate walkway at rear of building.
	(3)	above building entrance from parking area.
All Res. Floors:	(1)	at each balcony and terrace
Roof:	(1)	at the fire stair door to the roof
	(2)	around the elevator and stair bulkheads
	(3)	at the public terrace on the roof

The exterior entrance lighting appears to be in good working condition.

(r) Garages and Parking Areas

There are a total of 24 parking spaces provided at the rear and on either side of the building at the first floor. Of these, there are two (2) parking spaces meet ADA guidelines for accessibility. These accessible parking spaces are located under the building toward the rear. The parking area is paved with asphalt and security lighting provided. Motorized rolling gates are provided at each of the two (2) entrances for secured parking.

At the time of construction, the applicable zoning resolution section was ZR 28-50 which required the project to provide parking spaces for 50% of the dwelling units. There are 47 dwelling units. 50% of 47 is 23.5 which is rounded up to arrive at 24 parking spaces.

The total parking area at 192 Spencer Street is approximately 7,835. 24 parking spaces multiplied by 300sf each equals 7,200sf, therefore we comply ZR 25-62

The minimum driveway width is 9'-11" which exceeds the minimum requirement of 8'-0".

The minimum parking space dimensions of 8'-6" wide by 18'-0" long are met.

The covered parking area has a floor to ceiling height of approximately 7'-4"

The drainage system serving the parking area is described under section J, part 4.

Drainage

There are four (4) 10ft long trench drains in the parking area. One (1) each at the entry and exit driveways, and two (2) at the rear retaining wall. These drains appear to be in good working order. The storm water pipe consists of extra heavy cast iron soil pipe and seems to be in good working condition.

There are no detention tanks at 192 Spencer Street.

No ponding was reported by building super, nor observed during site visit. System seems to be in good working order.

Fencing, Gates

Fencing separates the sidewalk from entry to and exit from the parking area at the rear of the building. This fencing is interrupted in the driveways for motor powered rolling gates.

Rolling steel gate appears to be in good working condition. At the time of this writing there are no known defects in, or tenant complaints regarding the functionality of the rolling steel gate.

All fencing is steel, painted grey, in good condition, and will remain.

Special risk: The Sponsor may rent the required accessory off-street parking spaces to non-residents of the building, for periods of not less than one week and not more than one month. All required accessory off-street parking spaces shall be made available to residents within 30 days after written request made to the sponsor, by such residents.

(s) **Swimming Pools**

None Provided

(t) Tennis Courts, Playgrounds and Recreation Facilities

No tennis courts playgrounds, etc. are provided at 175 Spencer Street. See section "h" under "rooftop facilities" for detailed information on recreational facilities.

(u) Permits and Certificates

Sprinkler
The last Five Year Pressure Test was conducted July 2018. The test was conducted by Safety Fire Sprinkler for the FDNY connection and was deemed satisfactory. The NFPA 25 test has been conducted every month. The last test was conducted 7/22/19.

RPZ
N/A. There is no RPZ.

Elevator Safety/ Elevator Load Test
The most recent Category 1 Test was conducted by Kone on 08/27/2015 and was accepted - unsatisfactory pending satisfaction of administrative requirements, not for safety issues. Sponsor will satisfy the appropriate administrative requirements. The most recent Category 5 Test (Five year test) was conducted by Kone on 12/23/2014 and accepted - satisfactory.

Passenger Elevator Inspection Certificate
The most recent elevator cab inspection was conducted on 07/24/2017

HPD MDL Sec 239 Inspection
The most recent inspection was conducted on 05/11/2019

Boiler Safety
There is no boiler in the building.

Fire Alarm
FACP is Bosh Radionics D7212 and ties in with the Central Station. The panel is located in the lobby. It was last inspected 05/24/2018.

All RTUs and condensing units are below the threshold requiring inspection.

(v) Violations

192 Spencer Street DOB Violations

Number	Condition	Date	Work Required to Cure

V 010317ACC109332	Vio issued to elevator - fail to correct defects on 2015 cat 1 insp/tst	1/3/2017	Call for Inspection
V 072417E9027/605673	device no. 3p12256	7/24/2017	Call for Inspection
V 091517EVCAT103999	Violation issued to elevator-failure to file category 1 2016 inspection/test	9/15/2017	Call for Inspection
V 083018E9027/635382	device no. 3p12256	8/30/2018	Call for Inspection
V 040519EVCAT103312	Violation issued to elevator - failure to file category 1 2017 inspection/test	4/5/2019	Call for Inspection

At the time of this writing, 192 Spencer Street does not have any active ECB violations.

Architect's Report
192 Spencer Street
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192 Spencer Street HPD Violations

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Apt Story	Reported Date, nov ISSUED Date	Hzrd Class	Order no	Violation ID, NOV ID, NOV Type	Violation Description	Status Status Date	Certify By Date Actual Cert. Date
4H 4	2018/09/24 2018/09/27	B	508	12604413 6204546 Original	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color ..north and south jambs at window in the 2nd room from north at west located at apt 4h, 4th story, apartment at west	NOV SENT2018/09/27	2018/11/5
4H 4	2018/09/24 2018/09/27	B	508	12604416 6204546 Original	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color ..north and south jambs at window in the 1st room from north at west located at apt 4h, 4th story, apartment at west	NOV SENT2018/09/27	2018/11/15
4H 4	2018/09/24 2018/09/26	B	508	12602243 6203607 Original	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color ..the ceiling, west and south walls in the bathroom located at apt 4h, 4th story, 1st apartment from south at west	NOV SENT2018/09/26	2018/11/14
4H 4	2018/09/24 2018/09/26	B	508	12602274 6203607 Original	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color ..header at south window in the 2nd room from north at west located at apt 4h, 4th story, 1st apartment from south at west	NOV SENT2018/09/26	2018/11/14
4H 4	2018/05/11 2018/05/15	A	502	12383817 6090536 Original	§ 27-2005 adm code properly repair with similar material the broken or defective wood floor near the south wall in the 2nd room from north located at apt 4h, 4th story, 1st apartment from south at west	CERT INVALID2018/08 /31	2018/09/01
2I 2	2018/02/23 2018/02/27	B	508	12258885 6026655 Original	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color ..the	NOV LATE2018/04/18	2018/04/17 2018/04/18

					ceiling in the clioset in the 1st room from north at west located at apt 2i, 2nd story, 1st apartment from south at west		
1	2017/06/20 2017/06/22	A	1506	11838241 5783352 Original	§ 27-2005 hmc: post, in a form approved by the commissioner, and maintain a notice in a common area of the building regarding the procedures that should be followed when a gas leak is suspected, 1st story	CERT INVALID2017/09/25	2017/10/09
5B 5	2010/05/06 2010/05/10	A	529	8413319 3929300 Original	§ 27-2005 adm code refit terrace door in the 1st room from east located at apt 5b, 5th story, 1st apartment from north at east	NOV SENT2010/05/10	2010/08/27
1F 1	2009/07/07 2009/07/09	A	509	7954317 3676897 Original	§ 27-2005 adm code properly secure the loose washbasin in the bathroom at basement located at apt 1f, 1st story, 2nd apartment from west at north	NOV SENT2009/07/09	2009/10/26
1F 1	2009/07/07 2009/07/09	A	501	7954322 3676897 Original	§ 27-2005 adm code properly repair the broken or defective exhaust vent in the bathroom located at apt 1f, 1st story, 2nd apartment from west at north	NOV SENT2009/07/09	2009/10/26
1F 1	2009/07/07 2009/07/09	A	556	7954326 3676897 Original	§ 27-2013 adm code paint with light colored paint to the satisfaction of this department ceiling in the bathroom located at apt 1f, 1st story, 2nd apartment from west at north	NOV SENT2009/07/09	2009/10/26
1F 1	2009/05/15 2009/05/19	A	556	7876016 3641604 Original	§ 27-2013 adm code paint with light colored paint to the satisfaction of this department ceiling in the entire apartment located at apt 1f, 1st story, 2nd apartment from north at east	NOV SENT2009/05/19	2009/09/05
1F 1	2009/02/20 2009/02/26	A	556	7739684 3581664 Original	§ 27-2013 adm code paint with light colored paint to the satisfaction of this department at ceiling in the 1st room from east located at	NOV SENT2009/02/26	2009/06/15

					apt 1f, 1st story, 1st apartment from south at west		

Based on information provided from the owner, all work required to cure the above violations has been performed.

(w) Unit Information

The offering plan includes floor plans of all Residential Units. For clarity, each residence is numbered by floor. All apartment designations are identified on the floor plans. Substitutes for materials of equal or better quality may be made.

Kossar and Garry Architects visited three (3) units at 192 Spencer Street on two (2) separate occasions.

Vacant Units

At the time of this writing, there are 17 vacant units at 192 Spencer Street

All vacant units offered for sale will be renovated.

Finishes – Renovated Residential Units

All rooms in First through Sixth Floor apartments except bathrooms:

Ceilings:	Painted concrete plank.
Walls:	Painted gypsum wallboard. Benjamin Moore CC-20 Flat Decorator's White
Floors:	PID Hope 5 ½" white oak engineered tongue in grove wood flooring

Master Bathrooms:

Ceilings:	Painted gypsum wallboard
Walls:	Painted gypsum wallboard at non-tile walls and above tile at tub surrounds. Keep existing subway tile or replace with similar as needed Tile at tub to be 3'-3" above finish floor. Tile at shower enclosure to be full ceiling height.
Floors:	AKDO Mark Pearl Matt 12" x 24" porcelain

Toilet Rooms:

Ceilings:	Painted gypsum wallboard
Walls:	Keep existing subway tile or replace with similar as needed
Floors:	AKDO Mark Pearl Matt 12" x 24" porcelain tile

Appliances and Fixtures- Renovated Residential Kitchens and Bathrooms:

All apartment kitchens have a faucet, a sink, a refrigerator, a dishwasher, and a gas stove, all of which appear to be in fair working condition.

All apartment bathrooms have a sink, a toilet, a bathtub with a shower, all of which appear to be in fair working condition.

The kitchen cabinets are wood veneer. The cabinets are new and appear to be in fine working condition.

The kitchen counter tops are Ceasarstone classique with a honed finish or equal. They are new and appear to be in fine working condition.

Laundry Equipment

All units are equipped with one (1) each Bosch stackable electric washer and dryer. This equipment is not new, but appears to be fine adequate working condition.

Kitchen Appliances/Fixtures

All Units furnished with the following:
Range: Bosch 800 Series Gas Slide-in 30" range HGI8054UC, or similar
Refrigerator: Liebherr CBS 1660, or similar
Microwave Oven: Bosch 800 Series 24" Drawer Microwave HMD8451UC, or similar
Dishwasher: Bosch 800 Series SPV68U53UC Custom Panel Ready 18", or similar, paneled with cabinetry
Range Hood: Zephyr Europa Pisa Series ZPIE30AG290, or similar
Sink: either Elkay 24" under mount single basin stainless steel kitchen sink or Kohler 25" Riverby K-5872-5UA1-0, or similar
Faucet: Grohe 32665001 Starlight Chrome Concetto, or similar

Bathroom Fixtures

Tub: either Kohler Archer 60" by 30" alcove KBF1946-L-0 in white or Duravit 59" by 29" drop-in acrylic tub Model No. 700095000000090, or similar
Tub & Shower Trim: Grohe GSS-Europlus-DPB-05 in polished chrome, or similar
Sink: Kohler Verticyl Rectangle under-mount bathroom sink Model No. K-2882-0 or similar set in a quartz countertop by MSI Surfaces, style Calcatta Classique or similar. Counter is mounted onto a 30" wide, 2-drawer vanity with a Wilsonart laminate color, Phantom Pearl 8221k-28, or similar.
Faucet: Grohe Concetto 8" Widespread Two-Handle in polished chrome, or similar.

Bathroom Accessories

Towel Bar: Grohe Essentials 24" Towel Bar, or similar

Shower Rod: Kohler Expanse curved shower rod K-9351-S in chrome, or similar
Robe Hook: Grohe Essentials Robe Hook, or similar
Toilet Paper Holder: Grohe Essentials Toilet Paper Holder, or similar
Medicine Cabinet: custom designed wood cabinet with open shelves. Wood grain to match vanity.

Finishes – Existing Residential Units

All rooms in First through Sixth Floor apartments except bathrooms:

Ceilings: Painted concrete plank.
Walls: Painted gypsum wallboard.
Floors: Wood flooring

Master Bathrooms

Ceilings: Painted gypsum wallboard
Walls: Painted gypsum wallboard at non-tile walls and above tile at tub surrounds. Tile at tub is about 3'-3" above finish floor. Tile at shower enclosure is full ceiling height.
Floors: Porcelain Tile.

Toilet Rooms

Ceilings: Painted gypsum wallboard
Walls: Tile
Floors: Tile

Appliances

Non-Renovated Units furnished with the following:
Frigidaire Stainless Steel Gas Range Model # FGF366EC, or similar
Frigidaire Stainless Steel Refrigerator; Model # FRT8S6ES, or similar
Frigidaire Stainless Steel Over the range Microwave Oven; Model #FMV156DC, or similar
Frigidaire Stainless Steel Dishwasher; Model # FDB1050RE, or similar

Appliances and Fixtures- Existing Residential Kitchens and Bathrooms:

All apartment kitchens have a faucet, a sink, a refrigerator, a dishwasher, and a gas stove, all of which appear to be in fair working condition.

All apartment bathrooms have a sink, a toilet, a bathtub with a shower, all of which appear to be in fair working condition.

The kitchen cabinets are plastic laminate. The cabinets appear to be in fine working condition.

The kitchen counter tops are engineered nonporous stone, in black. They appear to be in fine working condition.

Laundry Equipment

All units are equipped with one (1) each Bosch stackable electric washer and dryer. This equipment is not new, but appears to be fine adequate working condition.

Kitchen Appliances/Fixtures

Non-Renovated Units furnished with the following:
Frigidaire Stainless Steel Gas Range Model # FGF366EC, or similar
Frigidaire Stainless Steel Refrigerator; Model # FRT8S6ES, or similar
Frigidaire Stainless Steel Over the range Microwave Oven; Model #FMV156DC, or similar
Frigidaire Stainless Steel Dishwasher; Model # FDB1050RE, or similar

Bathroom Fixtures

Tub: American Standard Studio series or equivalent either 60" by 30" or 59" by 29" drop-in, in white
Tub & Shower Trim: Delta Foundations series in polished chrome, or similar
Sink: American Standard Studio series under-mount bathroom sink or equivalent set in a countertop. Counter is mounted onto a 30" wide, 2-drawer vanity
Faucet: Delta Foundations series in polished chrome, or similar

Bathroom Accessories

Towel Bar: Moen 24" or equivalent
Shower Rod: Moen adjustable shower bar in brushed nickel or equivalent
Robe Hook: Moen in brushed nickel or equivalent
Toilet Paper Holder: Moen spot resistant in brushed nickel or equivalent
Medicine Cabinet: Glacier Bay recessed medicine cabinet with mirror or equivalent.

Unit Size by Line

The criteria for calculating the apartment size are based upon the NYC Zoning Resolution methodology for zoning rooms. Rooms in a dwelling unit are based on "living rooms."

No illegal partitions were observed in any of the units inspected.

The room size, space designations, and light and air provided were all code compliant at the time of construction.

Architect's Report
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To the best of my knowledge, there are no outstanding complaints regarding water leaks into the building

The number of "living rooms" as defined in Section 4 of the NYS Multiple Dwelling Law, except that:

- Kitchens or other cooking spaces (without limit as to size) shall not be counted as "living rooms";
- Dining alcoves, dinettes, or other dining spaces (without limit as to size) when not separated by walls or doors from other "living rooms" or cooking spaces, shall not be counted as "living rooms";
- Dining rooms in dwelling units containing three or more bedrooms, and one or more other "living rooms" as herein computed shall not be counted as "living rooms";
  For dwellings between 1 and 6 "living rooms", the total number of "living rooms" plus 1-1/2 equals the total zoning rooms per dwelling. For dwellings in excess of 6 "living rooms" 1 is added to arrive at the total zoning rooms. A dwelling with 6 "living rooms" has 7-1/2 zoning rooms, for example. A dwelling with 7 "living rooms" has 8 zoning rooms.
- The Cellars which comprise part of units A, B, C, and D on the first floor may not be used for bedroom, dining room or any other use considered being a habitable space as defined by the New York City Building Code. Any other use as living and sleeping may result in a violation against the building being issued by the New York City building department and a fine imposed.

Unit Designation:	Number of Zoning Rooms	Net Square Footage
A 1st Floor	4 1/2	1,031 square feet
B 1st Floor	4 1/2	1,004 square feet
C 1st Floor	4 1/2	1,004 square feet
D 1st Floor	4 1/2	1,004 square feet
E 1st Floor	4 1/2	1,004 square feet
F 1st Floor	4 1/2	1,004 square feet
G 1st Floor	4 1/2	1,031 square feet
A 2nd Floor	4 1/2	995 square feet
B 2nd Floor	3 1/2	716 square feet
C 2nd Floor	3 1/2	716 square feet
D 2nd Floor	3 1/2	682 square feet
E 2nd Floor	3 1/2	627 square feet
F 2nd Floor	3 1/2	681 square feet
G 2nd Floor	3 1/2	682 square feet
H 2nd Floor	3 1/2	716 square feet
I 2nd Floor	3 1/2	716 square feet
J 2nd Floor	3 1/2	682 square feet
K 2nd Floor	3 1/2	681 square feet

A 3rd Floor	4 1/2	999 square feet
B 3rd Floor	4 1/2	1099 square feet
C 3rd Floor	3 1/2	682 square feet
D 3rd Floor	3 1/2	627 square feet
E 3rd Floor	3 1/2	681 square feet
F 3rd Floor	3 1/2	682 square feet
G 3rd Floor	4 1/2	1099 square feet
H 3rd Floor	3 1/2	687 square feet
I 3rd Floor	3 1/2	681 square feet
A 4th Floor	4 1/2	1008 square feet
B 4th Floor	3 1/2	805 square feet
C 4th Floor	3 1/2	681 square feet
D 4th Floor	3 1/2	627 square feet
E 4th Floor	3 1/2	681 square feet
F 4th Floor	3 1/2	681 square feet
G 4th Floor	3 1/2	805 square feet
H 4th Floor	3 1/2	695 square feet
I 4th Floor	3 1/2	681 square feet
A 5th Floor	4 1/2	1070 square feet
B 5th Floor	3 1/2	690 square feet
C 5th Floor	3 1/2	627 square feet
D 5th Floor	3 1/2	681 square feet
E 5th Floor	3 1/2	690 square feet
F 5th Floor	3 1/2	758 square feet
G 5th Floor	3 1/2	681 square feet
A 6th Floor	3 1/2	690 square feet
B 6th Floor	3 1/2	864 square feet
C 6th Floor	3 1/2	726 square feet
D 6th Floor	3 1/2	886 square feet

(x) Finishes - Residential Common Areas:

Generally, the finishes in common areas are as follows:

Cellar corridor: painted CMU walls, painted cast-in-place concrete floor, painted pre-cast hollow-core plank ceiling.

Egress stairs: painted CMU walls, painted cast-in-place concrete metal pan stairs and landings, painted pre-cast hollow-core plank ceiling.

Elevator: Paneled walls w/ plastic finish, vinyl flooring, mirrored paneled ceiling.

Trash room: painted CMU walls, painted cast-in-place concrete floor, painted pre-cast hollow-core plank ceiling.

First floor vestibule and lobby: painted gypsum board walls, tiled floor, painted gypsum wall board ceiling.

Second through Sixth floor corridor: wall paper over gypsum board walls, tile and carpeted floors, painted gypsum board.

Finishes within the cellar corridor, egress stairs, elevator, and trash rooms are in good condition and are existing to remain.

Finishes within the first floor vestibule, lobby, and second through sixth floor corridors will be new, replaced as noted below.

First Floor Vestibule and Entry Lobby:

Ceilings:	Two coats of paint on gypsum wallboard
Walls:	Olympia Tile and Stone Muse Series 24" by 24" tiles in a matt white finish & MDC Boss Tweed | Optic White wall paper above in the lobby.
Floors:	Olympia Tile and Stone Muse Series 24" by 24" dark grey with a matt finish.

Second through Sixth Corridors:

Ceilings:	Two coats of paint on gypsum wallboard.
Walls:	MDC The Printery | River Haze wallpaper
Floors:	Shaw Memory Tile carpet in Hearten and Olympia Tile and Stone Muse Series 24" by 24" dark grey with a matt finish. 5.5" square edge primed MDF baseboard painted in Benjamin Moore Stormy Sky Semi-Gloss

Egress Stairs:

Ceilings:	Two coats of paint on concrete stairs.
Walls:	Two coats of paint on CMU and gypsum wallboard.
Floors:	Two coats of paint on concrete and vinyl base

Trash Room:

Ceilings:	Two coats of paint on concrete.
Walls:	Two coats of paint on gypsum wallboard and concrete.
Floors:	Two coats of paint on concrete

(y) Fire and Smoke Monitoring System:

Smoke detectors are provided in elevator machine room, mechanical, electrical meter room and in each apartment.

The devices are Model SC9120B as manufactured by BRK Brands, Inc., 3901 Liberty Street Road, Aurora, IL 60504-8122 or equal. There is no known warranty for this equipment

FACP is Bosh Radionics D7212 and ties in with the Central Station. The panel is located in the lobby. It was last inspected 05/24/2018. There is no known warranty for this equipment

(z) Asbestos

This building was built after regulations banning the use of asbestos were put in place in 1989. Asbestos was not used as a building material during the construction of the building.

General Information

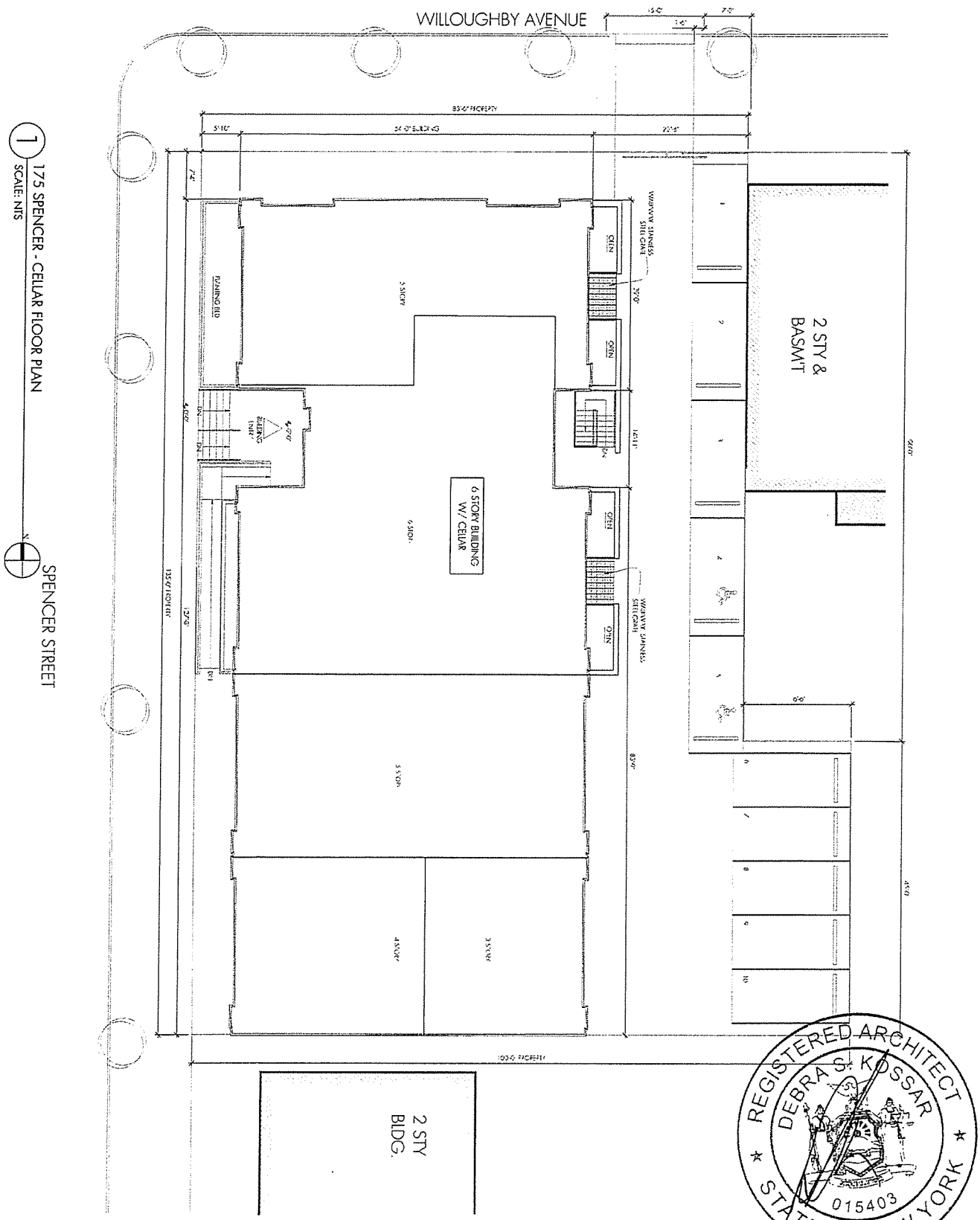
The owner does not intent to add additional units to the building at this time. If this changes in the future the owner will make a disclosure to comply with 13 NYCRR 23.7

Unit owners with children are required to install aluminum window guards in sizes adequate to code compliance for their individual window sizes.

To the best of my knowledge, belief and professional judgment, these plans and specification are in compliance with the Energy Conservation Construction Code of New York State, using Chapter 5.

Debra Kossar, Principal
Kossar + Garry Architects, LLP

December 09, 2019



KGA Kossar+Garry Architects, LLP
115 West 30 Street, 1201
New York, NY 10001
212.947.6161

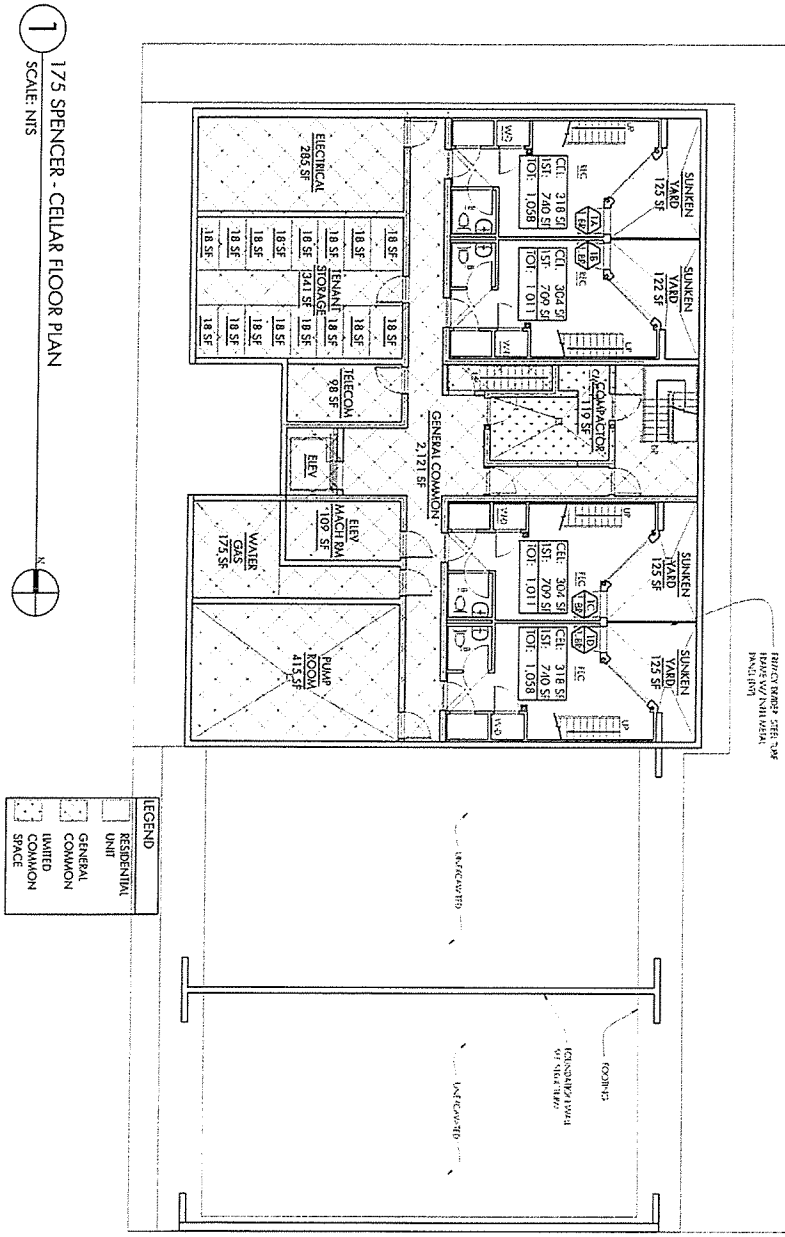
Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

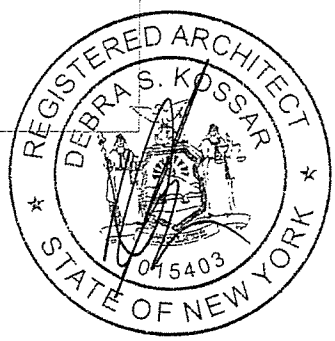
175 SPENCER:
SITE PLAN

AG-175.S

NOTE: ACCESSORY CELLAR WILL NOT BE USED FOR SLEEPING AND WILL NOT BE RENTED INDEPENDENTLY

1 175 SPENCER - CELLAR FLOOR PLAN
SCALE: NTS





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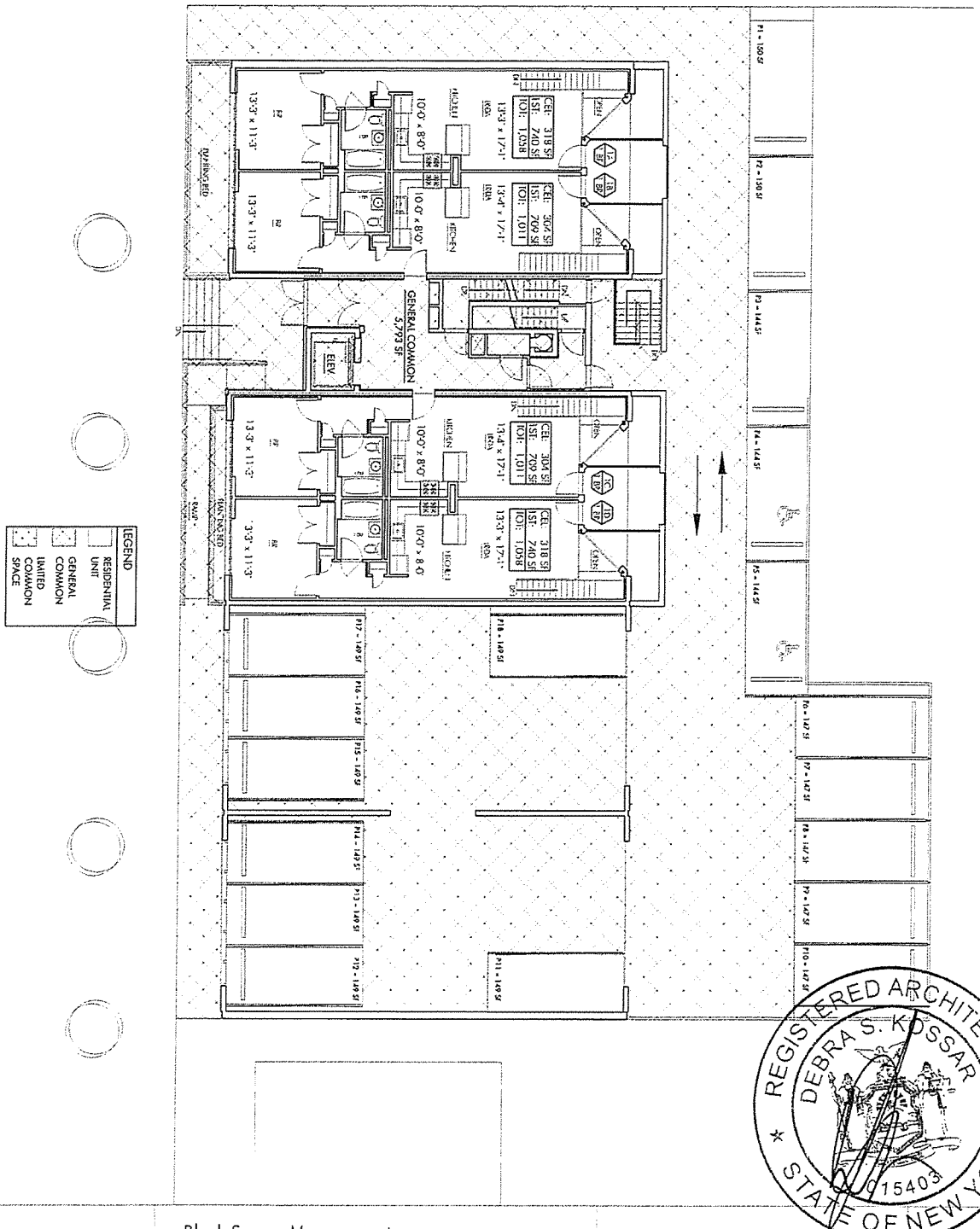
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

175 SPENCER:
CELLAR FLOOR PLAN

AG-175.C

1 175 SPENCER - FIRST FLOOR PLAN
SCALE: NTS



REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

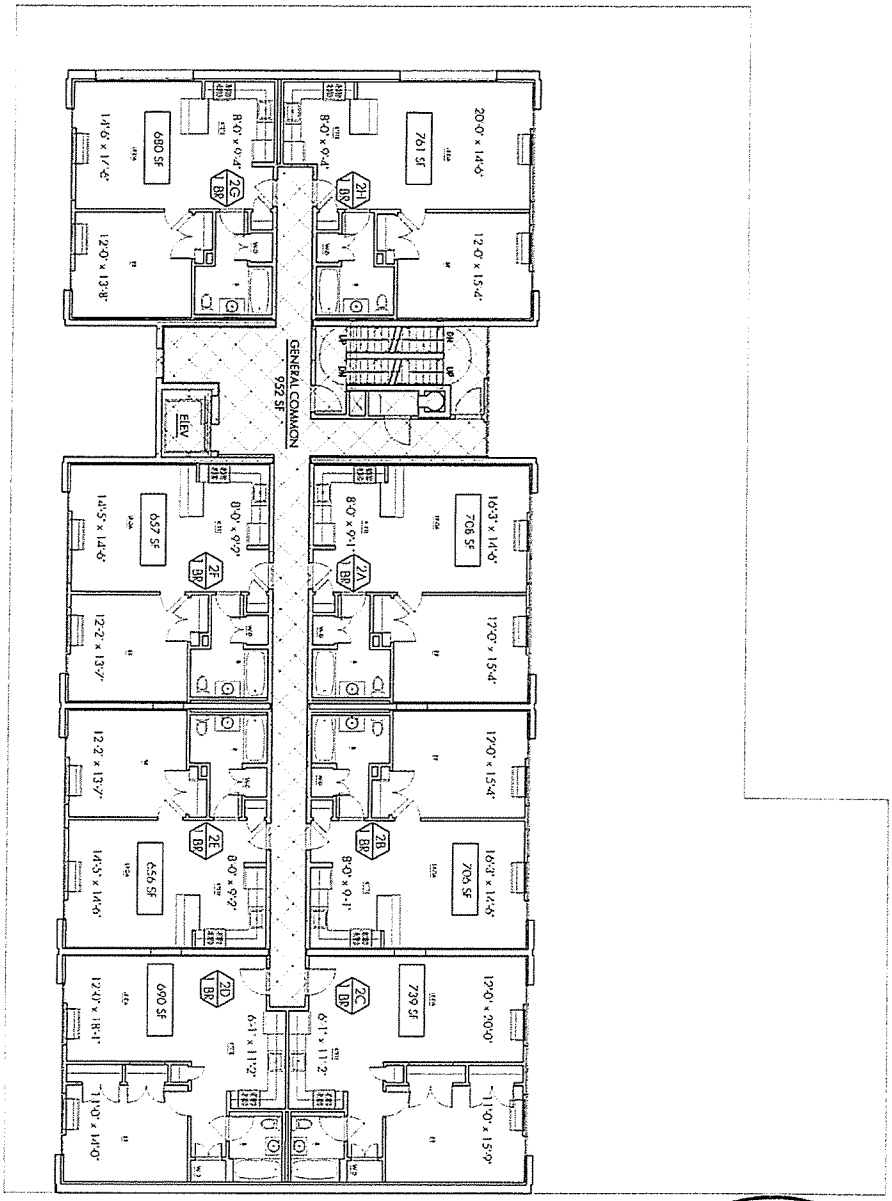
KGA Kossar+Garry Architects, LLP
115 West 30 Street,1201
New York, NY 10001
212.947.6161

Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

175 SPENCER:
FIRST FLOOR PLAN

AG-175.1

1 175 SPENCER - SECOND FLOOR PLAN
SCALE: NTS



LEGEND
- RESIDENTIAL UNIT
- GENERAL COMMON
- LIMITED COMMON SPACE

REGISTERED ARCHITECT
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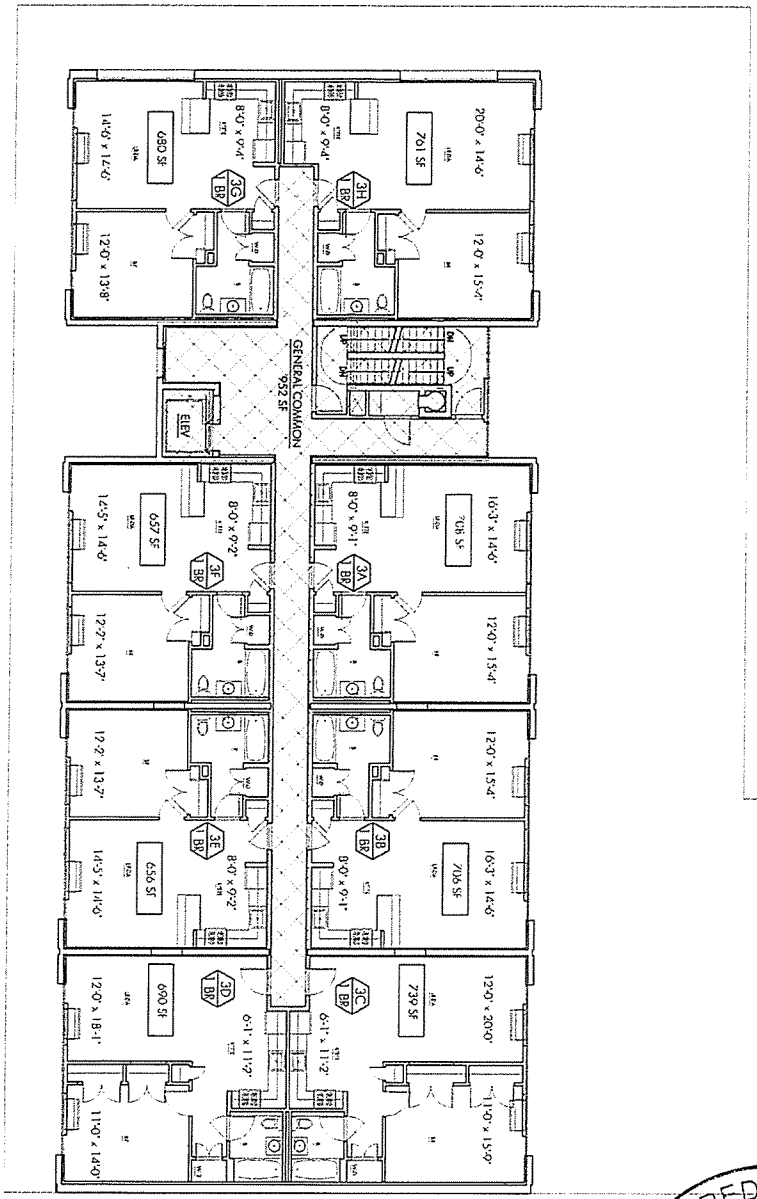
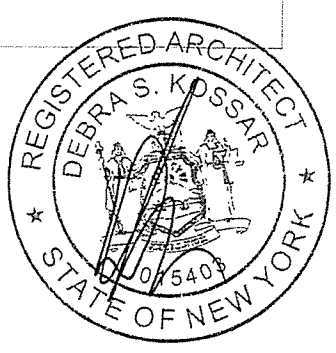
KGA Project No: 18-090

175 SPENCER:
SECOND FLOOR PLAN

AG-175.2

1 175 SPENCER - THIRD FLOOR PLAN
SCALE: NTS





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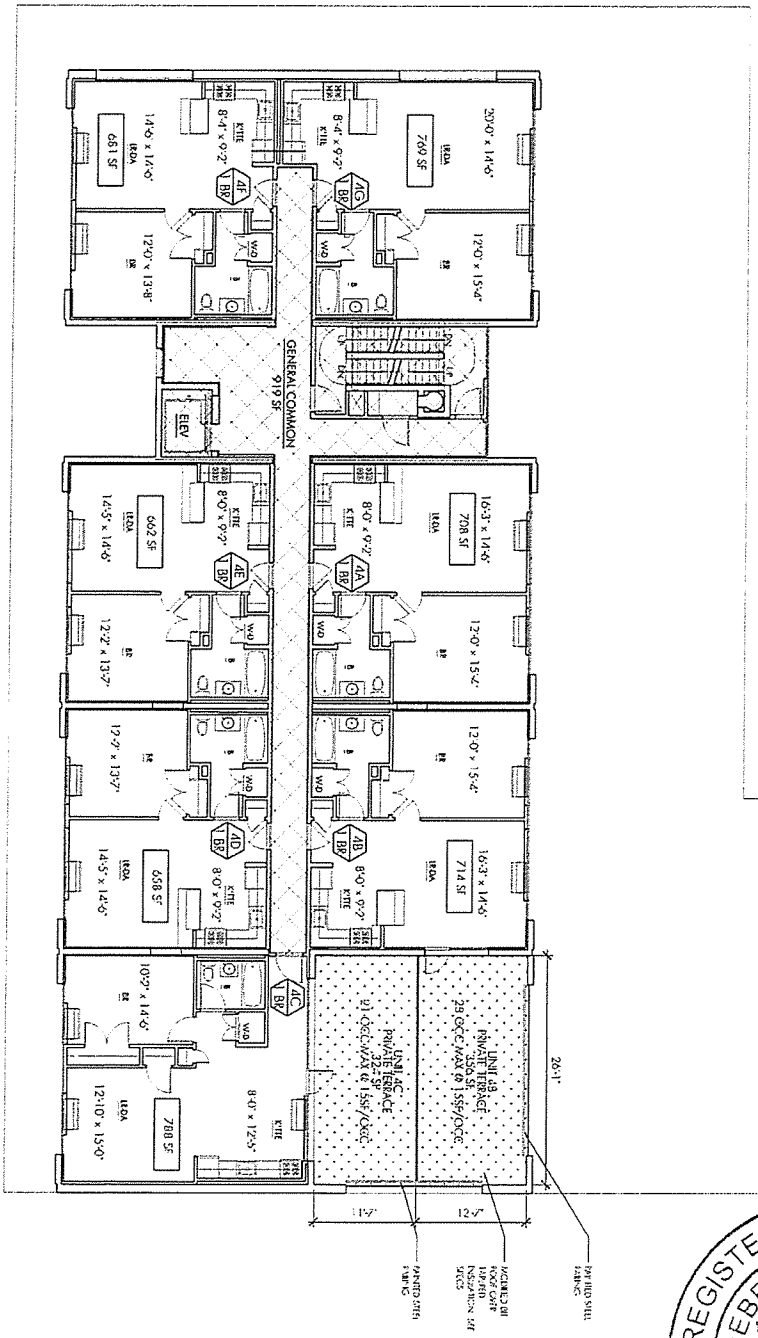
Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

175 SPENCER:
THIRD FLOOR PLAN

AG-175.3

1 175 SPENCER - FOURTH FLOOR PLAN
SCALE: NTS

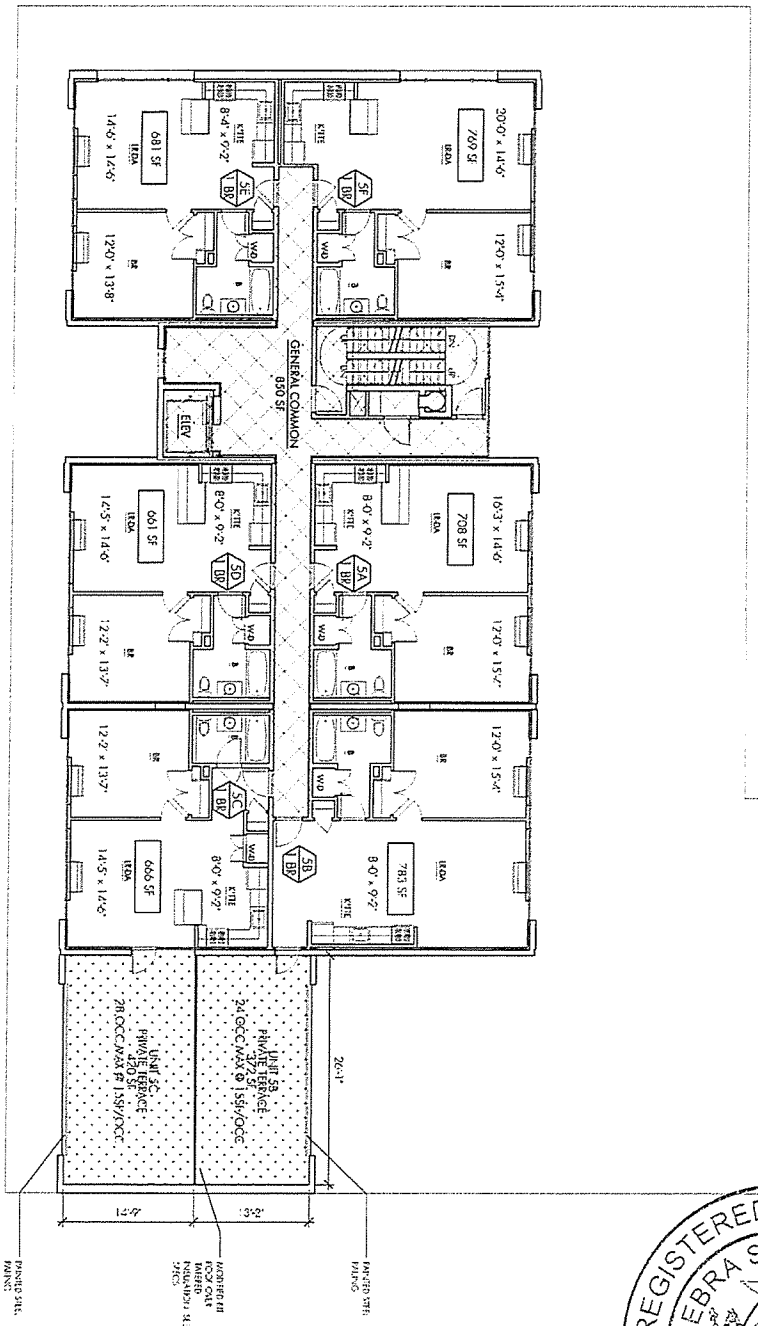


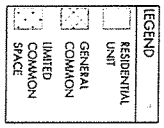
LEGEND
RESIDENTIAL UNIT
GENERAL COMMON
LIMITED COMMON SPACE

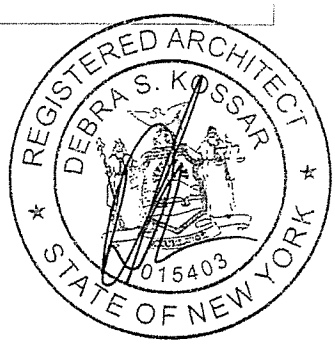
REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

KGA Kossar+Garry Architects, LLP 115 West 30 Street,1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	175 SPENCER: FOURTH FLOOR PLAN	AG-175.4

1 175 SPENCER - FIFTH FLOOR PLAN
SCALE: NTS







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New York, NY 10001
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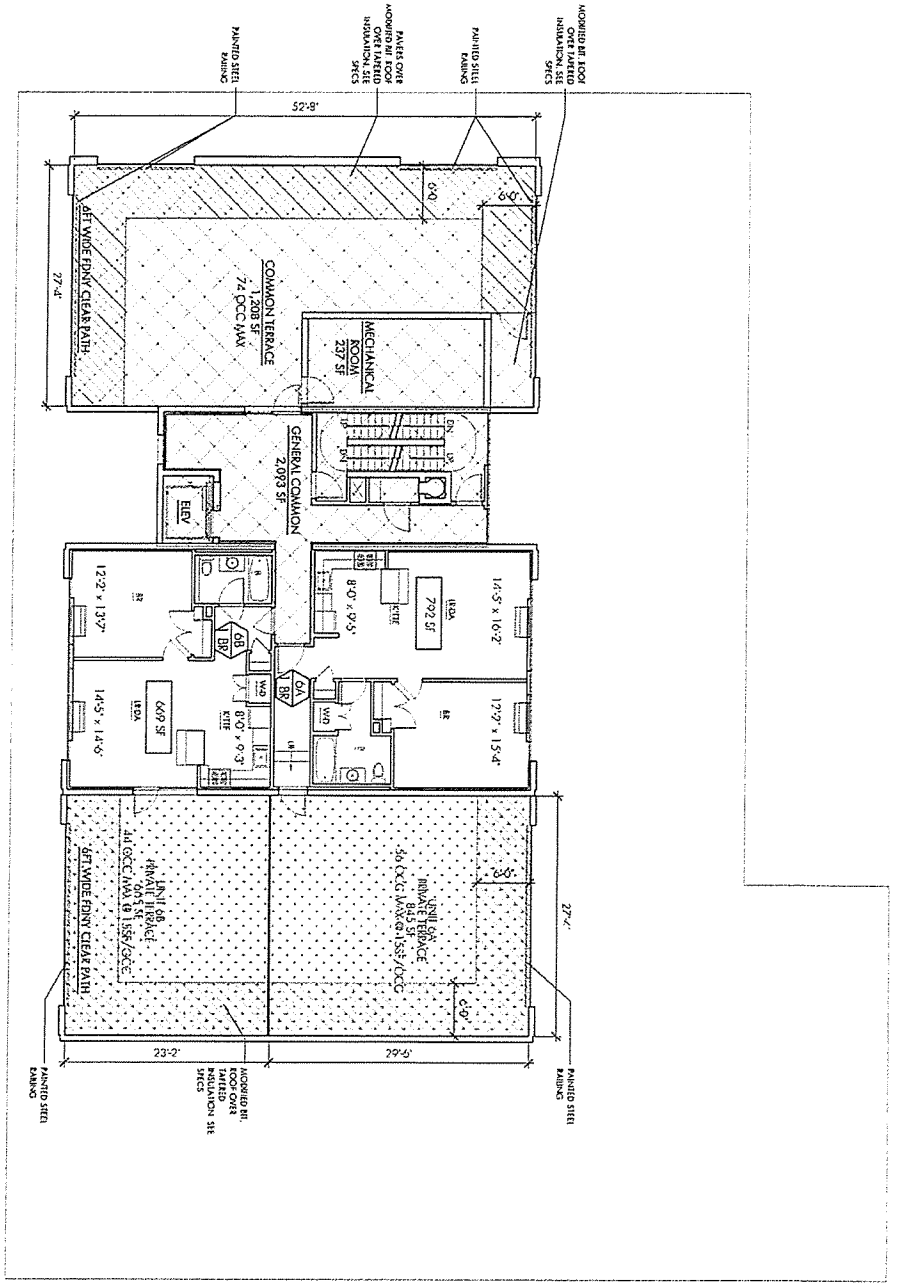
Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

175 SPENCER:
FIFTH FLOOR PLAN

AG-175.5



1 175 SPENCER - SIXTH FLOOR PLAN
SCALE: NTS

LEGEND
- RESIDENTIAL UNIT
- GENERAL COMMON
- LIMITED COMMON SPACE

REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

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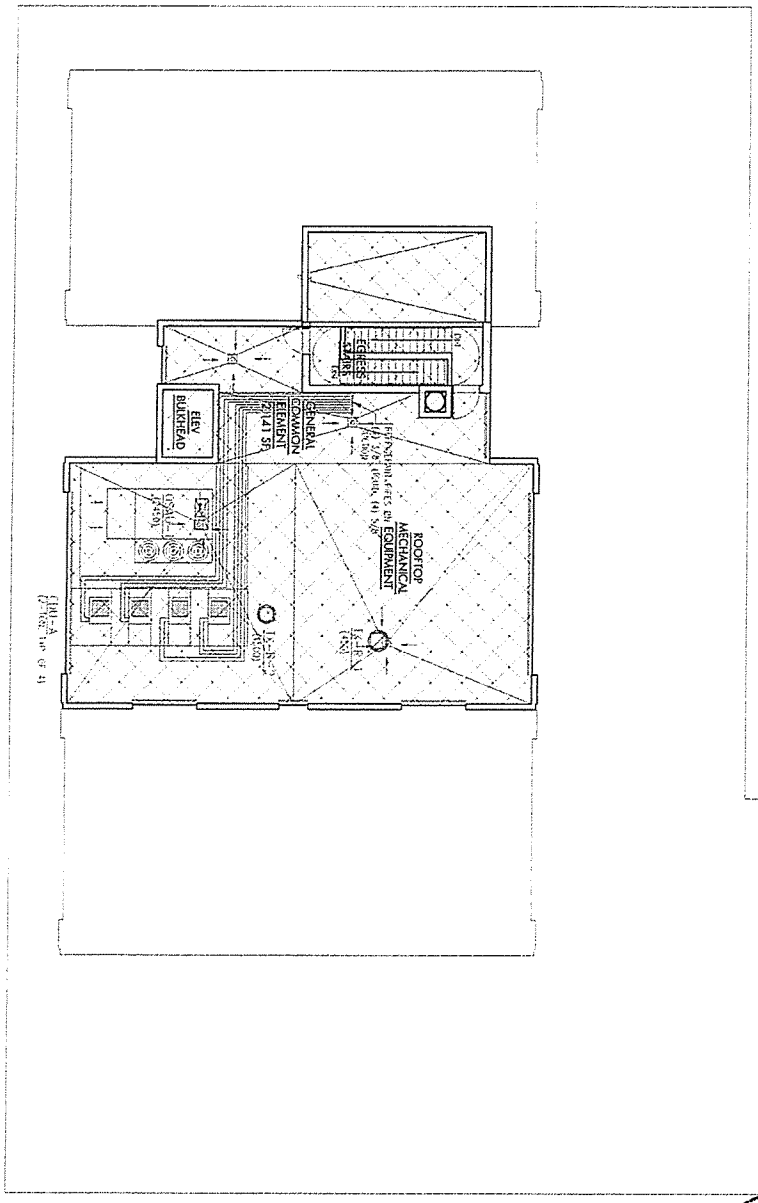
Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

175 SPENCER:
SIXTH FLOOR PLAN

AG-175.6

1 175 SPENCER - ROOF PLAN
SCALE: NTS



LEGEND
RESIDENTIAL UNIT
GENERAL COMMON
LIMITED COMMON SPACE

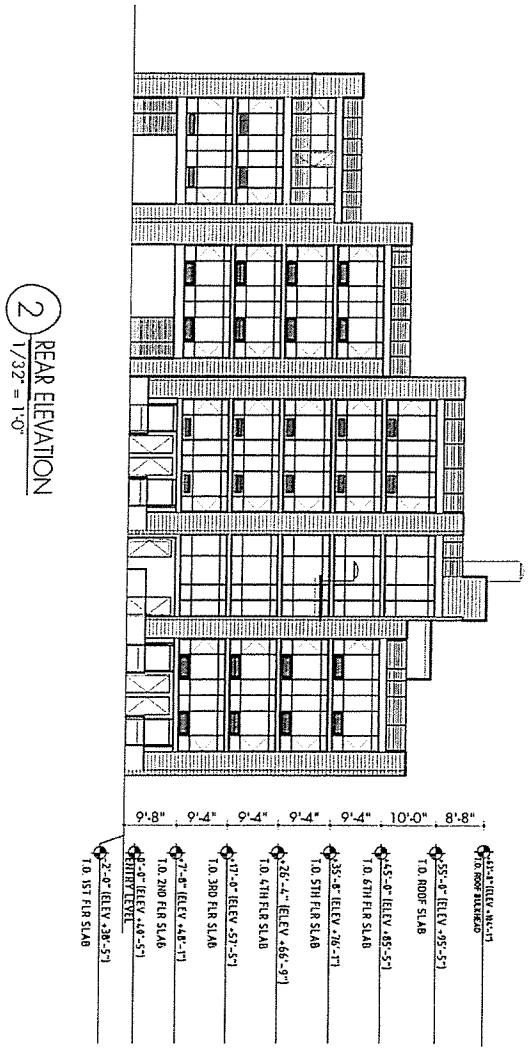
REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

KGA Kossar+Garry Architects, LLP
115 West 30 Street, 1201
New York, NY 10001
212.947.6161

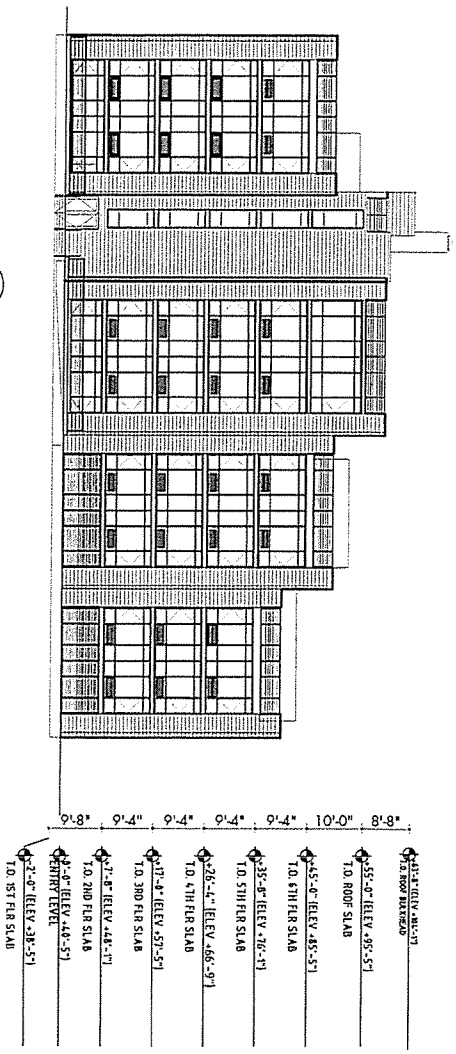
Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

175 SPENCER:
ROOF PLAN

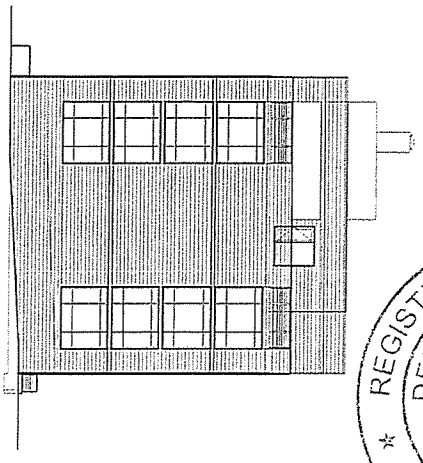
AG-175.R



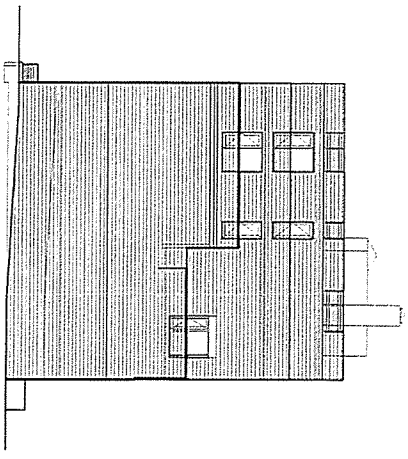
2 REAR ELEVATION
1/32" = 1'-0"



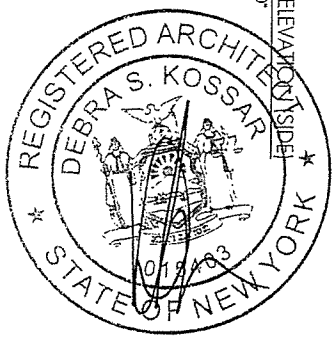
1 SPENCER ST ELEVATION
1/32" = 1'-0"



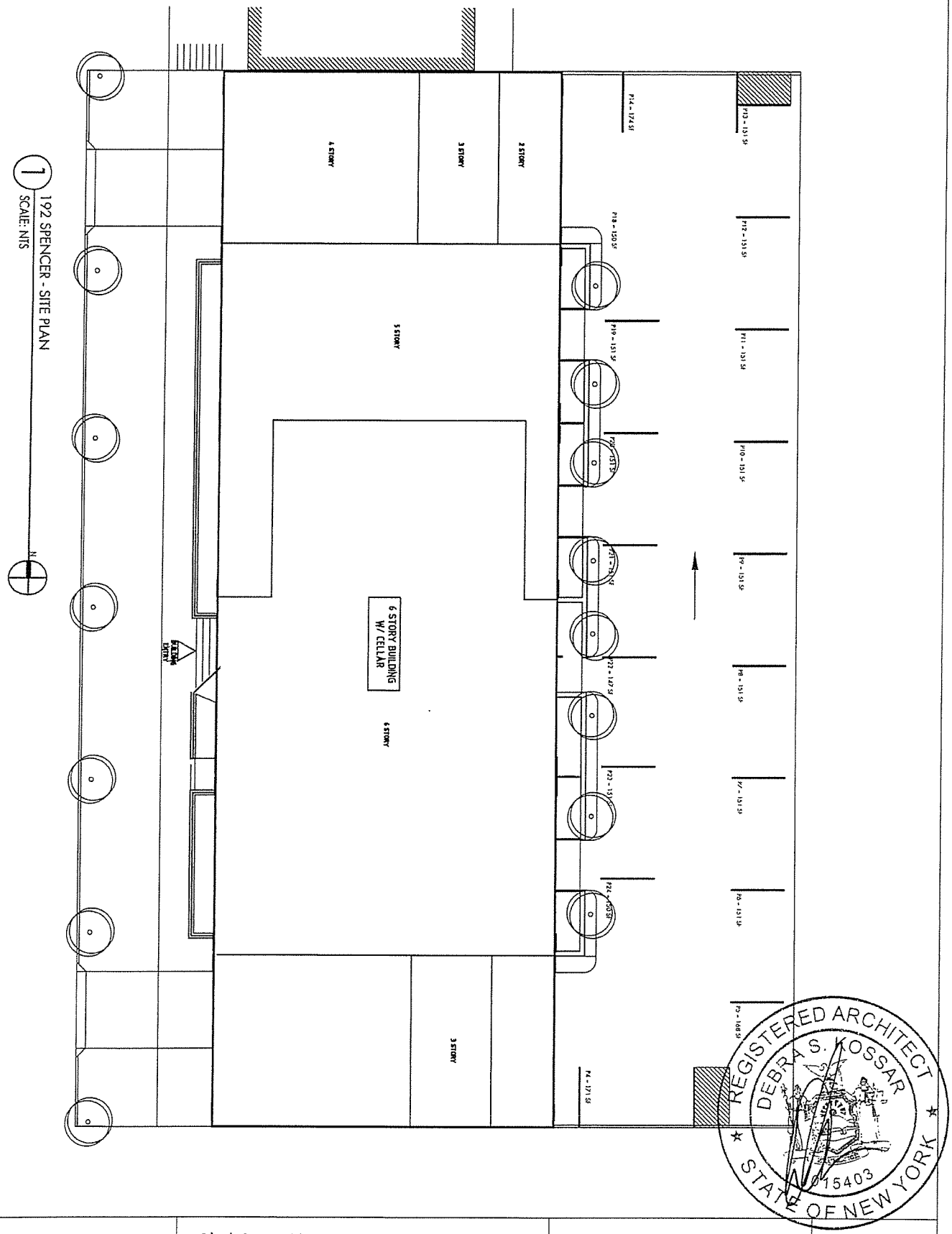
4 NORTH ELEVATION (SIDE)
1/8" = 1'-0"



3 SOUTH ELEVATION (SIDE)
1/8" = 1'-0"



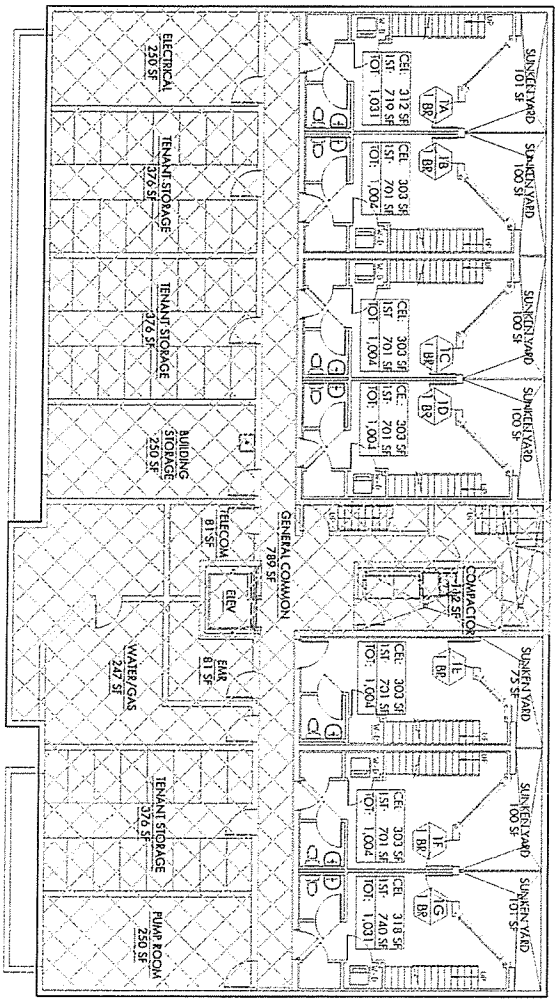
KGA Kossar+Garry Architects, LLP 115 West 30 Street, 1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	175 SPENCER: ELEVATIONS	AG-175.EL



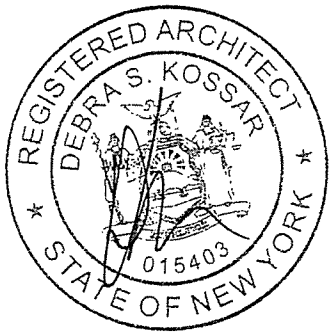
KGA Kossar+Garry Architects, LLP 115 West 30 Street,1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	192 SPENCER STREET: SITE PLAN	AG-192.S

NOTE: ACCESSORY CELLAR WILL NOT BE USED FOR SLEEPING AND WILL NOT BE RENTED INDEPENDENTLY

1 192 SPENCER - CELLAR FLOOR PLAN
SCALE: NTS



LEGEND
RESIDENTIAL UNIT
GENERAL COMMON
LIMITED COMMON



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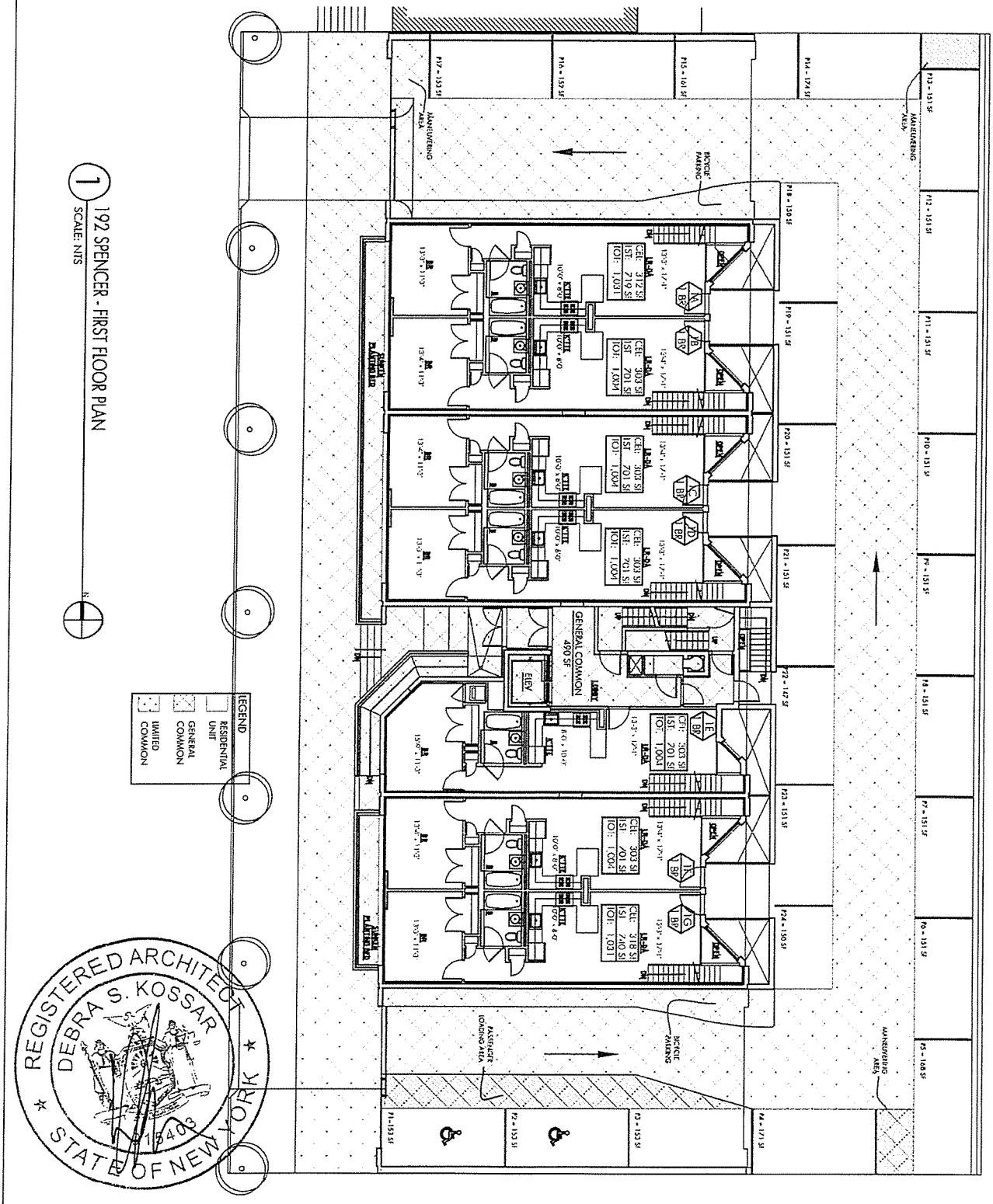
New York, NY 10001
212.947.6161

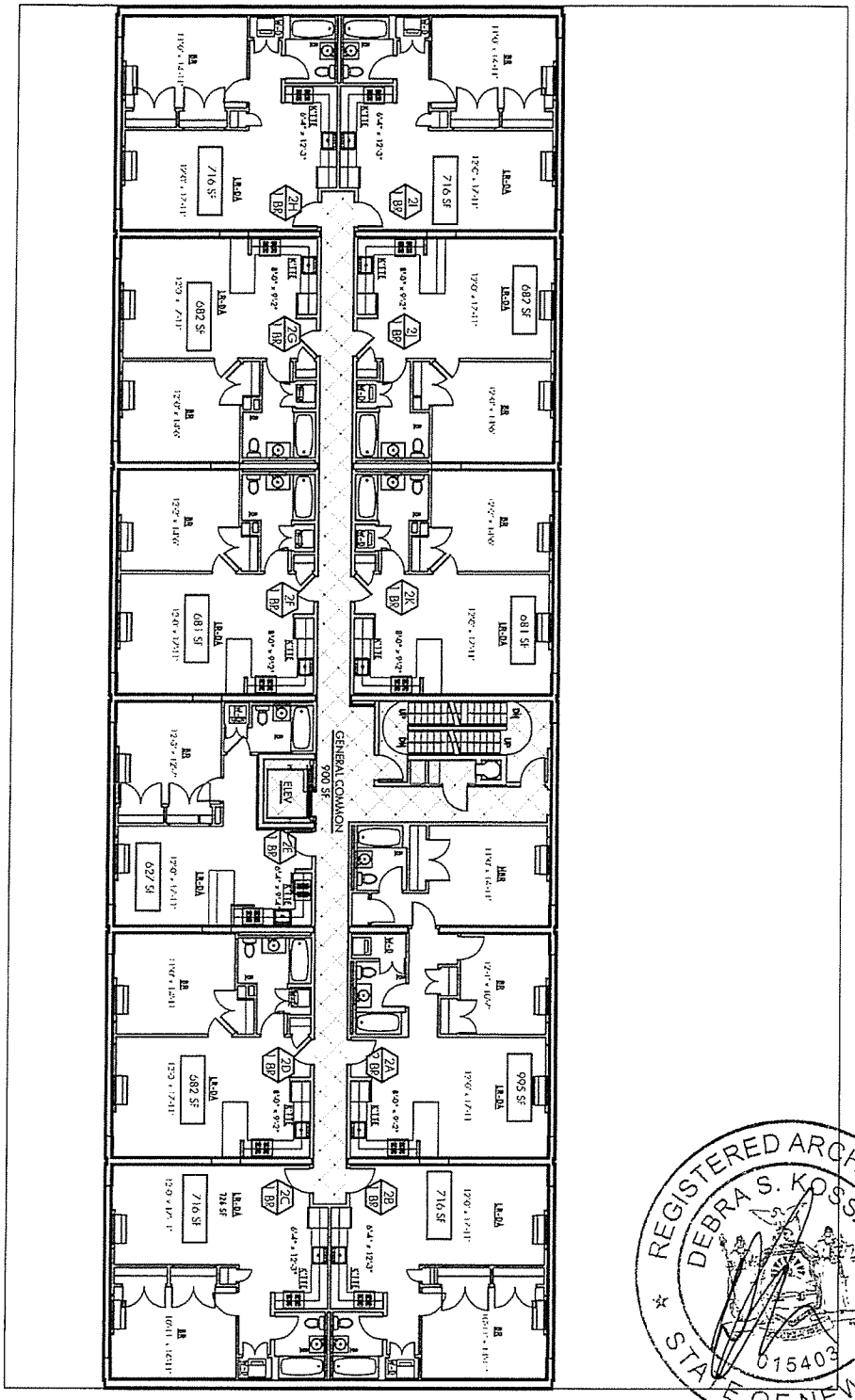
Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

192 SPENCER:
CELLAR FLOOR PLAN

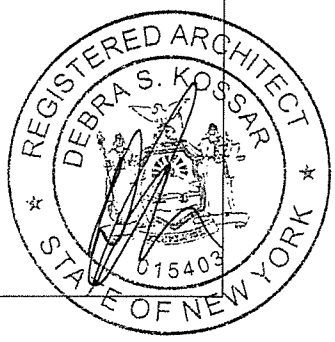
AG-192.C



KGA Kossar+Garry Architects, LLP 115 West 30 Street, 1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	192 SPENCER: FIRST FLOOR PLAN	AG-192.1



1 192 SPENCER - SECOND FLOOR PLAN
SCALE: NTS



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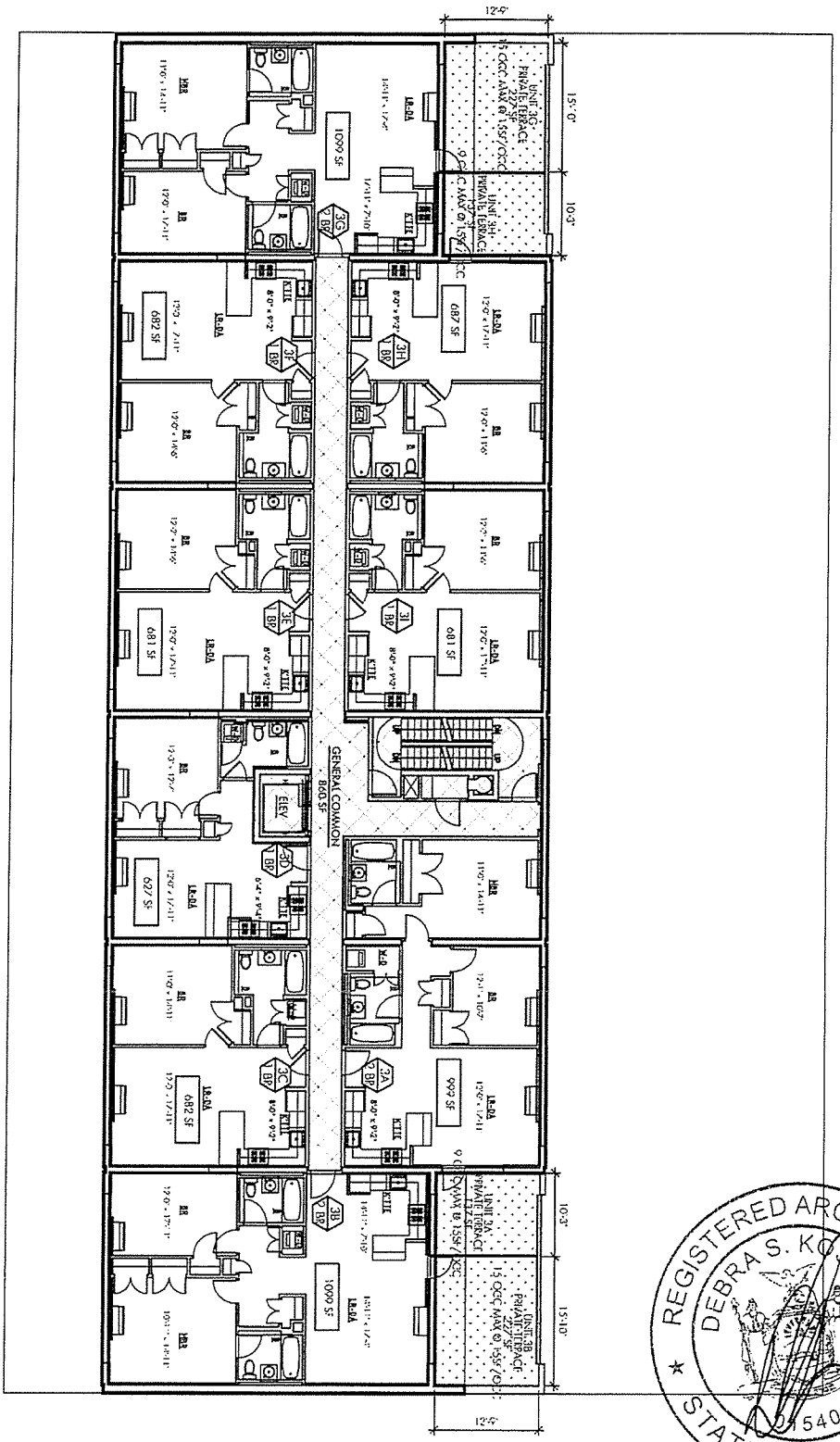
New York, NY 10001
212.947.6161

Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

192 SPENCER:
SECOND FLOOR PLAN

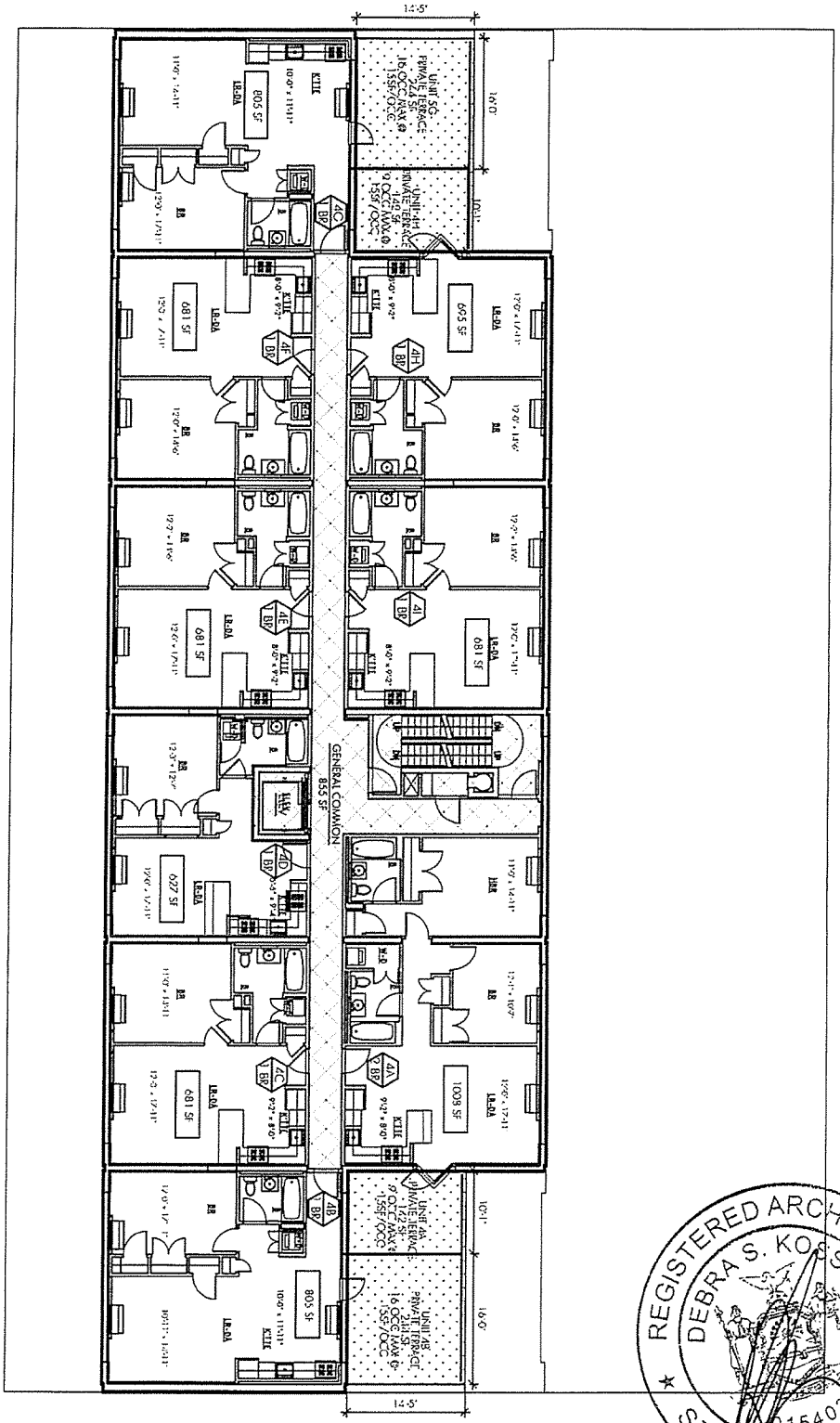
AG-192.2



1 192 SPENCER - THIRD FLOOR PLAN
SCALE: NTS

REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

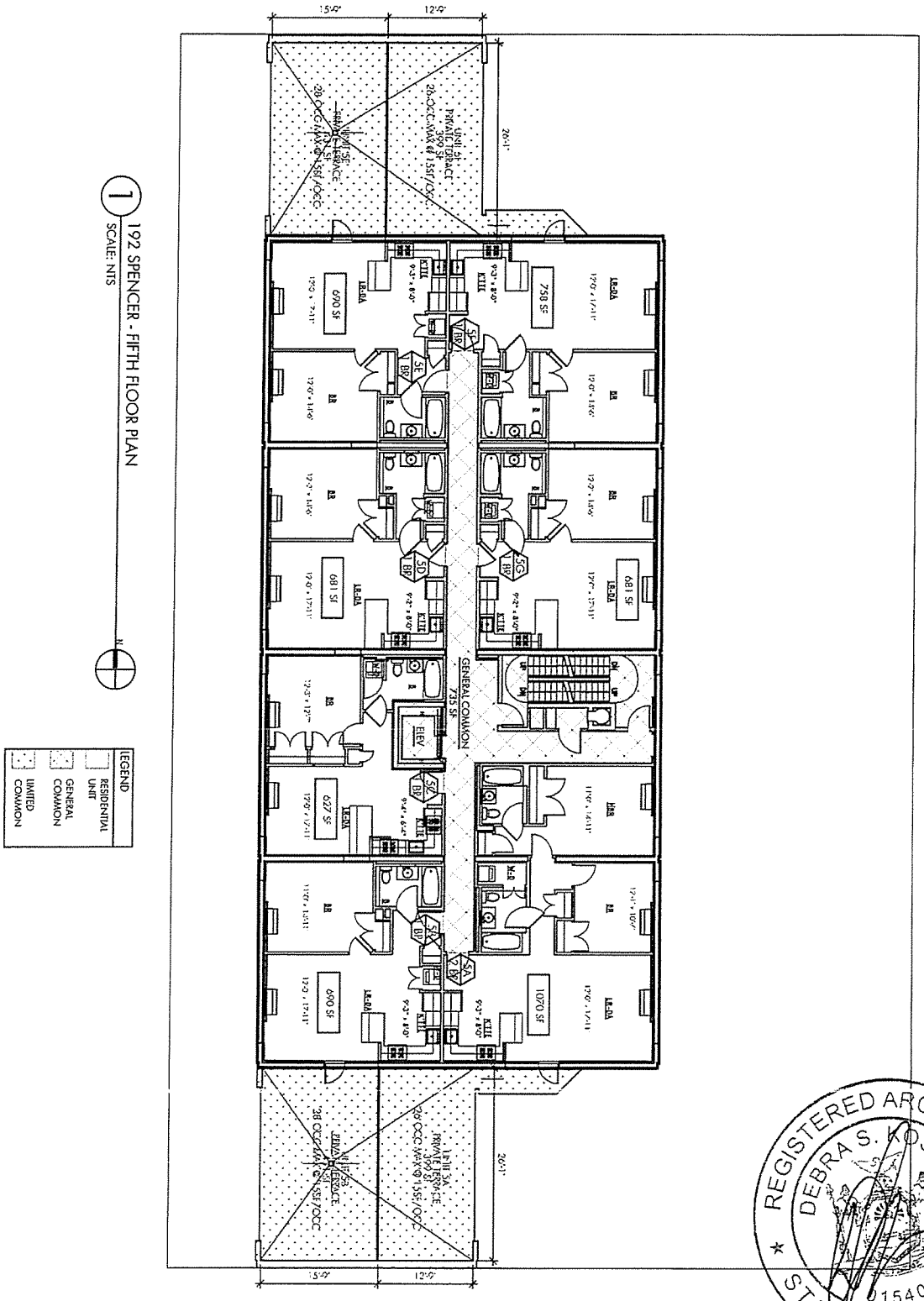
KGA Kossar+Garry Architects, LLP 115 West 30 Street, 1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	192 SPENCER: THIRD FLOOR PLAN	AG-192.3



1 192 SPENCER - FOURTH FLOOR PLAN
SCALE: NTS

REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

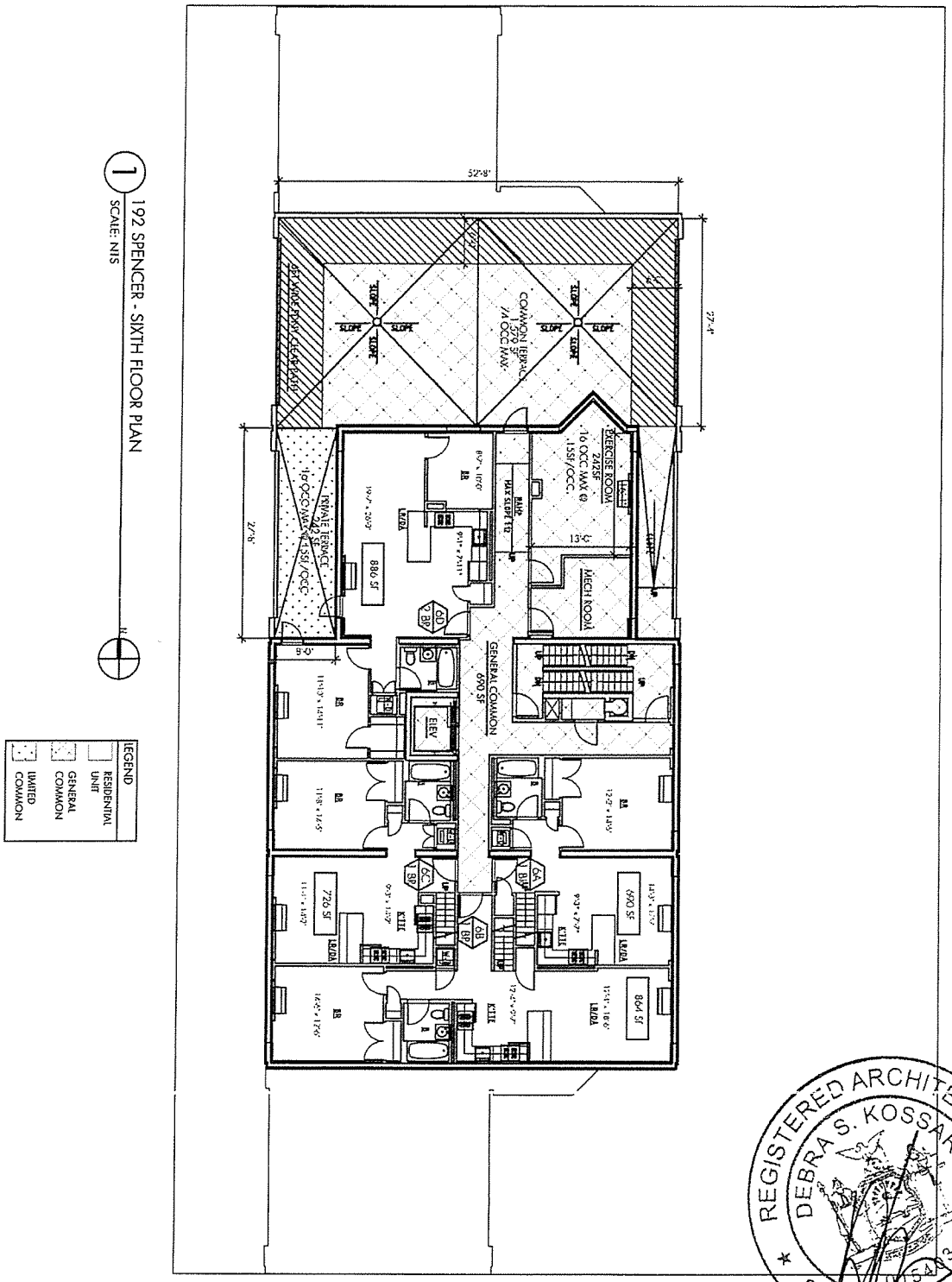
KGA Kossar+Garry Architects, LLP 115 West 30 Street,1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	192 SPENCER: FOURTH FLOOR PLAN	AG-192.4



1 192 SPENCER - FIFTH FLOOR PLAN
SCALE: NTS

REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

KGA Kossar+Garry Architects, LLP 115 West 30 Street,1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	192 SPENCER: FIFTH FLOOR PLAN	AG-192.5

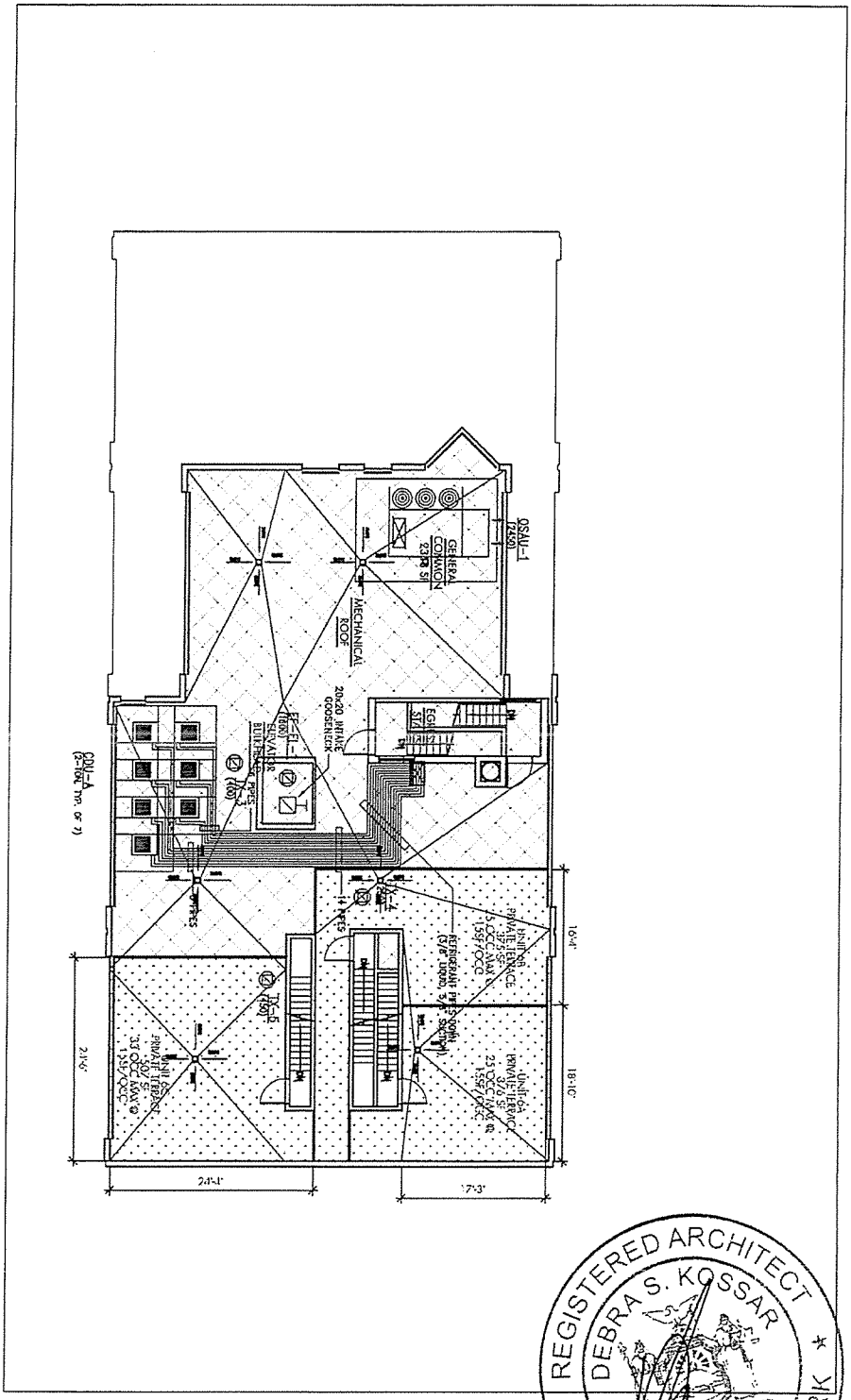


1 192 SPENCER - SIXTH FLOOR PLAN
SCALE: NTS

REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

KGA Kossar+Garry Architects, LLP 115 West 30 Street, 1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	192 SPENCER: SIXTH FLOOR PLAN	AG-192.6

1 192 SPENCER - ROOF PLAN
SCALE: NTS



LEGEND
- RESIDENTIAL UNIT
- GENERAL COMMON
- LIMITED COMMON

REGISTERED ARCHITECT
DEBRA S. KOSSAR
015403
STATE OF NEW YORK

KGA Kossar+Garry Architects, LLP 115 West 30 Street, 1201 New York, NY 10001 212.947.6161	Black Spruce Management 175/192 Spencer Street, Brooklyn KGA Project No: 18-090	192 SPENCER: ROOF PLAN	AG-192.R

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115 West 30 Street,1201
New York, NY 10001
212.947.6161

Black Spruce Management
175/192 Spencer Street, Brooklyn
KGA Project No: 18-090

192 SPENCER:
ROOF PLAN

AG-192.R

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DECLARATION OF CONDOMINIUM

SPENCER STREET CONDOMINIUM

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF PREMISES LOCATED
AT
175 & 192 SPENCER STREET, BROOKLYN, NEW YORK 11205
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW
OF THE STATE OF NEW YORK

DATE OF DECLARATION:

The land affected by the within instrument lies in
Block 1763 on the Tax Map of the Real Property Assessment Department
of the City of New York, Borough of Kings, County of New York and State of New York
In Lots f/k/a Lot 24 n/k/a Lots ____ through ___

Block 1762 on the Tax Map of the Real Property Assessment Department
of the City of New York, Borough of Kings, County of New York and State of New York
In Lots f/k/a Lot 41 n/k/a Lots ____ through ___

SPONSOR:
BSP Spencer LLC
80 Fifth Avenue, Suite 1201
New York, NY 10011

Record and Return to:
Kenneth R. Jacobs, Esq.
Spolzino, Smith, Buss & Jacobs, LLP
733 Yonkers Avenue, Suite 200
Yonkers, New York 10704

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BY-LAWS: Filed Simultaneously Herewith.....

DECLARATION OF THE SPENCER STREET CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF
THE STATE OF NEW YORK

In the City of New York, County of New York and State of New York as of this ___ day of _____ 2018, BSP Spencer LLC, a limited liability company organized and existing under the laws of the State of New York, whose principal office is situated at 80 Fifth Avenue, Suite 1201, New York, NY 10011, hereinafter referred to as the "Sponsor," does hereby state:

FIRST: Submission of Property. By this Declaration the Sponsor submits the property described in this Declaration, including the land and the Building and 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, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Sponsor owns all that certain plot, piece or parcel of land, with the Building and improvements thereon erected, situated, lying and being in the City of New York, County of Kings, and State of New York and more particularly described on Schedule B annexed hereto (the "Property").

THIRD: Certain Definitions.

(a) "Building" as hereinafter referred to shall be defined as a number of Units, all of which are constructed under one roof structure located on a single lot. The Condominium will contain one six-story building structure that is composed of brick, heavy timber and steel with exposed brick and painted gypsum wall board on the interior surfaces.

(b) "Condominium" as hereinafter referred to shall mean THE SPENCER STREET CONDOMINIUM which is composed of the unit owners.

(c) "Repair" or "Repairs" means "repair, maintain or replace."

(d) "Sponsor" as used herein refers to (i) BSP Spencer, LLC, the Sponsor of an offering plan (the "Plan") for the conversion of the Property to condominium ownership; (ii) any person deemed a Sponsor under the applicable definition under 13 NYCRR Part 20; or (iii) any person or entity designated by Sponsor to acquire title to a unit and which is specifically designated by Sponsor at the time of acquisition of such a unit to succeed to the rights and obligations of Sponsor in place of the former Sponsor under this Declaration with regard to any such unit, and any successor in interest to such a Sponsor-designee who is specifically designated by the then current Sponsor to succeed to the rights and obligations of Sponsor under this Declaration with respect to a unit. With regard to a unit owned by it, a Sponsor-designee shall have all rights and obligations as are set forth in this Declaration and the Plan for Sponsor.

(e) The owner of each unit is hereinafter referred to as the "Unit Owner." Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or by the entirety. Where such ownership is joint, in common, or by the entirety,

the majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in Article Tenth of this Declaration.

(f) (i) A "Unit," as hereinafter referred to, shall include, individually and collectively, the Residential Units and the Parking Units. Each Unit is defined as consisting of the area running horizontally from the inside surface of the exterior walls, the Unit side of any window glass, and the unfinished inside surface of any exterior wall door or window frame to the midpoint of the opposite interior walls, and from the midpoint of demising walls between Units to the midpoint of the opposite wall, and vertically from the underside of the Unit's finished flooring to the exposed painted face of a concrete ceiling or the unexposed side of the Unit's drywall or plaster ceiling, as applicable. Certain doors, windows, and interior walls are also part of the Unit, as specified more particularly in the definition of the Common Elements set forth herein. The description of the Units set forth herein pertains to the location of the walls, floors and roof and boundaries of the Units as they are finally set forth in the floor plans to be filed simultaneously with the recording of this Declaration. The square footages of Units shown on Schedule A hereto and the filed Floor Plans are measured horizontally from the exterior face of exterior walls or windows to the midpoint of the demising faces between Units or the outside face of the partition between a Unit and any Common Elements or the midpoint of any opposite interior wall between Units, and from the midpoint of demising walls between Units to the midpoint of the opposite wall, as applicable, and encompasses all interior walls and any fire stair vestibules within the Unit. Partitions, shafts, chases and similar inaccessible areas located entirely within the measurements a Unit are included in the measurement of the square footage of that Unit. However, the Unit itself excludes those exterior walls, partitions, shafts, chases, vestibules, and other elements and facilities specified more particularly as common elements in the definition of the common elements set forth herein.

(ii) Each Unit also includes, and each Unit Owner shall be responsible for any doors to or within such Unit (other than the front entrance door), windows and window frames, smoke detectors, for cleaning purposes, all plumbing, gas and heating fixtures and equipment, such as, refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units, heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit and serving such 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 special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but (subject to the following sentence) shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, (ii) any special equipment or fixtures affixed, attached or appurtenant to the Unit, and (iii) any wiring for such appliances or fixtures to the extent that such wiring runs from a panel or junction box serving or benefiting only that Unit. The front entrance doors to Units shall be deemed a Common Element, but a Unit Owner will nevertheless be responsible for repairing and maintaining the interior surface of the front entrance door to the Unit, and any locks, bells or peepholes within the front entrance door. Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wallpaper, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that

face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit of the Building.

(g) The term "Unit" and "Unit Owner" as used herein shall be construed to mean Unit and Unit Owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

(h) The term "Storage Bin(s)" as used herein shall be construed to mean the areas located at the cellar level of 175 and 192 Spencer Street of a for use by a Unit Owner who is the licensee by virtue of a Storage Bin License issued by, Declarant. The term "Storage Bin License" as used herein shall mean a license to use a Storage Bin located on located at the cellar levels of 175 and 192 Spencer Street for use by a Unit Owner who is granted a license by the Declarant.

FOURTH: Community. The Sponsor is converting the Building on the parcel of land described above and establishing a Condominium community known as THE SPENCER STREET CONDOMINIUM (the "Community") according to the plans filed simultaneously with the recording of this Declaration in the office of the Register of the County of Kings, which plans set forth a description of the Building stating the number of stories and the number of Units.

The Community will consist of eighty-two (82) Residential Units and forty-two (42) Parking Units located in a two (2) six-story Buildings with cellar and the common elements appurtenant thereto, as set forth on the Plot Plan filed simultaneously herewith. Under the provisions of the New York State Building and Fire Prevention Code, the Building is classified as Class IB. A more detailed description of the Property is annexed hereto and made part hereof as Schedule B. For the purposes of describing the location, approximate area, type and number of rooms of each Unit, and the common elements to which each Unit has immediate access, each Unit is numerically designated as set forth on Schedule A annexed hereto. Each Unit will be sold to one or more owners, each owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the common elements of the Community, as listed hereinafter in this Declaration and referred to as the "Common Elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York.

FIFTH: Common Elements.

(a) Generally. The Common Elements of the Condominium consist of the entire Property, including the land and all parts of the Building and improvements thereon, other than the Units. The Common Elements include, but are not limited, to those rooms, areas, corridors, spaces and other parts of the Building and all facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The limited Common Elements of the Condominium (the "Limited Common Elements") consist of certain Common Elements which serve or benefit exclusively one or more (but not all) Units or Unit Owners, and the use of which is expressly restricted to the owner of such Unit or Units. A Common Element which is not a Limited Common Element is a "General Common Element."

(b) General Common Elements. The General Common Elements include the following, to the extent the Property may include such facilities:

1. The land on which the Building stands and all other land within the boundaries of the Property, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in this Article);

2. All foundations, columns, beams, supports, bearing walls; those portions of the exterior walls and insulation beyond the unexposed face of the dry wall enclosing Units to the exterior face of the Building or, where applicable, those portions of the exterior walls beyond the interior face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the unexposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing a Unit; storage and utility areas located beyond the unexposed face of the dry walls enclosing a Unit; entrances to and exits from the Building; and mail rooms and mailboxes. Notwithstanding the above, the foregoing excludes all windows and window frames of the Residential Units (which are considered Limited Common Elements);

3. All central and appurtenant installations for services such as power, light, intercom, telephone, television, gas, hot and cold water, heat (including all pipes, ducts, wires, shoots, cables and conduits used in connection therewith) and all other mechanical equipment spaces;

4. Water service pipes and sewer pipes;

5. Portions of any riser and connections originating in the boiler room, together with any distribution piping;

6. Ventilation supply system consisting of motors, duct work, fans and controls serving the General Common Elements, and steam and condensate return piping serving the General Common Elements;

7. All passages and corridors, mechanical and other rooms, tank room, meter room, areas and indoor or outdoor spaces located at the Property serving or benefitting one or more of the Units and which are not part of a Unit;

8. Roof, roof framing joists, roof membrane, copings, flashings, leaders, gutters and parapets appurtenant to the roofs of the Building, and including the roof areas located immediately above individual Units, except where specified as Limited Common Elements;

9. All stairs in the common areas of the Building which are not part of a Unit;

10. The main entrances to the Building and the lobby;

11. Elevator room or bulkhead;

12. Elevator, including its shafts, pits and appurtenant facilities;

13. All fire escapes and landings in the Building (if any, except as may be set forth elsewhere in the Declaration);

14. Window glass and window frames located in the common areas of the Building. Notwithstanding the foregoing, window glass and window frames exclusively serving a particular Unit are Limited Common Elements for that particular Unit;

15. Corridor supply risers and ducts, kitchen and toilet exhaust risers and ducts, kitchen and toilet water vents, gas risers, electric risers and shafts serving Units;

16. Gas piping serving the Units, up to its exit point from the wall into the Unit;

17. All other facilities of the Property (including, but not limited to, vaults, shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit, or are necessary or convenient for the existence, maintenance, operation or safety of the Units;

18. Storage Bins, and

19. All other Common Elements other than the Limited Common Elements.

(c) Limited Common Elements. Certain portions of the Common Elements are limited and further restricted in use to the owners of particular Units to which the Common Elements are appurtenant, subject to the right of the Board of Managers to enter upon any such Limited Common Element to make repairs and replacements to such Common Element or any common element contained therein, and subject to the By-Laws and Rules and Regulations of the Condominium. The Limited Common Elements include, but are not limited to, the following:

(1) windows and window frames located on the boundary of a Residential Unit and serving exclusively that Unit;

(2) balcony or terrace reserved for the exclusive use of that Unit, down to (but not including) the membrane attached to the joists or slab on which it is located;

(3) walkways running from rear doorways on first floors of [175] 1A and 1B, 1C and 1D, [192] 1A and 1B, 1C and 1D, and 1F and 1G to parking area (which are limited common elements appurtenant to those respective paired units); and

(4) sunken yard reserved for the exclusive use of a Unit, and fence separating the sunken yards of units to which they are appurtenant (which shall be deemed a limited common element appurtenant to both Units);

(d) No Subdivision of Common Elements. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Notwithstanding the foregoing, the Board of Managers of the Condominium shall have the right to convey, lease and mortgage any Unit owned by the Condominium on behalf of all of the Unit Owners. If such Unit is conveyed by the Board of Managers, it shall no longer be deemed a common element of the Condominium and the floor plans appurtenant to the Declaration shall be amended accordingly.

(e) No Change in Percentage of Common Interest. The percentage of the undivided interest in the Common Elements established herein shall not be changed, except with the consent of all of the Unit Owners affected, expressed in a duly recorded amendment to this Declaration.

(f) No Separation of Common Interest. The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains, and shall be deemed conveyed or encumbered with the Unit, even though, such interest is not expressly mentioned or described in the conveyance or other instrument.

(g) Special Rights of Sponsor to Use and Redesignate General Common Elements. The Sponsor shall have special rights to utilize the General Common Elements and redesignate them as Limited Common Elements, as detailed in Article SIXTH, subsection (i) below.

SIXTH: Special Rights and Easements of Sponsor.

(a) The Sponsor, its successors, assigns and purchasers, reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of the sale of a Unit in the Condominium, and towards this end, reserve the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities, and for any other materials or services necessary. For further easements in favor of the Condominium and Unit Owners, see Article FIFTEENTH.

(b) The Sponsor, its successors and assigns, reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines, which may from time to time, be in or along the streets and roads or other areas of the Common Elements.

(c) The Sponsor, its successors and assigns, reserves the right to continue to use the Common Elements and any facilities, sales offices, model units, and signs located on the Common Elements, in its efforts to market Units in the Condominium.

(d) The Sponsor shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or holders of Unit mortgages, to (i) make alterations, additions or

improvements, structural and nonstructural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it (provided that no such change may be made to the exterior of the Building, except in accordance with the laws governing changing the facades of landmark buildings, to the extent such laws actually apply to the Building); (ii) change the layout or number of rooms in the Unit; (iii) change the size or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Units, or otherwise; and (iv) reapportion among the Units affected by such change, their appurtenant interests in the Common Elements, provided that in each instance, Sponsor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The Board of Managers shall sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural change made by Sponsor to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. With respect to any such change, Sponsor shall have the right to require the Board of Managers to execute and record any appropriate amendment to this Declaration, and Sponsor shall also have the right to execute and record such amendment upon its own execution of such amendment. A copy of any such application or other documents required by Sponsor will be furnished to the Board of Managers.

(e) The Sponsor, its designees, and their invitees, licensees, contractors and employees shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs in or on the Property for the purposes of advertising the sale of the Units and the leasing of space in any Unit, as well as, an easement in and access to Units and Common Elements consistent with the purposes of the Plan, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, Repair, refurbish, offer, sell and lease Units.

(f) Sponsor and its agents shall have an easement to maintain general and sales and leasing offices and personnel on the premises of the Property, to erect, repair, maintain, replace and post signs on the Property and to conduct other activities connected with promotion, sales or leasing, such as allowing inspections by invitees of Sponsor and the display of vacant Units or leased Units owned by Sponsor, as well as, Common Elements.

(g) Sponsor shall have the right to renovate and/or decorate and perform any construction work within or to any Unit owned by it or in connection with the completion of such Unit or the subdivision or combination of any Units owned by Sponsor, and the fulfillment of its obligations under the offering pursuant to which the Declaration was filed. In accordance with this right, Sponsor shall have an easement of access and all other rights and easements necessary to perform any such work, including, but not limited to, access to the Building, corridors, hallways, elevators and all other Common Elements. Sponsor and its designee shall also have the right to store construction and renovation materials in any Unit owned by it. Sponsor's rights in accordance with the foregoing paragraph are subject to the obligation of Sponsor to comply with all appropriate laws and regulations of governmental agencies and the obligation not to prevent or unreasonably interfere with the use of the Residential Units for their permitted purposes.

(h) Sponsor shall have for itself, its invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and the Common Elements as are consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

(i) (i) Until such time as the Sponsor or its affiliates cease to own a Unit, the Condominium hereby grants to the Sponsor the right to make installations or improvements to any portion of the General Common Elements; to install additional wiring, pipes or conduits, and to penetrate, use and alter such portions of the General Common Elements as may be necessary to make, change or Repair such installations; to make any applications with, and obtain permits from, governmental bodies to install, change or Repair such installations; to freely enter onto the Common Elements for such purposes; and the right to license, convey, or grant such rights to one or more Unit Owners in Sponsor's good faith discretion.

(ii) Sponsor shall have the right to designate or redesignate any portions of the General Common Elements as Limited Common Elements in connection with the exercise of the foregoing rights, and to file an amendment to the Declaration of Condominium to reflect such redesignation.

(iii) In connection with the exercise of the foregoing rights, the Sponsor and any beneficiary of such rights shall have easements over the Common Elements for access to and to use, maintain, Repair, alter, change or improve any installations installed by such beneficiary, and to connect such installation to equipment located within its Unit and to any public utility lines or facilities serving the beneficiary. Such access will be subject to the reasonable regulations of the Board of Managers regarding hours of work, access, and interference with the Residential Units. Such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their existing use.

(j) (i) Sponsor and the Board of Managers shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements on any portion of the Property as Sponsor or its designee, or the Board of Managers, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities does not prevent or unreasonably interfere with the use of the Residential Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Units or the Common Elements in furtherance of any such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Residential Units for their permitted purposes.

(ii) A utility company and its employees and agents shall have the right of access to any Units or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Residential Units for their permitted purposes.

(k) (i) To the extent that the Condominium has any unused "floor area development rights" (as defined in Section 12-10 of the Zoning Resolution) allocated to the Building ("**Air**

Rights"), the Condominium grants to the Sponsor, and the Sponsor reserves the right with respect thereto, to use any of such unused Air Rights by the Condominium. In connection therewith, the Sponsor may require the Condominium, as agent for all Unit Owners and their mortgagees, to transfer the Air Rights to an adjoining property designated by Sponsor and to combine the zoning lot on which the Building is located with such adjoining property. The Sponsor agrees that no such right of consent or transfer will prevent the Condominium from utilizing the Building for its current use, and neither the Sponsor nor any transferee will have the right to build on or directly over the Condominium without the consent of the Board of Managers. The Sponsor will not allow the use of the Air Rights to build on or over the Condominium.

(ii) In order to carry out the provisions of this subsection (e) of this Article SIXTH, each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Sponsor, on behalf of the Board of Managers and all of the Unit Owners and their successors and/or assigns, to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or its successors and assigns, in the Register's Office of Kings County in the City of New York and elsewhere, if required by law, such instruments and documents, including but not limited to (i) deeds, leases, zoning lot agreements, declarations, lot line window declarations and/or grants of such Unit Owner's and such Board's interest, if any, in the Property with respect only to any transferable air rights and/or development rights, for the purpose of exercising the rights described herein and effectuating the conveyance, transfer, assignment or surrender of such rights by Sponsor, Sponsor's designee and/or their successors and assigns; and (ii) any amendment to this Declaration which the Sponsor, Sponsor's designee and/or their successors and assigns deems necessary or appropriate to effectuate the rights described herein.

(iii) As a result of the Sponsor's reservation described herein, neither the Condominium nor any Unit Owner may increase the size of the Building in any way that would reduce the available floor area development rights. It is specifically acknowledged that the Sponsor may grant or withhold consent to any action of the Board under this subsection for any reason or for no reason; may require payment of consideration as a condition of consent; may require different payments of consideration and may consent or withhold consent as to different persons for different reasons at different times; may require such license or grant to be made to the Sponsor with an absolute right to sublicense or reconvey such grant and that Sponsor may require, and receive, the payment of consideration to the Sponsor by a third party in connection with such conveyance or right to license. Failure of the Unit Owners and Board of Managers to comply with the terms contained herein and to any Power of Attorney described herein shall result in liquidated damages payable by the Board of Managers to the Sponsor, and/or its successors and assigns, as the case may be, in an amount equal to the purchase price that could be paid to Sponsor, Sponsor's designee and/or their successors and assigns, for the consent to the conveyance, transfer, assignment or surrender of such transferable air rights and/or development rights to a third party, determined in the sole good faith discretion of the Sponsor.

(l) The Sponsor shall have a non-exclusive easement through the Common Elements and any raised floors, dropped ceilings or vertical chases within each Unit for access to a designated area for the installation, operation, service, repair, alteration and replacement of mechanical equipment and/or Installations serving exclusively an Unsold Unit, and to connect such installations to equipment located within their Units and to any public utility lines or facilities serving such Unit in

connection with the exercise by the Sponsor of its rights under the Condominium Documents, provided that in the case of access through such raised floors, dropped ceilings or vertical chases within such Unit, such easement shall be exercised in a manner that shall not unreasonably interfere with the use of the Unit and such Unit shall promptly be restored, at the expense of the Sponsor, to its condition prior to the exercise of such easement.

(m) In order to carry out the provisions of the Declaration and to facilitate the proper operation of the Condominium, each Unit Owner, upon becoming such, shall be deemed to have granted an irrevocable power of attorney, coupled with an interest, to the Sponsor to exercise the rights granted to Sponsor under this Declaration and to its successors and assigns, in the form contained in the Power of Attorney attached to this Declaration as Exhibit C.

(n) Notwithstanding anything to the contrary in this Declaration, to the extent that the Parking Unit is owned by the Sponsor or its designee, the Sponsor shall have all of the rights that are reserved to the Sponsor under the Declaration and By-laws of the Condominium for any other Sponsor-owned Unit in the Building.

(o) The provisions of this Article SIXTH may not be added to, amended or deleted without the consent of Sponsor.

SEVENTH: Service of Process. Service of process on the Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State of the State of New York as the agent for the Board of Managers of the Condominium. The Board of Managers shall file with the Secretary of State the name and post office address of the Condominium for purposes of receiving copies of any process served against the Board of Managers. Copies shall also be mailed attn: the President of the Board of Managers of The Spencer Street Condominium at 175 Spencer Street, Brooklyn, New York 11205. The Condominium's address for service of process may be changed by recording a Notice of Change of Address for service of process.

EIGHTH: Common Interest; Payment of Common Expenses.

(a) Each Unit Owner shall have such percentage interest in the Common Elements as is set forth on Schedule A attached hereto ("Common Interest") and shall bear such percentage of the Common Expenses of the Condominium. Each Unit Owner shall have one vote for each hundredth percentage (.01%) of that Unit Owner's Common Interest for all voting purposes at any meeting of the Unit Owners. The percentage of Common Interest of each Unit owner in the Common Elements is based on floor space, location and uniqueness as of the date of recording this Declaration.

(b) The contribution of the Unit Owners to Common Expenses will be based on each Owner's percentage of Common Interest.

NINTH: Administration. The administration of the Condominium, the Community and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto.

TENTH: Amendment and Withdrawal.

(a) The dedication of the Property to Condominium ownership herein shall not be revoked or the Property withdrawn from Condominium ownership, unless eighty percent (80%) of the Unit Owners in number and in Common Interest and the first mortgagees, if any, of each of these same Units agree to such revocation or removal of the Property from the Condominium Plan by duly recorded instruments.

(b) Subject to the rights of the Sponsor or a Mortgagee, as set forth in this Declaration, the provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-seven percent (67%) of the Unit Owners in number and Common Interest, held at a duly called meeting of the Unit Owners or given by Unanimous Written Consent of Unit Owners in lieu of a meeting, provided however, that:

(i) No amendment shall change the boundaries of any Condominium Unit, a Unit Owner's proportionate share of the common charges, or the voting rights appurtenant to any Unit, unless all Unit Owners affected in number and Common Interest thereof and the first mortgagees, if any, of each of those same Units, agree(s) to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and privileges granted or reserved to the Sponsor hereunder.

(iii) Any amendment materially adverse to mortgagees must be agreed to by mortgagees that represent at least 51% of the votes of Units subject to mortgages. A mortgagee's approval shall be implied when a mortgagee fails to respond after sixty (60) days written notice is given by the Board of Managers, provided the notice was delivered by certified or registered mail with return receipt requested.

(c) There shall be a presumption for a period of sixty (60) days subsequent to the recording of the amendment that the vote of the Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60-day period, such presumption will be deemed conclusive.

(d) No amendment to this Declaration shall take effect until it is recorded in the Office of the City Register of the County of Kings, New York.

(e) Irrespective of any other provision of this Declaration, no action for partition or division of the Common Elements shall be brought, nor shall this Plan be terminated where such partition, division or termination will result in a violation of the then existing local zoning, and building laws and codes.

(f) The Sponsor shall have the right, without the vote or consent of other Unit Owners, the Board of Managers or holders of Unit mortgages, to execute or (on Sponsor's request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, County of Kings, and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the same) to reflect any changes in Units and the reapportionment of the Common Interest resulting

therefrom, made by Sponsor in accordance with this Declaration. All expenses in connection with the preparation, recording and filing of any such amendment shall be paid by Sponsor.

(g) Pursuant to Section 339-i(2) of the Real Property Law of the State of New York, where an owner of a Unit subdivides his Unit (provided that in no event such division results in a greater percentage of Common Interest for the total of the new Units than existed for the original Unit before division), an appropriate amendment to the Declaration may be filed by a new Unit Owner under the same file number and under the procedure set forth in Section 339-p of the Real Property Law of the State of New York, and the local tax authorities shall provide and certify upon the proposed amendment a conforming tax lot number upon the completion of new Units. Nothing in this subsection shall give any Residential Unit Owner the right to subdivide a Residential Unit without the consent of the Board of Managers in accordance with the By-Laws of the Condominium.

(h) Except as provided in this Article with regard to the rights of the Sponsor or its designee(s), to amend this Declaration, the following shall apply:

(i) Without the prior written consent of the Sponsor, no amendment, modification, addition or deletion of or to the By-Laws, this Declaration or the Rules and Regulations of the Condominium modifying the rights of the Sponsor or affecting the rights, privileges, easements, licenses or exemptions granted to the Sponsor, shall be effective in any way against the Sponsor. The Board of Managers will not adopt any rules or regulations or amend the Declaration or By-Laws in a manner which would adversely affect the sales, marketing or operations of the Sponsor.

(i) This Declaration may also be amended by Unanimous Consent of Unit Owners in lieu of a meeting.

(j) The provisions of this ARTICLE TENTH relating to the rights of the Sponsor may not be amended to abridge any rights of the Sponsor without the consent of the Sponsor.

ELEVENTH: Subject to Declaration, By-Laws, Etc. All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Community in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium, and the mere acquisition or rental of any of the Units of the Community, or the mere act of occupancy of any of said Units, shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: Common Charges. All sums assessed as common charges by the Board of Managers, but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner, shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including, but not limited to, State, County and City taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit (but to the extent permitted by law, the Condominium's lien shall have

priority to the extent of six (6) months of unpaid common charges and attorneys' fees incurred by the Condominium in collecting such charges.) Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred, including reasonable attorneys' fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, where the holder of an institutional first mortgage obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder purchasing for its own account obtains title by conveyance in lieu of foreclosure, such acquirer of title, its successors or assigns, shall not be liable, and the Unit shall not be subject to a lien for the payment of common charges chargeable to such Unit, which were assessed and became due prior to the acquisition of title to such Unit by such mortgagee in excess of six months of Common Charges and attorney fees. In such event, the unpaid balance of common charges shall be charged to all other Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender, or a mortgage granted by the Sponsor to a purchaser of a Unit or in which the Sponsor participates with one of the above. Every Unit Owner shall pay the common charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the common charges assessed against him by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. In addition, every non-resident owner shall be subject to the provisions of Section 339-kk of the Real Property Law of the State of New York. However, no Unit Owner shall be liable for the payment of any common charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property Law of the State of New York or in accordance with the provisions of this Declaration and the By-Laws. The By-Laws of the Condominium contain additional provisions regarding the right of the Board of Managers to collect common charges owed by a Unit Owner, which shall be deemed incorporated into this Declaration.

THIRTEENTH: Units Acquired by the Board. If any Unit Owner shall surrender, convey or lease his Unit to the Board of Managers or its designee in accordance with Section 339-x of the Real Property Law of the State of New York, or if the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article X of the By-Laws, title to such Unit or the rights to the lease of such Unit, together with the Unit Owner's percentage of Common Interest, shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners in proportion to their percentage of Common Interest.

FOURTEENTH: Power of Attorney. Upon the transfer of title to any Unit, each Unit Owner, upon becoming such, shall be required to execute a Power of Attorney, coupled with an interest and irrevocable, in favor of the following:

(a) the Board of Managers to exercise certain rights on behalf of the Condominium, including (1) to vote on, exercise or waive any right of first refusal to purchase a Unit available to the Condominium under the By-Laws of the Condominium, subject to any other limitations contained in the By-Laws; (2) to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same or whose owner desires to sell the same or which shall be the subject of a

foreclosure sale or in lieu of a foreclosure sale at such price and on such terms as the said attorney-in-fact shall, in its sole discretion, deem proper; and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired at such terms as the attorney-in-fact may in its sole discretion determine, granting to said attorney-in-fact the power to do all things in the said premises which the Unit Owner could do if such Unit Owner were personally present; (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Zoning Board and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, rehabilitation, alteration, repair or restoration of the Condominium, or (b) any consent, covenant, restriction, easement or declaration, or any amendment to the Declaration of Condominium or By-Laws affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate, subject to the other limitations contained in the By-laws; (4) to file applications and protests (or employ persons to do same) in the name and stead of the Unit Owner with respect to the assessed valuation of individual Units, and to execute all documents and pay all costs in connection therewith; (5) to borrow funds to repair the Common Elements pursuant to Real Property Law Section 339-jj; or (6) act as the agent and attorney-in-fact on behalf of individual Unit Owners, at such Unit Owner's expense, to take such action against any tenant or occupant of a Unit, including (but not limited to) maintaining summary proceedings for eviction or engaging in other litigation, as the Condominium Board may deem necessary in order to protect the interests of the Condominium if (i) such tenant or occupant remains in possession of the Unit after any lease or occupancy for the Unit has been terminated or expires; or (ii) such tenant or occupant violates the terms of the Condominium Documents or any lease or occupancy agreement between the Unit Owner and such tenant or occupant.

The acts of a majority of persons constituting the Condominium Board shall constitute the acts of said attorney-in-fact.

(b) The Sponsor, its officers, directors, successors and assigns, severally as attorney-in-fact, coupled with an interest, with power of substitution, to:

(1) Amend from time to time the Declaration, By-Laws and the Rules and Regulations of said Condominium, or any of said documents, when such amendment shall be required (i) to reflect any changes in Unsold Units or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor in accordance with the Declaration; (ii) to make non-material changes in the Condominium Documents that are required to correct technical errors in the Condominium Documents, to conform them to legal requirements, or to correct discrepancies (as of the date of recording of the Declaration of Condominium) between the provisions of the offering plan under which the Condominium Units were originally offered and the Condominium Documents; or (iii) by (x) an institutional lender as a condition of making a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company in order to insure title to any Unit; however, unless the affected Unit Owner shall consent thereto by giving written consent or joining in the execution of such amendment, no amendment made pursuant to clauses (i) or (ii) of this paragraph shall (x) change the Common Interest of a Unit, (y) require a material, physical

modification to an affected Unit, or (z) adversely affect the priority or validity of the lien of any mortgage held by an institutional lender covering a Unit.

(2) Execute any documents that may be required to be filed with the City of New York in order to complete construction or alteration of the Common Elements of the Condominium or to make an alteration to an Unsold Unit permitted under the Declaration and By-Laws of the Condominium, or to fulfill the Sponsor's obligations under the condominium offering plan pursuant to which this Declaration was originally recorded, including execution of such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration; or

(3) Cause the Board of Managers and all of the Unit Owners and their successors and/or assigns, to take such action, and/or to execute, acknowledge, deliver and record on their behalf such instruments and documents (including, but not limited to deed(s), lease(s), zoning lot agreement(s), declaration(s), lot line window declaration(s) and/or grant(s) of any such Unit Owner's and the Board's interest, if any, in any floor area development rights allocated to the Property ("Air Rights")) for the purpose of (i) confirming the rights of the Sponsor to cause any transfer or allocation of Air Rights on behalf of the Condominium, and for the Sponsor to receive all consideration for causing such transfer; (ii) effectuating the conveyance, transfer, assignment or surrender of such rights by the Condominium and its Unit Owners; and (iii) making any amendment to the Condominium Declaration which the Sponsor deems necessary or appropriate to effectuate its rights described above.

(c) The holder of the Power of Attorney is authorized to consent to an act permitted hereunder as part of a "Unanimous Consent of Unit Owners in Lieu of a Meeting," subject to and in accordance with the balance of this Article and the Declaration and By-laws of the Condominium.

(d) The initial form of Power of Attorney appears as Exhibit C to the Declaration. Such form may be reasonably modified so long as such modifications are not inconsistent with this Article FOURTEENTH and Article SIXTH.

FIFTEENTH: Easement for Pipes, Ducts, Cable, Wires, Conduits, Public Utility Lines and Other Common Elements Located Inside of Units.

(a) Each Unit Owner shall have an easement in common with the owners of all other Units to use, in accordance with present use and present available facilities, all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use, in accordance with present use and present available facilities, the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

(b) In addition to the above, an easement in favor of the Board of Managers, their agents, contractors and employees shall exist providing for a right of access to the Units, the Common

Elements, and Limited Common Elements to inspect, maintain or Repair or make Repairs to the Units, to prevent damage to the Common Elements or to any other Units, to make Repairs to the Common Elements, any wires, pipes, conduits or cable television systems servicing any of the Units or to make Repairs to any other Units, or to perform such inspection, maintenance or Repair work as would be necessary for the purpose of removing violations or curing defaults by Unit Owners, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one (1) day's notice, except that notice will not be necessary in the case of an emergency condition that requires repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building, or other persons, or as required to avoid the suspension of any necessary service in the Building. The right of access to the Board of Managers will be subject to other provisions of the By-Laws.

(c) Notwithstanding any other provisions of this Declaration, each Unit Owner shall have in common with all other Unit Owners, an easement for ingress and egress through any Unit or the Common Elements to the extent necessitated by an emergency.

(d) 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.

(e) A utility company and its employees and agents shall have an easement of access to any Units, the Common Elements or Limited Common Elements in order to install any utility connections required for a particular Unit Owner or the Condominium, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Residential Units for their permitted purposes.

(f) The beneficiary or user of any easement granted pursuant to this Article or elsewhere in the Declaration shall have the obligation of repairing any damage resulting from the use of such easement.

SIXTEENTH: Encroachments. The Unit Owners agree that if any portion of a Unit encroaches upon another Unit or the Common Elements, or if any portion of the Common Elements (whether restricted in use to an individual Unit Owner or not) shall hereinafter encroach upon a Unit as a result of original construction or settling of the Building, or by reason of the Repair, alteration or restoration by the Board of Managers of the Building, any Unit or the Common Elements, or by reason of the installation, maintenance, repair or replacement by the owner of any Unit resulting from the subdivision or combination of a of signs, flues, vents, air conditioning, heating, ventilating and water lines and other mechanical fixtures and equipment, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building are partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as described above, due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

SEVENTEENTH: Unit Ownership. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain such, until such time as he ceases to own the Unit for any reason.

EIGHTEENTH: Conveyance of a Unit. In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid common charge against the Grantor and such Grantee shall not be liable for any unpaid common charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

NINETEENTH: Covenants and Restrictions and Statement of Permitted Uses. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium, and the following covenants and restrictions:

(a) The Unit and area restricted to the Unit Owner's use shall be maintained in good Repair and good overall appearance.

(b) No alterations to the exterior of the Unit or any part of the Common Elements may be made without the written consent of the Board of Managers. A Unit Owner may make a non-structural alteration to a Unit that does not affect the exterior of the Building, the utility systems of the Condominium, or the value of other Units without the consent of the Board. No Unit Owner, other than the Sponsor, may make a structural alteration in a Unit, install any fixtures or appliances (other than electrical appliances) or make any alteration affecting the utility systems of the Building without the prior written approval of the Board, which approval shall not be unreasonably withheld, provided that the Unit Owner complies with all of the following regarding the improvement: (i) applicable rules; (ii) conditions established by the Board regarding the quality of the work, contractor selection, necessary insurance coverage and access; (iii) applicable laws; (iv) assumes all ownership of all improvements unless otherwise determined by the Board and (v) pays all expenses associated with the improvement and the Board's review of the same. Consent may be requested in writing sent by certified mail or overnight carrier to the Managing Agent, if any, or to the President of the Board, if no Managing Agent is employed. The Board shall have the obligation to answer within forty-five (45) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. The provisions of this paragraph shall not apply to the Sponsor, provided that any such alterations do not materially adversely affect the structure or utility systems of the Building.

(c) Any Unit Owner who mortgages their Unit shall notify the Board of Managers prior to the date of the mortgage providing the name and address of his mortgagee. No mortgage will be permitted unless all common charges have been paid up to the date of the mortgage.

(d) At the request of the mortgagee of the Unit, the Board of Managers shall report any unpaid common charges due from the Unit Owner of such Unit, at a reasonable charge to the Unit Owner for each such request.

(e) No nuisance shall be allowed upon the Property, nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents.

(f) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(g) Regulations promulgated by the Board of Managers concerning the use of the Property shall be observed by the Unit Owner provided, however, copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(h) Occupancy of the Residential Units shall be restricted to residential occupancy, home occupation and professional use in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community. No Residential Unit may be used, leased or subleased for any of the following purposes: (a) leasing for a term of less than one year; (b) leasing by any so-called "executive stay" or "short term stay" company or person engaged in the business of renting or leasing units; or (c) hotel, dormitory, employee residence or facility, fraternity or sorority house, resort housing or similar type of non-permanent housing. Residential Units owned by non-natural persons are subject to further restrictions on occupancy, as detailed in the By-laws.

(i) The Parking Units may not be used for any purpose other than parking of a Unit Owner's vehicle, or leased to a person other than the Unit Owner or his tenant. The Unit Owner may not store any gasoline or other materials in a Parking Unit or permit or do anything in the Parking Unit which would increase the rate of fire insurance for the building. Unit Owner may not conduct repairs (except changing a flat tire), store any property, paint, mark or otherwise alter the Parking Unit. The Condominium will not be liable for damage to any property of the Unit Owner located within a Parking Unit, for any reason whatsoever.

(j) Special Obligations Relating to Certain Parking Units Reserved for Disabled Persons. Parking Unit 4 and Parking Unit 5 at 175 Spencer Street and Parking Unit 1 and Parking Unit 2 at 192 Spencer Street have been designated as handicapped parking spaces (each a "Handicapped Parking Unit and collectively, the "Handicapped Parking Units") The purchase of a Handicapped Parking Unit and any subsequent sale or transfer of it is subject to the following covenants and restrictions in the deed:

(a) In the event a present or future Unit Owner in the Condominium, or a member of his or her family residing in the Unit, becomes handicapped and acquires handicapped license plates for his or her vehicle, and said Unit Owner is the owner of a Parking Unit other than a Handicapped Parking Unit, said Unit Owner has the right to demand that the owner of a Handicapped Parking Unit trade the Handicapped Parking Unit they own with said handicapped Unit Owner

(unless the owner of the Handicapped Parking Unit also has handicapped license plates.)

(b) In the event the present or future Unit Owner or member of his or her family residing in the Unit, becomes handicapped and said Unit Owner does not own a Parking Unit, said Unit Owner has the right to demand that the owner of a Handicapped Parking Unit sell it at the then current, fair market value to said handicapped Unit Owner (unless the owner of the Handicapped Parking Unit also has handicapped license plates). All costs and expenses entailed in the transfer of title to the Handicapped Parking Unit, including without limitation, title abstracts, title insurance, transfer taxes and recording fees and reasonable attorney fees, shall be borne by the party requesting the transfer.

(c) The owner of a Handicapped Parking Unit must comply with the aforementioned demand upon thirty (30) days written notice.

(d) If the parties cannot agree on the fair market value of the Handicapped Parking Unit then the parties agree to submit the matter to binding arbitration in accordance with Article XIII of the By-Laws of the Condominium.

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TWENTY-FIRST: Invalidity. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no way affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

Declarant: BSP Spencer LLC

By: Black Spruce Management LLC, its Manager

By: _____
Josh Gotlib, Sole Manager and Member

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On the ____ day of _____ in the year 20___ before me, the undersigned, a Notary Public in and for said State, personally appeared Josh Gotlib, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A
THE SPENCER STREET CONDOMINIUM

175 Spencer Street, Brooklyn, NY 11205

Unit	Tax Lot	Percentage of Common Interest	Approx. Gross Unit Area in Square Feet	Square Footage of Limited Common Elements	Number of Rooms	Common Elements to Which Unit Has Access
175 Spencer Street Residential Units						
1A		1.4982%	1,058	125 (Y)		Hallway, Stairway
1B		1.4316%	1,011	122 (Y)		Hallway, Stairway
1C		1.4316%	1,011	125 (Y)		Hallway, Stairway
1D		1.4982%	1,058	125 (Y)		Hallway, Stairway
2A		1.0026%	708			Hallway, Stairway
2B		0.9997%	706			Hallway, Stairway
2C		1.0465%	739			
2D		0.9771%	690			Hallway, Stairway
2E		0.9289%	656			Hallway, Stairway
2F		0.9304%	657			Hallway, Stairway
2G		0.9629%	680			Hallway, Stairway
2H		1.0776%	761			Hallway, Stairway
3A		1.0026%	708			Hallway, Stairway
3B		0.9997%	706			Hallway, Stairway
3C		1.0465%	739			Hallway, Stairway
3D		0.9771%	690			
3E		0.9289%	656			Hallway, Stairway
3F		0.9304%	657			Hallway, Stairway
3G		0.9629%	680			Hallway, Stairway
3H		1.0776%	761			Hallway, Stairway
4A		1.0026%	708			Hallway, Stairway
4B		1.2631%	714	356 (T)		Hallway, Stairway
4C		1.3453%	788	324 (T)		Hallway, Stairway
4D		0.9318%	658			Hallway, Stairway

Unit	Tax Lot	Percentage of Common Interest	Approx. Gross Unit Area in Square Feet	Square Footage of Limited Common Elements	Number of Rooms	Common Elements to Which Unit Has Access
4E		0.9374%	662			Hallway, Stairway
4F		0.9643%	681			Hallway, Stairway
4G		1.0890%	769			Hallway, Stairway
5A		1.0026%	708			Hallway, Stairway
5B		1.3722%	783	372 (T)		Hallway, Stairway
5C		1.2405%	666	420 (T)		Hallway, Stairway
5D		0.9360%	661			
5E		0.9643%	681			Hallway, Stairway
5F		1.0890%	769			Hallway, Stairway
6A		1.7198%	792	845 (T)		Hallway, Stairway
6B		1.4182%	669	665 (T)		Hallway, Stairway
Residential Totals			26,041	2,982		
175 Spencer Street Non-Residential Parking Unit						
P1		0.1062%	150		N/A	Hallway, Stairway
P2		0.1062%	150		N/A	Hallway, Stairway
P3		0.1020%	144		N/A	Hallway, Stairway
P4		0.1020%	144		N/A	Hallway, Stairway
P5		0.1020%	144		N/A	Hallway, Stairway
P6		0.1041%	147		N/A	Hallway, Stairway
P7		0.1041%	147		N/A	
P8		0.1041%	147		N/A	Hallway, Stairway
P9		0.1041%	147		N/A	Hallway, Stairway
P10		0.1041%	147		N/A	Hallway, Stairway
P11		0.1055%	149		N/A	Hallway, Stairway
P12		0.1055%	149		N/A	Hallway, Stairway
P13		0.1055%	149		N/A	Hallway, Stairway
P14		0.1055%	149		N/A	Hallway, Stairway
P15		0.1055%	149		N/A	Hallway, Stairway
P16		0.1055%	149		N/A	Hallway, Stairway
P17		0.1055%	149		N/A	Hallway, Stairway

Unit	Tax Lot	Percentage of Common Interest	Approx. Gross Unit Area in Square Feet	Square Footage of Limited Common Elements	Number of Rooms	Common Elements to Which Unit Has Access
P18		0.1055%	149		N/A	Hallway, Stairway
Non-Residential Unit Total			2,659			
192 Spencer Street Residential Units						
1A		1.5315%	1031	101 (Y)		Hallway, Stairway
1B		1.4925%	1004	100 (Y)		Hallway, Stairway
1C		1.4925%	1004	75 (Y)		Hallway, Stairway
1D		1.4925%	1004	100 (Y)		Hallway, Stairway
1E		1.4748%	1004	75 (Y)		Hallway, Stairway
1F		1.4925%	1004	100 (Y)		Hallway, Stairway
1G		1.5315%	1031	101 (Y)		
2A		1.4090%	995			Hallway, Stairway
2B		1.0139%	716			Hallway, Stairway
2C		1.0139%	716			Hallway, Stairway
2D		0.9658%	682			Hallway, Stairway
2E		0.8879%	627			Hallway, Stairway
2F		0.9643%	681			Hallway, Stairway
2G		0.9658%	682			Hallway, Stairway
2H		1.0139%	716			Hallway, Stairway
2I		1.0139%	716			
2J		0.9658%	682			Hallway, Stairway
2K		0.9643%	681			Hallway, Stairway
3A		1.5117%	999	137 (T)		Hallway, Stairway
3B		1.7170%	1099	227 (T)		Hallway, Stairway
3C		0.9658%	682			Hallway, Stairway
3D		0.8879%	627			Hallway, Stairway
3E		0.9643%	681			Hallway, Stairway
3F		0.9658%	682			Hallway, Stairway
3G		1.7170%	1099	227 (T)		Hallway, Stairway
3H		1.0698%	687	137 (T)		Hallway, Stairway
3I		0.9643%	681			Hallway, Stairway

Unit	Tax Lot	Percentage of Common Interest	Approx. Gross Unit Area in Square Feet	Square Footage of Limited Common Elements	Number of Rooms	Common Elements to Which Unit Has Access
4A		1.5279%	1008	142 (T)		
4B		1.3127%	805	244 (T)		Hallway, Stairway
4C		0.9643%	681			Hallway, Stairway
4D		0.8879%	627			Hallway, Stairway
4E		0.9643%	681			Hallway, Stairway
4F		0.9643%	681			Hallway, Stairway
4G		1.3127%	805	244 (T)		Hallway, Stairway
4H		1.0847%	695	142 (T)		Hallway, Stairway
4I		0.9643%	681			Hallway, Stairway
5A		1.7977%	1070	399 (T)		
5B		1.2823%	690	431 (T)		Hallway, Stairway
5C		0.8879%	627			Hallway, Stairway
5D		0.9643%	681			Hallway, Stairway
5E		1.2823%	690	431 (T)		Hallway, Stairway
5F		1.3559%	758	399 (T)		Hallway, Stairway
5G		0.9643%	681			Hallway, Stairway
6A		1.2426%	690	375 (T)		Hallway, Stairway
6B		1.4890%	864	375 (T)		Hallway, Stairway
6C		1.3870%	726	507 (T)		
6D		1.4260%	886	242 (T)		Hallway, Stairway
Residential Totals			37,240	5,336		
Non-Residential Parking Unit						
P1		0.1083%	153		N/A	Hallway, Stairway
P2		0.1083%	153		N/A	Hallway, Stairway
P3		0.1083%	153		N/A	Hallway, Stairway
P4		0.1211%	171		N/A	Hallway, Stairway
P5		0.1189%	168		N/A	Hallway, Stairway
P6		0.1069%	151		N/A	Hallway, Stairway
P7		0.1069%	151		N/A	Hallway, Stairway
P8		0.1069%	151		N/A	Hallway, Stairway
P9		0.1069%	151		N/A	Hallway, Stairway

Unit	Tax Lot	Percentage of Common Interest	Approx. Gross Unit Area in Square Feet	Square Footage of Limited Common Elements	Number of Rooms	Common Elements to Which Unit Has Access
P10		0.1069%	151		N/A	Hallway, Stairway
P11		0.1069%	151		N/A	Hallway, Stairway
P12		0.1069%	151		N/A	Hallway, Stairway
P13		0.1069%	151		N/A	Hallway, Stairway
P14		0.1232%	174		N/A	Hallway, Stairway
P15		0.1140%	161		N/A	Hallway, Stairway
P16		0.1076%	152		N/A	
P17		0.1083%	153		N/A	Hallway, Stairway
P18		0.1062%	150		N/A	Hallway, Stairway
P19		0.1069%	151		N/A	
P20		0.1069%	151		N/A	
P21		0.1069%	151		N/A	
P22		0.1041%	147		N/A	
P23		0.1069%	151		N/A	
P24		0.1062%	150		N/A	
Non-Residential Unit Total			3697			

(Y) = Rear Yard

(T) = Private Terrace

SCHEDULE B
LEGAL DESCRIPTION

PARCEL 1 (Lot 12):

PARCEL 2 (Lot 13):

OVERALL DESCRIPTION

EXHIBIT C

FORM OF POWER OF ATTORNEY

BY-LAWS
OF
THE SPENCER STREET CONDOMINIUM

ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The property located at 175 & 192 Spencer Street, Brooklyn, New York, County of Kings, specifically set forth in the Declaration and more commonly known as the "The Spencer Street Condominium" has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" or "Property" as used herein shall include the land and all Building and improvements thereon, including the Condominium Units (as defined below) and the common elements and the use and occupancy thereof. The term "Building" as hereinafter used shall be defined as the exterior walls and roof of a Unit or number of Units all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Condominium, but which does not contain any of the Units. The Units consist of forty-two (42) parking units located on the first floor of the Building (the "Parking Units") and eight-two (82) residential units (the "Residential Units"). The Parking Units and the Residential Units are sometimes hereinafter collectively referred to as "Units." The Building also includes 64 storage bins which will be licensed to owners by the Sponsor. The Sponsor's interest as licensor will be assigned to the Condominium. The "Sponsor" means BSP Spencer LLC and any successor Sponsor.

Section 3. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any rules and regulations established by the Board of Managers ("Board of Managers" or "Board"). The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II
CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean all of the owners of each Unit.

Section 2. Voting. Each Unit Owner (including the Sponsor and the Board of Managers if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all Unit Owners' meetings for each hundredth percent (.01%) of common interest in the common elements appurtenant to his or her Unit, but the Board of

Managers shall not cast any of its votes for the election of any member to the Board. The total number of votes available shall be 10,000. For voting purposes, Units held jointly shall be deemed to be owned by a single Unit Owner. The number of votes available to each Unit Owner pursuant to the above formula shall be referred to in these By-Laws as the Unit Owner's "voting interest".

Section 3. Quorum. Provided a majority in voting interest of all Unit Owners is present in person or represented by written proxy at the meeting, so many Unit Owners as shall represent at least 50.01% of the total voting interest of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, or by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority in voting interest of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever any vote of Unit Owners is required at a meeting or permitted by any provisions of the Declaration, Statute or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners, who would have been entitled to vote upon the action, if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. Within sixty (60) days after the triggering event (as defined below), the Sponsor shall call the first annual Unit Owners meeting. At such meeting a new Board of Managers shall be elected by the Unit Owners and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on or about the anniversary of

such date each succeeding year. At such meetings there shall be elected by ballot of the Unit Owners, a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as, the time and place where it is to be held to each Unit Owner of record, at least ten (10) but not more than fifty (50) days prior to such meeting. The mailing of a notice in the manner provided in the By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

(a) Roll call
(b) Proof of notice of meeting or waiver of notice
(c) Reading of minutes of preceding meeting
(d) Report of officers
(e) Report of Board of Managers
(f) Report of committees
(g) Election of inspectors of election (in the event there is an election)
(h) Election of Managers (in the event there is an election)
(i) Unfinished business
(j) New business

ARTICLE III
BOARD OF MANAGERS

Section 1. Number and Term.

(a) The number of Managers which shall constitute the whole Board shall not be less than three (3) and not more than seven (7). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose after the Sponsor surrenders voting control of the Board, Managers need not be Unit Owners; thereafter all Managers, other than representatives of the Sponsor, shall be Unit Owners, the principal or officer of a Unit Owner, or the spouse, son or daughter of a Unit Owner. While the Sponsor controls the Board, the number of Managers shall be three (3). From and after the first Annual Meeting after surrender of control of the Board by the Sponsor, the number of Managers shall be five (5), comprised of two Managers owning Units at 175 Spencer Street, two Managers owning Units at 192 Spencer Street, and one Manager designated by the Sponsor. After the Sponsor ceases to own a Residential Unit, the number of Managers shall be four (4). Thereafter, within the limits above specified, the number of Managers may be changed by a vote of 66-2/3% of the Unit Owners

present in person or by proxy at the annual meetings prior to the election of the next Board of Managers. To the extent that the Sponsor is entitled to designate members of the Board of Managers as set forth in subsection (b), such designation shall reduce the number of Managers elected by the Unit Owners during that year. Notwithstanding such designation, while the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interest allocated to all of its Units for all seats on the Board. The Managers shall hold office until their successors have been elected and hold their first meeting.

(b) (i) Until five years after the first Unit closing or the sale of Units representing 51% in percentage of common interest in the Condominium, whichever is earlier("triggering event''), the Sponsor will retain the right to designate all members of the Board of Managers. The Sponsor will relinquish voting control at the first annual meeting to occur after the triggering event.

(ii) To assure the Sponsor of minimum representation on the Board of Managers after it turns over control of the Board to Unit Owners independent of the Sponsor, the Sponsor shall have the right to designate one member of the Board, so long as the Sponsor continues to own one or more Residential Units.

(c) In the event of a deadlock on the Board of Managers, any two Managers may seek resolution of the dispute by Expedited Arbitration in accordance with Article XIII.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term with respect to such vacancy. If the vacancy occurs with respect to any member of the first Board of Managers (see Section 4 of this Article III) who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such manager's successor to fill the unexpired portion of his term.

Section 3. Removal. Except for a member of the Board of Managers designated by Sponsor, a member of the Board of Managers may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of common interest in excess of fifty percent (50%) of the common interest of the Condominium. A member of the Board of Managers designated by the Sponsor may only be removed for cause or by the Sponsor, and in either event, only the Sponsor shall have the right to designate a replacement.

Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting at which his proposed removal is to be acted upon. If a member of the Board of Managers ceases to be a Unit Owner or mortgagee (or a partner, officer, director, stockholder or employee of a partnership or corporate owner or mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Sponsor, he shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased.

Section 4. First Board of Managers. The first Board of Managers shall be designated by the Sponsor. All Sponsor designees shall all have the right to hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

(a) The Property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not required to be exercised or done by the Unit Owner personally. These powers shall specifically include, but not be limited to, the following items:

(i) To determine and levy monthly assessments ("Common Charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their respective common interest;

(ii) To collect, use and expend the assessments collected to maintain, care for and preserve the Units, Building and other common elements;

(iii) To make repairs, restore or alter any Units or the common elements after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings within the limitations of these By-Laws;

(iv) To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owner as reasonably possible in connection with the maintenance, care and preservation of the Property;

(v) To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;

(vi) To insure and keep insured the common elements and Units in accordance with Article VII of these By-Laws, and settle claims;

(vii) To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owner of the Property for violations of the house rules or rules and regulations herein referred to, and to levy such fines and late charges upon Unit Owners who fail to pay such rent or assessments in a timely manner or to comply with such rules and regulations in order to ensure compliance, in the reasonable judgment of the Board, and to assess individual Unit Owners for the legal or administrative costs of enforcing such rules and collecting such assessments;

(viii) To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit

Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit;

(ix) To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally, to have the powers of a Manager in connection with the matters hereinabove set forth;

(x) To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium, and to levy special assessments to pay for the cost of such litigation;

(xi) To exercise or waive a right of first refusal to purchase Units, to acquire Units in foreclosure or as a result of abandonment, by exercise of a right of first refusal on behalf of all Unit Owners, and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as Unit Owner, to offer such Unit for sale or lease, or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

(xii) To hire a Managing Agent to perform the duties of the Board of Managers, provided that if such a contract is entered into with the Sponsor, the contract may not be for a period in excess of three (3) years and must contain a provision for termination by either party upon sixty (60) days written notice after the second year;

(xiii) To make additions, alterations, or improvements to the common elements of the Condominium, and to present to the Unit Owners the assignment of Common Charges or the placement of a lien on the common elements when such presentation is required by law;

(xiv) To borrow money on behalf of the Condominium when required in order to purchase a Unit in foreclosure, pursuant to the exercise of a right of first refusal, for Common Charges, and in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that if required by law, the consent of at least 50.01 % in percentage of common interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum (except sums required to comply with applicable law or a work order of an insurance carrier) which is to be secured by an assignment of income under Section 339-jj of the Real Property Law of the State of New York . Except as required by law or as otherwise expressly limited in the Condominium Documents, the consent of the Unit Owners shall not be required to borrow unsecured funds to be used for the benefit of the Condominium, or to borrow funds by placing a lien on the Common Charge payments of the Unit Owners;

(xv) To request a reduction in the taxable assessed valuation of the Condominium on behalf of all Unit Owners;

(xvi) To impose reasonable fees in connection with sales and leasing of individual Units;

(xvii) To impose fees in connection with the administration of alterations, leasing and other special uses of individual Units, or the production of special documentation or the fulfillment of particular requests under the Condominium Documents by individual owners.

(xviii) To make adequate provisions for obtaining janitorial services for the Building in accordance with applicable law; and

(xix) Generally, to do all things necessary or appropriate in order to properly operate the Condominium.

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least one (1) Manager (but the committee may also have non-Manager Unit Owners on it) which, to the extent provided in said resolution or resolutions, shall advise the Board of Managers in the management of the Condominium. The Manager who is a member of any such committee, acting on behalf of the Board of Managers, or (to the extent permitted by law) any other available member, shall also have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium, and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own twenty-one or more Residential Units, but in no event later than five (5) years from the closing of title to the first Unit, the Board of Managers may not, without the Sponsor's prior written consent: (i) make any addition, alteration or improvements to the common elements or to any Unit, at the expense of the Condominium, the foregoing not to include necessary repairs and maintenance work; or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, except to the extent that the aggregate amount of such fund does not exceed five percent (5%) of the budgeted expenses of the Condominium; or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium Ownership (the "Plan"); or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the said Plan is declared effective; or (v) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). The provisions of this paragraph may not be amended without the written consent of Sponsor.

(d) Notwithstanding subsection (c), the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the common elements or assessment of any Common Charge for expenses required to comply with applicable law, or a work order of an insurance carrier, or over the budgeted expenses for Condominium operations set forth in Schedule B of the original offering plan under which this Condominium was established.

(e) Notwithstanding anything else contained in the Condominium Documents, the Board of Managers shall not take any action which will have the effect of diminishing existing services provided to Non-Purchasing Tenants or to other tenants of other rent-regulated units at the Property by the Sponsor, or which will expose the Sponsor to a claim by such tenants for a breach of warranty of habitability.

Section 6. Managing Agent. The Board of Managers may employ a Managing Agent for the Condominium under a term contract or otherwise at compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the duties of the Board listed in this Article which may be delegated under law.

Section 7. Compensation. Members of the Board of Managers and officers shall receive no compensation for their services in their capacity as Managers and officers.

Section 8. Meetings.

(a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately, upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time, the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days' notice to each Manager either personally or by mail, telegram, facsimile or e-mail. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) Managers.

(d) At all meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by Statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meeting of Managers, the Managers present thereat may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present. Members may attend meetings telephonically or electronically. Votes of the Board of Managers may be taken via e-mail, facsimile or other permanent electronic medium, or telephonically provided such vote is recorded by the Secretary in a written record.

(e) Before or at any meeting of the Board of Managers, any Manager may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law (if required) of the State of New York, and shall present annually (at the annual meeting, but in no event later than four (4) months after the close of the fiscal year) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners meeting. The Board of Managers may determine the form of verification to be provided by the accountant.

Section 10. Fidelity Bonds. The Board of Managers may elect to obtain fidelity bonds for all officers and employees of the Condominium who handle or are responsible for Condominium funds. The premiums on such bonds shall be a common expense.

Section 11. Liability of the Board of Managers and Unit Owners. In order to limit the liability of the Unit Owners, the members of the Board of Managers, the managing agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the managing agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the managing agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims, except those arising out of the bad faith or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owners bears to the aggregate Common Interest of all Unit Owners. Members of the Board of Managers and any officers of the Condominium who handle or are responsible for Condominium funds shall be bonded.

ARTICLE IV
OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers. There shall be a President, a Vice President, a Secretary and a Treasurer. Except for officers designated by the Sponsor, the President must be a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers are not so restricted. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers, and such other officers as in their judgment may be necessary. The President and Treasurer may not be the same person.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners meeting shall elect a President, a Vice President, a Secretary and a Treasurer. Only the President must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties, as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers, other than a member designated by the Sponsor, who may be removed only for cause. If the office of any officer becomes vacant for any reason, the vacancy shall be filed by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he or she shall preside at all meetings of the Unit Owners and Managers; shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect, and shall have such other powers and duties as are usually vested in the office of the President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act, and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers, or by the President, under whose supervision he or she shall be.

Section 8. The Treasurer. The Treasurer shall have custody of the Condominium funds and securities, and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium, including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

He or she shall disburse the funds of the Condominium as he or she may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and

Managers, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

The foregoing shall not bar the Board of Managers from employing personnel to perform the administrative duties consistent with the execution of their responsibilities set forth above.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V
NOTICES

Section 1. Definitions. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, to such Manager or Unit Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration or of 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 VI
OPERATION OF THE PROPERTY

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers, or such other person or persons as the Board of Managers may from time to time designate. The Board of Managers may establish other requirements for signing checks and the disbursement of funds by resolution.

Section 2. Assessments.

(a) The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium, and shall send a copy of the budget and any supplement to the budget to every Unit Owner at least 15 days before the date set for adoption of the budget by the Board. The Board shall determine the total amount required, including the operational items,

such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses, as well as, charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective common interest appurtenant to such Units. This proration of assessments shall remain constant regardless of the percentage of the Building's square footage included in each Unit or the common elements restricted for the use of the Unit Owner of said Unit. Said assessments shall be payable monthly in advance as ordered by the Board of Managers. The Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his own Unit. The Board of Managers may impose administrative fees, late charges, and interest on unpaid Common Charges as described in Article VIII. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Board may take action to collect any Common Charges due from any Unit Owner which remains unpaid thirty (30) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339-aa of the Real Property Law of the State of New York or otherwise. The Sponsor will cause the Board of Managers to file a lien as provided in Real Property Law Section 339-aa on Units in which the Sponsor is more than thirty (30) days in arrears of Common Charges while the Sponsor controls the Board. Failure of the Board of Managers to place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time. In addition, every non-resident owner shall be subject to the provisions of Section 339-kk of the Real Property Law of the State of New York.

(b) Until the Units are separately assessed for tax purposes by the City of New York, real estate taxes on the Property that have not already been escrowed with the Board of Managers will be collected as part of the Common Charges. The Board of Managers of the Condominium will hold these payments in escrow and apply these payments to pay the real estate taxes for the Property. Until the date of such separate assessment, each Unit Owner will be assessed at the closing of title to his or her Unit for an amount equal to the projected real estate taxes for the fiscal year commencing after the date in which his or her closing occurs. If all Units have not been sold by the due date of the next installment of real estate taxes for the Property, the Sponsor will fund the real estate tax payment for any unsold Units to the Condominium at that time. After the Units are separately assessed, any amounts previously collected and not used for the payment of real estate taxes will be reimbursed to the Unit Owners.

(c) The Board will have the right to establish a separate Reserve Fund to be dedicated to capital expenditures for repair and replacement of the common elements, on such terms as the Board may elect.

Section 3. Statement of Common Charges. Upon the written request of any Unit Owner or his or her mortgagee, the Board shall promptly furnish such Unit Owner or his or her mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 4. Liability for Electricity. All electricity consumed in the Units shall be the expense of the individual Unit Owner.

Section 5. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation, including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 6. Other Accounts. The Board shall maintain any other accounts as it shall deem necessary to carry out its purposes.

Section 7. Repairs and Maintenance of Units and Common Elements.

(a) All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting the exterior side of windows), electrical (except common elements), plumbing (except common elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws. Non-Residential Unit Owners must keep their thermostats at a minimum of 50 degrees to prevent freezing of pipes. Otherwise they may be liable for damage caused to the Condominium or other Units for failing to adhere to this requirement.

(b) All maintenance, repairs and replacements (individually and collectively, "Repairs") to the General Common Elements (as defined in the Declaration) and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and charged to all the Unit Owners as a common expense, except if the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case, the expense shall be charged to such Unit Owner. Repairs in or to the Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (i) the Board of Managers as a Common Expense if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks); or (ii) by the Unit Owner having direct and exclusive access to a Limited Common Element at his or her sole cost and expense, if involving nonstructural or ordinary Repairs. The Board of Managers will have the right to establish rules and regulations regarding the approval of contractors, and the nature and standard of repair for any Limited Common Element. Notwithstanding the foregoing, the Condominium shall also have the right to make a Repair under subsection (ii) at the expense of the Unit Owner and to charge the cost back to the Unit Owner.

(c) Until all Units have been sold by the Sponsor, all Repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of the Building, including roofs, or to any generally visible portion of the common elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In addition, until all Units have been sold by the Sponsor, all interior window coverings visible from the exterior of the Building shall be white unless expressly approved by the Sponsor.

(d) The Condominium will have the right to enter any Unit upon reasonable notice for the purpose of making Repairs in an emergency, or if the Condominium determines (in its sole discretion) that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the sole discretion of the Board. If the Board of Managers charges a Unit Owner for repairs or maintenance to his or her Unit or for Repairs to any common element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the unpaid amount will bear interest at the maximum legal rate, and the Board of Managers shall be entitled to bring suit thereon as additional Common Charges and, in such event, the Unit Owner shall be liable for the reasonable attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

(e) The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the common elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration. These purposes include (but are not limited to) making inspections, correcting any condition originating in his or her Unit and threatening another Unit or a Common Element, performing installations, alterations or Repairs to the mechanical or electrical services or other common elements in his or her Unit or elsewhere in the Building and correcting any condition which violates the provisions of any mortgage covering another Unit. Requests for entry shall be made in advance at a time reasonably convenient to the Unit Owner. Such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Residential Units for residential purposes. Notwithstanding the above, no prior notice shall be required if the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Building, or for the safety of the residents of the Condominium or other persons, or required to avoid the suspension of any necessary service to the Condominium.

(f) Notwithstanding the other provisions of this Section 7, if any painting, decorating, maintenance, repairs or replacements to the Property or any part hereof is necessitated by the negligence, misuse or neglect of any Unit Owner, the entire cost thereof shall be borne by such Unit Owner. Each Unit Owner shall be responsible for all damage to any and all other Units or to the common elements by reason of his or her negligence, misuse or neglect.

Section 8. General Restrictions on Use and Occupancy of Units.

(a) Each of the Residential Units in the Building shall be used as a residence only, except (i) a Residential Unit may be used for any home occupation or professional use as permitted under local zoning laws, and provided further, that the prior written consent of the Board of Managers to such professional use is obtained (ii) a Residential Unit may be used for any permitted home occupation or professional use under applicable law, and (iii) the Sponsor, regardless of the number of Units unsold, shall have the right to use any Unit owned by it for general and sales office purposes, as models and for other promotional purposes in connection with the sale or lease of Units, and to erect and maintain signs at or on the Building, and to use Units and the common elements in any other manner permitted to Sponsor pursuant to the

provisions of the Declaration or these By-Laws. The foregoing clause (iii) may not be amended without the consent of the Sponsor.

(b) The use of any Unit must conform to the terms and conditions of the then existing Certificate of Occupancy for such Unit and any and all applicable governmental and municipal regulations, including any applicable zoning variance.

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

(i) If the Unit is not being leased in accordance with Article X, the Unit Owner will specify in writing to the Condominium those persons who will be entitled to occupy the Unit. The Unit may be used for residential occupancy only by those specified persons and members of their immediate family (individually and collectively, the "**Permitted Occupants**.") Any change in the Permitted Occupants other than in accordance with the By-laws and this subsection (e) will be considered a lease of the Unit, and will be subject to the applicable provisions of the By-laws in regard to leases.

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

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

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

Condominium.

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

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

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

(d) No immoral, improper, offensive, or unlawful use (as determined by the Board of Managers) shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

Section 9. Storage Bins.

(a) Unit Owners are responsible for all normal maintenance and repair to the Storage Bin of which they are the licensee. The costs and expenses of any structural or extraordinary repairs or replacements to the Storage Bins shall be a Common Expense charged to all Unit Owners. The Storage Bins may be used in accordance with applicable Law and only for the storage of the personal effects of the Unit Owner having exclusive access to such Storage Bin. No items which would constitute a threat to the health or safety of the Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building shall be stored in the Storage Bins. The Board has the authority to promulgate rules regarding use of and access to the Storage Bins. Neither the Sponsor nor the Board will be responsible for any damage to items placed in Storage Bins. Unit Owners who place items in Storage Bins do so at their own risk. Licensees of a Storage Bins shall have exclusive use of such Storage Bin so long as such Unit Owner owns a Unit.

(b) Storage Bins may not be licensed to any person, party or entity which is not a Unit Owner (provided that such restriction shall not apply to licensees of the Sponsor or its designees, or to the Board or its designees). Users of Storage Bins shall pay a license fee to the Condominium, initially in the amount of $10.00 per month. The Board of Managers has the right to increase the license fee from time to time in its discretion.

(c) The holder of a Storage Bin License (other than Sponsor or the Board) must at all times be a Residential Unit Owner. If at any time the licensee of a Storage Bin sells its Unit, it shall simultaneously assign its license of the Storage Bin to another Residential Unit Owner (or the Purchaser of such Unit), and if it fails to do so, the Board shall have the right to terminate the license of the Storage Bin and take possession of the same, without compensation to the licensee. If the Board terminates a Storage Bin License (pursuant to the above) or a Residential Unit Owner surrenders a Storage Bin License without assigning such license to another Residential Unit Owner, the Board shall have the right to issue a new Storage Bin License for the corresponding Storage Bin upon terms and conditions determined in its sole discretion.

(d) All Unit Owners shall notify the Board upon assigning a Storage Bin License agreement and shall provide the Managing Agent with a copy of the new Storage Bin License Agreement.

(e) If a Unit Owner holding a Storage Bin License defaults in its obligations under the Storage Bin License Agreement or under the Condominium Documents, the Board may, in addition to the rights and remedies set forth in the Condominium Documents: (i) deny access to and use of the Storage Bin until such Unit Owner cures such default, or (ii) terminate the Storage Bin License Agreement upon written notice to the Unit Owner.

Section 10. Use of Parking Units. Parking Units may not be used for any purpose other than parking of a vehicle owned by a Unit Owner or a tenant of a Unit Owner. Notwithstanding the foregoing, the Sponsor may lease a Parking Unit to any person, including a non-occupant. A Unit Owner may not store any gasoline or other materials in a Parking Unit or permit or do anything in the Parking Unit which would increase the rate of fire insurance for the building. Unit Owner may not conduct repairs (except changing a flat tire), store any property, paint, mark or otherwise alter the Parking Unit. The Condominium will not be liable for damage to any property of the Unit Owner located within a Parking Unit, for any reason whatsoever.

Section 11. Rules and Regulations. Rules and regulations concerning the use of the Residential Units, and the common elements may be promulgated and amended from time to time by the Board of Managers, provided that copies are furnished to each Unit Owner not less than five (5) days prior to the time that they become effective. Any rule or regulation may be rescinded by vote of sixty-seven percent (67%) of the Unit Owners at a meeting duly called for that purpose. The initial rules and regulations ("Rules and Regulations") are attached hereto as Schedule A for the purpose of distribution, but recording of such Rules and Regulations as part of the Declaration and By-Laws does not imply that amendments to the Rules and Regulations need to be recorded to be effective.

Section 12. Additions, Alterations or Improvements by Board of Managers. Whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements, and the Board determines to require the placement of a lien on the common elements or an assignment of Common Charges payable by the Unit Owners, and (if required by law) the making of such additions, alterations or improvements shall have been approved by fifty percent (50%) in number and in common interest of the Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws (and by the holders

of Unit mortgages, if such approval is required), the Board of Managers shall have the right to proceed with such additions, alterations or improvements and to assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements which do not require a lien to be placed on the common elements or an assignment of the Common Charges payable by the Unit Owners may be made by the Board of Managers, without approval of the Unit Owners or the holders of Unit mortgages, and the cost thereof (unless paid from the Working Capital Fund in accordance with the Plan) shall constitute part of the common expenses. So long as Sponsor or its designee shall own twenty-five percent (25%) of the Units in aggregate common interest, or for a period of five (5) years from the first closing of title to a Unit, whichever occurs sooner, the Board of Managers may not make any addition, alteration, or improvement to the common elements without Sponsor's prior written consent, unless required by law.

Section 13. Additions, Alterations or Improvements by Unit Owners.

(a) A Residential Unit Owner may make a non-structural alteration to a Unit that does not affect the exterior of the Building, the utility systems of the Condominium, or the value of other Units without the consent of the Board of Managers. However, the Board of Managers may establish regulations governing access, insurance and other matters relating to the performance of any work within a Unit. No other installations or alterations may be made to a Unit without the consent of the Board of Managers except as described below. No Unit Owner, other than the Sponsor may make a structural alteration in a Unit, install any fixtures or appliances (other than electrical appliances), or make any alteration affecting the utility systems of the Building without the prior written approval of the Board of Managers, not to be unreasonably withheld. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances, (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), and that any additions shall be maintained in their entirety by said Unit Owner (who shall also be responsible for any Repairs, including structural Repairs, to such addition under all circumstances, and to the Unit and any common elements where such Repairs become necessary due to additional stresses caused by the structural alteration, or due to improper design or construction of the structural alteration). Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided due to such alteration. All alterations are subject to the regulations of the Condominium regarding the time and manner of performance, security, insurance, responsibility for interruption of services, and liability for future Repairs. Unit Owners may be required to execute an Alteration Agreement incorporating those terms and such other terms as the Condominium may require, which agreement may be recorded and will bind future owners of the Unit.

(b) No Residential Unit Owner may alter, improve or enclose any portion of the common elements (including the Limited Common Elements), without the consent of the Board of Managers.

(c) Subject to the rights granted to the Sponsor under the Declaration and By-laws, any application to any department of the City of New York or to any other governmental authority for a permit to make an installation, addition, alteration or improvement in or to any Residential Unit may be executed only by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any member thereof to any contractor, subcontractor, suppliers of material, architect or engineer on account of such installation, addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

(d) Notwithstanding any other provision of this Section 11:

(i) The Sponsor shall have the right to make alterations or additions to Unsold Units and (to the extent described in the Declaration of Condominium) the Common Elements without the consent of the Board of Managers, whether or not such alterations are structural or nonstructural, ordinary or extraordinary, so long as they do not materially adversely affect the structure or utility systems of the Building. In order to effect such alterations, the Sponsor may construct any alterations, improvements, modifications or additions to the exterior of his or her Unit, combine Units, modify the exterior walls of the Building, enclose a Limited Common Element, make structural changes to any of the Common Elements or excavate or otherwise alter Common Elements, whether such Common Elements are located in, under or adjacent to the Building, and amend the Certificate of Occupancy or the Declaration of Condominium. The Condominium hereby appoints the Sponsor as its attorney-in-fact, coupled with an interest, to execute such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration, and grants to the Sponsor an easement of access, ingress and egress to make any such alterations. There shall be no limitation on the rights of the Sponsor hereunder except to the extent that the Sponsor's work materially adversely interferes with the operation of the other Units.

(ii) No fee, cost or charge may be imposed on the Sponsor or its designee, or any other Unsold Unit Owner, in connection with alterations that may be made.

(e) With regard to any work that may result in the subdivision or combination of Units, the Sponsor shall have the right, pursuant to Section 339-i (2) of the Real Property Law of the State of New York, to make and file an appropriate amendment to the Declaration under the same file number and procedure set forth in Section 339-p of the Real Property Law of the State New York, and the local tax authority shall provide and certify upon the proposed amendment a conforming tax lot number upon completion of the Unit. In no event shall the subdivision of a Unit and its common interest appurtenant thereto result in a greater percentage of common interest for the total to the new Unit than existed for the original Unit.

(f) The Board of Managers shall execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by Sponsor to any Residential Unit, provided, however, that neither the Board of Managers nor the Unit Owners

shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

ARTICLE VII
INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the Building (but not including floors, subfloors, interior or partition walls, improvements and betterments to individual Units, appliances, built-ins (such as kitchen cabinets), fixtures to the point that they connect to the building systems within the walls, furniture, furnishings, or personal property of Unit Owners or occupants), together with all of the Building's heating, air conditioning and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee, as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers, except that adjustments in excess of $250,000 will require the approval of the Insurance Trustee and that the net proceeds thereof, if $250,000 or less, shall be payable to the Board of Managers, and if more than $250,000 shall be payable to the Insurance Trustee.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit, and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners meeting.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer, as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least fifteen (15) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least fifteen (15) days prior to the expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the common elements appurtenant thereto, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

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

time determine, covering each member of the Board of Managers, the Managing Agent and each Unit Owner. Such public liability coverage shall also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall have a minimum single limit of $1,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

Individual Unit Owners are required to carry homeowners insurance (commonly known as "HO-6" insurance) covering damage to their personal property, fixtures and appliances, and any portions of their units not covered by the Building's insurance as described in Section 1 above, and liability insurance covering any personal injury or property damage occurring within their Unit and property damage outside their units caused in whole or in part by such Unit Owner, in such amounts and covering such risks as the Board of Managers may reasonably require. All such policies shall contain waivers of subrogation with respect to the Condominium. The liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 2. Insurance Trustee. Except as set forth below, the Insurance Trustee shall be a bank, savings and loan association, insurance company or trust company located in the State of New York designated by the Board of Managers. All fees and disbursements for the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York. Notwithstanding the foregoing, until all Residential Units at the Condominium have been sold by the Declarant or until Declarant has consented in writing, the Insurance Trustee shall be Investors Bank, having an office at 101 JFK Parkway, Short Hills, New Jersey 07078, but Investors Bank shall have the right to resign as Insurance Trustee or decline to serve at any time.

Section 3. Restoration or Reconstruction After Fire or Other Casualty.

(a) In the event of damage to or destruction of the Building as a result of fire or other casualty (unless seventy-five percent (75%) or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any heating, air conditioning or other service machinery which is covered by insurance, but not including, any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progressive payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all Unit Owners for such deficit as part of the Common Charges.

(b) The Insurance Trustee shall make proceeds available from time to time upon furnishing to the Insurance Trustee of satisfactory evidence of the estimated cost of completion

thereof and such architect's certificates, waivers of lien, contractor's sworn statements, and other evidence of cost and payment for the cost of restoration as the Insurance Trustee may require and approve. No payment made by the Insurance Trustee prior to final completion of the work shall, together with all payments theretofore made, exceed ninety percent (90%) of the cost of the work performed to the time of payment, and at all times the undisbursed balance of the proceeds shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. Any proceeds held by Insurance Trustee after completion of the work shall be paid to the Condominium.

(c) If seventy-five percent (75%) or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor or, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration) then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all Unit Owners in proportion to their respective common interest, after first paying out from the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

ARTICLE VIII
DEFAULTS

Section 1. Collection of Assessments. The Board of Managers shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. Upon the failure of a Unit Owner to pay any element of Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above, and impose late fees and administrative fees of up to $100 as additional Common Charges with respect to each new violation to cover the additional costs of administration. Failure by the Board of Managers to place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time. Common Charges which remain unpaid for more than thirty (30) days shall bear interest at the maximum rate permitted by law. The lien of the Condominium shall be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon, except that if permitted by law, the Condominium may assert a prior lien for an amount up to six (6) months Common Charges and attorneys' fees for collection thereof. Any person placing a lien against a Unit shall be deemed to have notice of the foregoing and to have waived any claim to the contrary under Section 339-z of the Real Property Law of the State of New York.

If any Unit Owner owns a Unit occupied by a Non-Purchasing Tenant as to which the Unit Owner is obligated to pay a security deposit to the Condominium, the Board of Managers of the Condominium will also have a lien on the Unit for the replenishment of such funds if any

amounts are drawn down from it. The lien may be enforced in the same manner as a lien for nonpayment of Common Charges.

The Board of Managers shall provide timely written notice to mortgagees of any sixty (60) day delinquency in the payment of assessments or Common Charges owed by a Unit Owner of a Unit on which a mortgagee holds a mortgage.

Section 2. Default in Payment of Common Charges and Assessments. If any Unit Owner defaults in paying to the Board of Managers the Common Charges or any other amounts determined by the Board of Managers to be due, including (but not limited to) Common Charges, late payment charges, fees and expenses of collection or enforcement of the Condominium Documents (including attorneys' fees), interest or fines (individually and collectively, "Charges"), such Unit Owner shall be obligated to pay interest at the maximum legal rate on such Charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Charges (which shall also be deemed Charges). Except as otherwise expressly set forth in these By-Laws, all Charges shall be payable within five (5) days after demand is made. The Board of Managers shall have the right and duty to attempt to recover such Charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against the Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York and Article Twelfth of the Declaration, in the manner provided in Section 339-aa thereof. For purposes of this Section, all Charges shall be deemed Common Charges under Section 339-z.

Section 3. Foreclosure of Liens for Unpaid Common Charges. All Charges assessed against a Unit Owner shall be a lien against a Unit upon the expiration of any grace period provided herein. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Charges, the Unit Owner shall be required to pay a reasonable rental payments for the use of his Unit from and after the date of commencement of the foreclosure action, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. A suit to recover a money judgment for unpaid Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 4. Assignment of Rents. In addition to any other remedies available to the Condominium, if a Unit Owner defaults in the payment of Common Charges, the Board of Managers may take an assignment of all rents payable by any tenant or occupant of a Unit upon notice to the tenant, and payment of such amounts to the Board by the tenant shall be a complete defense to any action for collection by the Unit Owner against the tenant.

Section 5. Abatement and Enjoinment of Violations by Unit Owners; Imposition of Fines. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of

Managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach. All costs of enforcement shall be deemed Common Charges. In addition, the Board of Managers may impose fines on Unit Owners violating the Declaration, By-Laws, or Rules and Regulations in its reasonable discretion.

ARTICLE IX
AMENDMENTS

(a) Except as set forth below, these By-Laws may be altered, amended or added to at any duly called Unit Owners meeting provided: (i) that the notice of meeting shall contain a full statement of the proposed amendment; (ii) that the amendment shall be approved by sixty-seven percent (67%) of the Unit Owners in number and common interest; (iii) if the amendment is materially adverse to mortgagees, such amendment must be agreed to by mortgagees that represent at least 51% of the votes of Units subject to mortgages. However, a mortgagee's approval shall be implied when a mortgagee fails to respond after sixty (60) days written notice is given by the Board of Managers, provided the notice was delivered by certified or registered mail with return receipt requested; and (iv) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of a Unit Owner's interest and the interests of holders of a mortgage encumbering a Unit or Units.

(b) Sponsor shall have the right, without the vote or consent of other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute or (on its request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, County of New York and elsewhere, if required by law, all amendments to these By-Laws (together with such other documents as may be required to effectuate the same) to reflect any changes in unsold Units and the reapportionment of the common interest resulting therefrom, made by Sponsor in accordance with Article VI, Section 10 and the Declaration. All expenses in connection with the preparation, recordation and filing of any such amendment shall be paid by Sponsor or its designee.

(c) So long as the Sponsor continues to own a Unit, the provisions of these By-Laws may not be amended to adversely affect the rights of the Sponsor, without the written consent of the Sponsor. In addition, no such amendment will have the effect of diminishing existing services provided to Non-Purchasing Tenants or to other tenants of other rent-regulated units at the Property by the Sponsor, or expose the Sponsor to a claim by such tenants for a breach of warranty of habitability.

(d) The following provisions of these By-Laws may not be amended without the consent in writing of Sponsor, so long as Sponsor or its designee shall be the owner of one or more Residential Units:

(i) Section 1 (b) of Article III with respect to the rights of the Sponsor to designate a certain number of the members of the Board of Managers;

(ii) Section 5(c) of Article III insofar as it provides that, so long as, Sponsor shall continue to own twenty-five percent (25%) or more interest in the Common Elements, the Board of Managers may not exercise certain powers without Sponsor's prior written consent;

(iii) Sections (2) and (3) of Article III with respect to the rights of the Sponsor with respect to removal of their designated member of the Board of Managers and their designation of a new member upon such removal or in the case of a vacancy;

(iv) Section 8(d) of Article VI;

(v) Section 8 of Article X insofar as it provides that the provisions of Section 1 of Article X shall not apply with respect to a sale or lease of any Residential Unit owned by Sponsor; and

(iv) Sections (b), (c) and (d) of this Article IX.

(e) In cases where these By-laws may be amended by Unit Owners, the same can also be performed by Unanimous Consent of Unit Owners in lieu of a meeting. However, (i) an amendment adopted by a vote of the Unit Owners at a duly called meeting may not be modified or withdrawn by the Board of Managers (purporting to act on behalf of the Unit Owners by Unanimous Consent) without a further vote of the Unit Owners; and (ii) subject to the other restrictions on amendments to the Declaration and By-laws contained in the Condominium Documents, an action taken by the Board of Managers as attorney in fact for the Unit Owners by the exercise of such Unanimous Consent may be revoked or further modified by the Unit Owners at a duly called meeting, and such revocation or modification shall be binding on the Board.

ARTICLE X
SALES, LEASES AND MORTGAGES OF UNITS

Section 1. Sales. Except as set forth in Section 8, no Unit Owner may sell his or her Unit or any interest therein except by complying with the following provisions:

(a) Any Unit Owner who receives a bona fide offer which he intends to accept (hereinafter called an "Outside Offer") for the sale of his or her Unit (including a Parking Unit) together with: (i) the undivided interest in the common elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units previously acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Condominium (the interests in subsections (i), (ii) and (iii) are hereinafter collectively called the "Appurtenant Interests"), shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, to the Board of Managers or its designee, on behalf of the owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving

of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer to the Board of Managers, on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Board of Managers may request reasonable additional information relating to the Outside Offer at any time after reviewing the initial notice and any additional information previously supplied by the Unit Owner, and may schedule a personal interview to obtain additional information regarding a prospective purchaser. Within thirty (30) days after receipt of such notice and all additional information that had been reasonably requested by the Board, the Board of Managers may elect by notice to such Unit Owner, either (a) to purchase such Unit, together with the Appurtenant Interests (or to cause the same to be purchased by its assignee or designee, corporate or otherwise), on behalf of all other Unit Owners on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner or (b) to produce a purchaser who will purchase such Unit, together with the Appurtenant Interests, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner. The Board of Managers may assign their right to purchase the Unit, on behalf of all Unit Owners at any time without liability, to the offering Unit Owner. If the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to cause the Unit to be purchased by its designee, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer, but not less than forty five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) to the Board of Managers or to its designee on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. Real estate taxes, mortgage interest and Common Charges and expenses shall be apportioned between the Unit Owner and the Board of Managers or its designee as of the closing date. If the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within the 30-day period, the offering Unit Owner shall be free to contract to sell the Unit to the Outside Offeror, together with the Appurtenant Interests, within sixty (60) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, on the terms and conditions set forth in the notice of such Outside Offer from the offering Unit Owner to the Board of Managers. Any such deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. If the offering Unit Owner shall not convey such Unit within such 60-day period to the Outside Offeror, on the terms and conditions contained in the Outside Offer, then should the offering Unit Owner thereafter elect to sell the Unit, together with the Appurtenant Interests, to the same or to another Outside Offeror, on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article X.

Any purported sale of a Unit in violation of this Section shall be voidable at the election of the Board of Managers by notice given to the person claiming to be the Unit Owner and the Board's right of first refusal shall be deemed reinstated.

Parking Units may only be sold to other Unit Owners. Certain Parking Units may be required to be sold or exchanged in order to comply with legal requirements. See Section 9.

2. Leases. Except as set forth in Section 8, no Unit Owner may lease his or her Unit except by complying with the following provisions:

(a) Any Unit Owner who receives a bona fide offer for a lease of his or her unit (including a Parking Unit) which he or she intends to accept (**"Lease Offer"**) shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed lessee, the terms of the proposed lease, references and such other information as the Board of Managers may reasonably require, and shall offer to lease such unit to the Board of Managers or its designee on the same terms. The giving of such notice shall constitute a warranty and representation by the unit owner who has received such offer to the Board of Managers on behalf of the other unit owners that such Unit owner believes the Lease Offer to be bona fide in all respects. The Board of Managers may request reasonable additional information relating to the Lease Offer at any time after reviewing the initial notice and any additional information previously supplied by the Unit Owner, and may schedule a personal interview to obtain additional information regarding a prospective tenant. Within 30 days after receipt of such notice and all additional information that had been reasonably requested by the Board, the Board of Managers may elect by notice to such unit owner, either (a) to lease such unit on behalf of all other unit owners (or to cause the same to be leased by its assignee or designee, corporate or otherwise), on the same terms and conditions as contained in the Lease Offer and as stated in the notice from the offering unit owners the notice offering unit owner or (b) to produce a tenant who will lease such unit on the same terms and conditions as contained in the Lease Offer and as stated in the notice from the offering unit owner. If the Board does not elect to exercise the above rights within the 30-day period, the unit owner may enter into the lease, but if the proposed tenant fails to take occupancy within sixty (60) days after the consent of the Board has been given or the right of first refusal waived, the Lease Offer shall be deemed void and the unit owner will be required to repeat the above proceedings with respect to approval of the proposed lease. The waiver of the Board of Managers of its right to lease the unit shall not in any way be construed to relieve the unit owner from offering the lease to the Board of Managers and a unit owner who subsequently desires to lease such apartment unit shall be required again to comply with all the terms and provisions of this Section 2.

(b) All leases must be for a minimum period of one (1) year (with each such lease being to a specific named tenant and with no right to substitute any other tenant during the term of the lease). No Unit may be used, leased or subleased by any so-called "executive stay" or "short term stay" company or person engaged in the business of renting or leasing units, or for hotel, dormitory, employee residence or facility, fraternity or sorority house, resort housing or similar type of non-permanent housing. All leases shall be consistent with these By-Laws and shall contain such reasonable conditions as the Board of Managers may impose in order to protect the physical and financial security and continuity of the Condominium, including (but not limited to) provisions that a lease may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers; that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers; that the Board of Managers shall have power to terminate such lease and to bring summary

proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease; that in case of default by the Unit Owner, the Board of Managers shall have the right to require the tenant to pay its rent to and attorn to the Board on demand; that the Unit Owner or tenant will maintain liability insurance naming the Condominium as an additional insured party, if available; that the tenant consents to personal jurisdiction in New York State; that the tenant waives diplomatic immunity; and that the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as set forth above, the form of any such lease shall be in substantially the then current form of apartment lease recommended by The Real Estate Board of New York, Inc. with such modifications as may be approved in writing by the Board of Managers. The Board of Managers may establish other reasonable regulations governing leases of Units from time to time.

(c) Any purported lease of a Unit in violation of this Section shall be voidable at the election of the Board of Managers, and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant in the name of the said Unit Owner as the purported landlord at the expense of the Unit Owner.

(d) The Board of Managers may require the execution of a Rider to the Lease to protect the interests of the Condominium, which Rider may include an assignment of lease in favor of the Condominium as security for the payment of Common Charges, special assessments and all sums due from the Unit Owner to the Condominium or the Board of Managers.

(e) Any purported lease of a Unit in violation of this Section shall be voidable at the election of the Board of Managers, and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant in the name of the said Unit Owner as the purported landlord at the expense of the Unit Owner.

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

(g) Except for Parking Units owned by the Sponsor, Parking Units may only be leased to a Unit Owner or Permitted Occupant of a Unit.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his or her Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or

described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article X may be released or waived by the Board of Managers, in which event, the Unit, together with the Appurtenant Interests, may be leased, sold or conveyed, free and clear of the provisions of such Section.

Section 5. Certificate of Termination of Rights of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article X have been met by a Unit Owner, or have been duly waived by the Board of Managers, and that the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article X or with respect to whom the provisions of such Section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers or its designee, on behalf of all Unit Owners, may be made from working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his or her ownership in the common elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Article VI, or the Board of Managers, in its sole discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing, may be secured by an encumbrance or hypothecation of any property, other than the Unit, together with the Appurtenant Interests, to be acquired by the Board of Managers.

Section 7. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his or her Unit, unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments and expenses theretofore assessed by the Board of Managers against his or her Unit, and until he or she shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 8. Exceptions to Restrictions on Sales and Leases.

(a) The provisions of Section 1 and 2 of this Article X shall not apply with respect to (i) any sale, conveyance or lease by a Unit Owner of his or her Unit and Appurtenant Interests to his spouse or to any of his or her children over the age of 18 years, or to his or her parent or parents or to his or her brothers or sisters, or to any one or more of them, or to a trust established for the benefit of any of them; or (ii) a sale or lease of a Unit and Appurtenant Interests owned by the Sponsor or any principal thereof (as defined in the Plan); or (iii) the acquisition, sale or lease of a Unit, together with the Appurtenant Interests, by a mortgagee

who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure; or (iv) a conveyance or transfer by gift during a Unit Owner's lifetime; or (v) the devise of a Unit by will or intestacy.

(b) If a Unit Owner is selling or leasing a Parking Unit to a single purchaser or tenant together with their Residential Unit, the Board of Managers must exercise its right of first refusal with respect to both Units or neither. If a Unit Owner is selling a Residential Unit, the Unit Owner may only retain ownership of a Parking Unit if the Unit Owner owns another Unit in the Condominium. Otherwise, the Unit Owner shall be required to offer the Parking Unit to the Board of Managers. The Board of Managers shall offer the Parking Unit for sale to the other Unit Owners in the building. If no other Unit Owner elects to purchase the Parking Unit within thirty (30) days after the Parking Unit has been offered for sale, the Parking Unit shall be surrendered to the Board of Managers and the Unit Owner shall be relieved of any further liability for the Parking Unit thereafter.

(c) The Board of Managers must be given written notice of every sale or lease of a Unit.

Section 9. Mandatory Exchange of Handicapped Parking Unit to Comply with Law. Parking Unit 4 and Parking Unit 5 at 175 Spencer Street and Parking Unit 1 and Parking Unit 2 at 192 Spencer Street have been designated as handicapped parking spaces (each a "Handicapped Parking Unit and collectively, the "Handicapped Parking Units") and will be the last parking spaces sold to a Purchaser who themselves or a member of their family has a vehicle with handicapped license plates. The purchase of a Handicapped Parking Unit and any subsequent sale or transfer of it is subject to the following covenants and restrictions in the deed:

(a) In the event a present or future Unit Owner in the Condominium, or a member of his or her family residing in the Unit, becomes handicapped and acquires handicapped license plates for his or her vehicle, and said Unit Owner is the owner of a Parking Unit other than a Handicapped Parking Unit, said Unit Owner has the right to demand that the owner of a Handicapped Parking Unit trade the Handicapped Parking Unit they own with said handicapped Unit Owner (unless the owner of the Handicapped Parking Unit also has handicapped license plates.)

(b) In the event the present or future Unit Owner or member of his or her family residing in the Unit, becomes handicapped and said Unit Owner does not own a Parking Unit, said Unit Owner has the right to demand that the owner of a Handicapped Parking Unit sell it at the then current, fair market value to said handicapped Unit Owner (unless the owner of the Handicapped Parking Unit also has handicapped license plates). All costs and expenses entailed in the transfer of title to the Handicapped Parking Unit, including without limitation, title abstracts, title insurance, transfer taxes and recording fees and reasonable attorney fees, shall be borne by the party requesting the transfer.

(c) The owner of a Handicapped Parking Unit must comply with the aforementioned demand upon thirty (30) days written notice.

(d) If the parties cannot agree on the fair market value of the Handicapped Parking Unit then the parties agree to submit the matter to binding arbitration in accordance with Article XIII of the By-Laws of the Condominium.

Section 10. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition with respect to any Unit acquired by the Board of Managers in accordance with this Article.

Section 11. Consent to Jurisdiction and Venue in Lease. By virtue of acquiring title to a Unit or executing a lease, all Unit Owners, tenants and occupants irrevocably submit to personal jurisdiction in the State of New York and venue in New York County in any action commenced by the Board of Managers.

Section 12. Mortgages of Units. Each Unit Owner is free to mortgage his or her Unit. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor. The Board of Managers may request of a Unit mortgagee that it be notified by a Unit mortgagee of any default under a mortgage on a Unit.

Section 13. Non-Discrimination. The Board of Managers will not discriminate against any person on the basis of race, creed, sexual orientation, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in exercising the right of first refusal and resale of such Units.

ARTICLE XI
CONDEMNATION

If all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $250,000 and to the Board of Managers if the award is $250,000 or less, to be distributed in accordance with Section 1 of Article VII, but in the following amounts;

(a) so much of the award as is applicable to unrestricted common elements, to the Unit Owners pro rata according to the respective common interest appurtenant to the Units owned by such Unit Owners.

(b) so much of the award as is applicable to irrevocably restricted common elements to the Unit Owner having general use of such common element.

In such eminent domain or condemnation proceeding, the Board shall request that the award shall set forth the amount allocated to unrestricted common elements and to each irrevocably restricted common element. In the event the award does not set forth such allocation, then the question of such allocation shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

The Condominium shall give notice to mortgagees of any condemnation or casualty loss that affects either a material portion of the Condominium or a Unit securing such lender's mortgage. The Condominium may not terminate or dissolve after substantial destruction or condemnation, or for any other reason, unless such action is agreed to by mortgagees representing at least 51% of the votes of the Unit Owners subject to mortgages.

ARTICLE XII
MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his or her Unit which will increase the insurance rates for his or her Unit or any other Unit or the common elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his or her Unit, shall notify the Condominium through the Managing Agent, if any, or the President of the Board of Managers if there is no Managing Agent, of the name and address of his or her mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from owner of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or his or her representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board.

Section 6. Notice to "Non-Purchasing Tenants." All Unit Owners owning Units occupied by "Non-Purchasing Tenants" (as such term is defined in Section 352-eeee of the General Business Law) shall notify such tenants of changes in ownership of the dwelling Units that they occupy by written notice by ordinary mail within thirty (30) days after the date of such transfer. The Board of Managers of the Condominium will retain and make available such information to Non-Purchasing Tenants upon request.

Section 7. Notice to Mortgagees. The Board of Managers shall provide timely written notice to mortgagees of any proposed action that requires the consent of a specified percentage of mortgagees. However, a mortgagee's approval (to the extent required) shall be implied when a

mortgagee fails to respond after sixty (60) days written notice is given by the Board of Managers, provided the notice was delivered by certified or registered mail with return receipt requested.

Section 8. Construction. Wherever the masculine singular form of the pronoun is used in the By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, wherever the context so requires.

Section 9. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said Statue or of the Declaration, the provisions of the Statute or the Declaration, whichever the case may be, shall control.

ARTICLE XIII
MEDIATION AND EXPEDITED ARBITRATION

Section 13.1. Mediation. Any two Managers may request non-binding mediation of a dispute among Board members, either simultaneously with, or before, making a demand for arbitration. If the parties do not agree on a mediator within seven days after a request for mediation has been received, either party may request that the mediator be chosen by the American Arbitration Association. If a mediation request is made concurrently with a demand for arbitration, mediation shall proceed in advance of binding arbitration, but arbitration shall be delayed pending mediation for no longer than 45 days from the date of the mediation request (except by mutual agreement.)

Section 13.2. Arbitration.

Any matter as to which Board action may be required but cannot be taken due to a deadlock between the members of the Board of Managers or the failure of two Managers to attend any meeting so as to achieve a quorum in order to allow action to be taken by the Board of Managers, shall be settled by expedited arbitration conducted in accordance with the rules of the American Arbitration Association (the "AAA"), unless the parties agree otherwise. Any two Managers may submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules (Expedited Procedures) of the AAA, except that the terms of this Section shall supersede any conflicting or otherwise inconsistent rules. The Managers seeking arbitration shall simultaneously notify the other Managers of their demand. Provided the rules and regulations of the AAA so permit, (i) the AAA shall, within ten (10) days after a submission or application by a party, select a single independent arbitrator, (ii) the arbitration shall commence fourteen (14) days thereafter and shall be limited to a total of ten hours on the date of commencement until completion, with each party having a total of five (5) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within fourteen (14) days after the conclusion of the presentation of both parties' cases, which determination shall be limited to the specific dispute presented to the arbitrator. All actions

necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) business days after the rendering of such decision. All fees payable to the AAA for services rendered in connection with the resolution of the dispute shall be paid by the Condominium.

SCHEDULE A
RULES AND REGULATIONS
THE SPENCER STREET CONDOMINIUM

1. Except as permitted under the By-Laws, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units or common elements, nor shall any "For Sale", "For Rent", or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining common elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent," or "For Lease" or similar signs on any unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and unsold Units in the Building as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale," "For Rent," or "For Lease" signs or similar signs on or in the vicinity of the Building without regard to size.

2. No exterior of any Residential Unit or Parking Unit or the windows or doors thereof or any other portions of the common elements shall be painted or decorated by any Unit Owner or in any manner without the prior written consent of the Board of Managers.

3. No furniture, equipment, or other personal articles (including satellite dishes) shall be placed in entrances, hallways, stairways, or in other common elements. Notwithstanding the foregoing, a satellite dish may be placed on the interior surface of a balcony constituting a Limited Common Element so long as the Unit Owner assumes all liability resulting therefrom.

4. No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of any of the Units in the Building, or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

5. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep, or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances.

6. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or common elements, except such as shall have been approved by the Board of Managers or otherwise permitted under the By-laws.

7. No sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything project out of any window of the Building without the approval of the Board of Managers. Notwithstanding the foregoing, the Sponsor is

not prohibited from erecting and maintaining signs in connection with the sale and leasing of its Units.

8. All garbage and refuse from the Building shall be deposited with care into plastic bags or into other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct.

9. Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, papers, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

10. No Unit Owner shall engage any employee of the Condominium to perform tasks outside their stated job description for any private business of the Unit Owner without the prior written consent of the Board of Managers.

11. Not more than two (2) pets may reside in any one Residential Unit and the Board of Managers may establish reasonable Rules and Regulations regarding the type, size and weight of animals. In no event shall animals be permitted in any of the public portions of the Building, unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building.

Nothing in this Regulation shall take precedence over any federal or state laws or regulations in connection with officially-designated "service dogs." A "service dog" is a type of assistance dog specifically trained to help people who have disabilities, such as visual impairment, hearing impairments, mental illnesses (such as posttraumatic stress disorder (PTSD)), seizure disorder, mobility impairment, and diabetes. Dogs whose sole function is to provide comfort or emotional support do not qualify as service dogs.

No "babysitting" of dogs is allowed, and no "visiting dogs" (with the exception of certified service dogs) are allowed in the Condominium.

12. No radio or television serial antenna shall be attached to or hung from the exterior of the Building without the written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

13. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at reasonable hours, on reasonable notice, for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

14. No Residential or Parking Unit Owner shall alter any lock on any door leading into his Residential Unit, unless the Residential Unit Owner shall also provide the Board of Managers with a key for its use.

15. No Unit Owner or any contractor, visitor, guest, patient, employee or any client of a Residential or Parking Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.

16. All damage to the Building or common elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

17. No Unit Owner shall interfere in any manner with any portion of the heating or lighting apparatus which are part of the common elements and not part of the Unit Owner's Unit.

18. No Unit Owner shall use or permit to be brought into the Building any flammable oils or fluids such as gasoline, kerosene, naphtha, benzene, or other explosives or articles deemed extra hazardous to life, limb or property without in each case obtaining the written consent of the Board of Managers.

19. A Residential or Parking Unit Owner shall not be allowed to put his or her name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

20. Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of said Unit Owner.

21. Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

22. No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance, offensive, immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the common elements.

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

24. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of

the Property, shall be eliminated by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

25. In addition to any other remedies available to the Condominium, the Board of Managers may impose fines on Unit Owners who violate these Rules and Regulations. The amount and administration of such fines shall be established in the Board's reasonable discretion. Such fines shall be deemed additional Common Charges.

26. Guests of Residential Unit Owners may occupy Residential Units for up to thirty (30) days at a time, without a Unit Owner being required to comply with the consent provisions and minimum term requirements described in Article X of the By-laws, provided that the Unit Owner advises the Managing Agent of the identity of the guest and the length of the stay. However, the Board of Managers may establish additional restrictions on short-term occupancy of Units, whether or not consideration is being paid by the guest to a Unit Owner.

27. Unless expressly authorized by the Board of Managers, substantially all (i.e., at least 80%) of the floor area of each Residential Unit (except areas such as kitchens, bathrooms, closets, laundry rooms and vestibules) must be covered with rugs, carpeting or equally effective noise-reducing material.

28. Each Unit Owner having one or more children eleven (11) years of age or younger is required to install window guards at the Unit Owner's cost and expense on all windows within his or her Unit before the Unit Owner will be permitted to occupy their Unit. Declarant, the Condominium Board and the Managing Agent each shall have the right (but not the obligation) to enforce this Provision.

29. No Unit Owner shall tamper with or disable a smoke detector or carbon monoxide detector. Each Unit Owner shall be responsible to maintain the smoke/carbon monoxide detector contained in his or her Unit in good working order at all times.

30. Unit Owners are responsible for all normal maintenance and repair to the Storage Bin which they are the licensee of, if any. The costs and expenses of any structural or extraordinary repairs or replacements to the Storage Bins shall be a Common Expense charged to all Unit Owners. The Storage Bins may be used in accordance with applicable Law and only for the storage of the personal effects of the Unit Owner having exclusive access to such Storage Bin. No items which would constitute a threat to the health or safety of the Unit Owners or other occupants of the Building or otherwise create a nuisance in the Building shall be stored in the Storage Bins. The Board has the authority to promulgate rules regarding use of and access to the Storage Bins. Neither the Sponsor nor the Board will be responsible for any damage to items placed in Storage Bins. Unit Owners who place items in Storage Bins do so at their own risk.

31. In accordance with NYC Local Law 147, except as expressly set forth below, smoking shall be prohibited everywhere in the Building including, but not limited to, the indoor and outdoor common areas of the Building including, the laundry room, roof deck, the roof, the passenger elevator, the stairwells, any area of the basement, the hallways of any and all floors, the lobby, and within 25 feet of the building entrance or of any operable openings or air intakes.

Smoking shall be permitted within individual Units, but no smoke shall be allowed to exfiltrate into other Units or into common areas. Nothing in this section shall relieve individual Unit Owners from liability for nuisance or negligence in connection with smoking within an individual Unit. No owner shall smoke, or permit smoking by any occupant, agent, tenant, invitee, guest, friend, or family member anywhere smoking is prohibited at the Building.

Smoking is in violation of this rule shall constitute violation in the form of a nuisance pursuant to the terms and provisions of the Condominium's governing documents. Smoking shall include carrying, burning, or otherwise handing or controlling any lit or smoldering product containing tobacco, or cloves, or marijuana, or any similar plant product or using a similar type of lighted, smoldering or vapor-producing product in any manner or form, including cigarettes, cigars, pipes, e-cigarettes or vaping apparatus.

a. Violations of this rule will be enforced as follows:
b. $250.00 First Offense;
c. $500.00 Second Offense; and
d. $1,000.00 Each Offense thereafter.

If a Unit Owner or occupant smokes or allow others to smoke in their Unit or elsewhere in the Building the Unit Owner or occupant are responsible for ensuring that the smoke does not affect their neighbors or infiltrate any other parts of the Building. Unit Owners should be proactive and take steps to mitigate the possibility of secondhand smoke becoming a problem. If a Unit Owner fails to do so and the Board of Managers or managing agent receives a complaint about smoke emanating from an apartment, the Unit Owner will be notified and required to immediately address the problem. If the Unit Owner fails to promptly and permanently resolve it, the Unit Owner will then be required, at a minimum, to take the following measures:

(i) Install a silent room air purifier (clean-air delivery rate (CADR) of 300 or better) in each and every room in which smoking occurs and it must be USED while smoking and for at least 1 hour after smoking;
(ii) Install insulating gaskets for all outlets and light switches;
(iii) Caulk all baseboards in rooms adjacent to neighboring apartments;
(iv) Install a door sweep on the front door to the apartment and the service door;
(v) Provide documentation to building management that items (i)-(iv) above have been satisfied; and
(vi) Allow building staff to timely inspect the apartment and perform such tests as the board may deem advisable to confirm that smoke from your apartment is not infiltrating other apartments and/or other areas of the building.

If the above steps are not sufficient to resolve the problem and the Board has the legal obligation with or without the Unit Owner's cooperation to implement such other measures as it deems necessary to effectively and permanently remediate the condition at the Unit Owner's cost and expense. Violation of this rule shall be considered to be objectionable conduct by the Unit

Owner and a violation of the Rules and Regulations. The Board will take legal action as a result of any such violation, as permitted in the By-Laws and Declaration.

32. Subject to the provisions of the By-Laws, these Rules and Regulations may be added to or repealed at any time by the Board of Managers.

THE SPENCER STREET CONDOMINIUM
175 & 192 SPENCER STREET
BROOKLYN, NEW YORK 11205

AGREEMENT made this _____ day of _____, 20___, by and among _____ ("PURCHASER"), **BSP SPENCER LLC** ("SPONSOR"), as sponsor of the The Spencer Street Condominium offering plan ("Plan") and **SMITH, BUSS & JACOBS, LLP** ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale residential condominium units ("Units") at the premises located at 175 & 192 Spencer Street, Brooklyn, New York 11205 ("Premises"), subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b), 352-(h) and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") with respect to the Unit designated on the signature page of this Agreement (the "Unit"), pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of the Unit at The Westchester Bank located at 2001 Central Avenue, Yonkers, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "SBJ – The Spencer Street Condominium Special Escrow Account" (the "Escrow Account").

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Thomas W. Smith; Kenneth Jacobs; and Domenick Tammaro. All designated signatories are admitted to practice law in the State of New York. All of the signatories on the Escrow Account have an address of c/o Smith, Buss & Jacobs, LLP, 733 Yonkers Avenue, Yonkers, NY 10704 and a telephone number of 914-476-0600.

1.3 ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing .

1.5 The Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of "Spolzino, Smith, Buss & Jacobs as ESCROW AGENT" pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to PURCHASER within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 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 Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the PURCHASER.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-3(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the Unit;

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the PURCHASER and Sponsor prior written notice

of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the Unit is located and shall give written notice to both SPONSOR and PURCHASER of such deposit, upon which ESCROW AGENT shall be relieved of all further liability with respect to the Deposit under this Agreement.

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

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL§§ 352(e)(2-b) and 352(h) with respect to all moneys deposited with Escrow Agent.

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

5.4 Notwithstanding the balance of this Agreement, if ESCROW AGENT is counsel to the SPONSOR, PURCHASER and SPONSOR agree that ESCROW AGENT may represent the SPONSOR in any dispute between the Sponsor and PURCHASER, provided that ESCROW AGENT does not violate its obligations with respect to the maintenance or release of the Deposit while it continues to hold the Deposit under this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, 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 two (2) business days of tender of the Deposit by PURCHASER, using such transmittal forms as required by ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

6.3 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION.

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-(h)and the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

14. COUNTERPARTS, FACSIMILE, PHOTOSTATIC AND ELECTRONIC SIGNATURES. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, but all of which, when taken together, shall be deemed one Agreement. A photostatic, electronic or facsimile signature by any of the parties, their respective attorneys or agents by power of attorney shall be given the same effect as a hand-written signature.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

SMITH, BUSS & JACOBS, LLP

By: _____
Name: Kenneth Jacobs
Title: Partner

SPONSOR:

BSP Spencer LLC

By: Black Spruce Management LLC,
its Manager

By: _____
Josh Gotlib, Sole Manager and Member

PURCHASER:

_____

_____

UNIT: _____

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 purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the

provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for nonpayment 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 inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption

or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

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STORAGE LICENSE AGREMEENT

STORAGE LICENSE AGREEMENT made this ___ day of _____, 20_ ("Agreement") by and between BSP Spencer LLC, having an office at 276 Fifth Avenue, Suite 402, New York, NY 10001 ("Sponsor"), the Board of THE SPENCER STREET CONDOMINIUM, on behalf of all Unit Owners, having an address at 276 Fifth Avenue, Suite 402, New York, NY 10001 (the "Board") (together, the Sponsor and the Board are sometimes referred to as "Licensor"), and _____ having an address at 175/192 Spencer Street, Unit __, Brooklyn, New York 11205 ("Licensee");

WHEREAS, THE SPENCER STREET CONDOMINIUM ("Condominium") is governed by a certain Declaration of Condominium dated as of _____, 20_, recorded in the Kings County Office of the Register of the City of New York on _____, 20_ as 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 collectively referred to as the "Condominium Documents"); and

WHEREAS, there are Storage Bins ("Storage Bins") that have been installed for use by permitted Unit Owners, located on the Cellar Floor of the [175][192] Spencer Street, Brooklyn, Y , which are General Common Elements; and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Unit ___ in the Condominium; and

WHEREAS, Licensee desires the right to the exclusive use of Storage Bin #__ for so long as Licensee owns a Unit in the Condominium (the "License");

NOW THEREFORE, in consideration of the sum of$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, its successors and assigns, a License for the exclusive use of Storage Bin #___ (the "Licensed Area") and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof.

2. Licensee shall pay a monthly license fee to the Board, in an amount equal to $10.00, which amount is subject to change from time to time as the Board deems necessary.

3. The Licensed Area may only be used for storage purposes, provided that no material which poses a health or safety threat or which otherwise creates a nuisance may be stored therein.

4. Licensee shall not: (a) store any property in the Storage Bin outside of the Storage Bins licensed herein; or (b) allow any other person to use the License except in accordance with the terms hereof.

5. This License may be assigned by Licensee at any time provided: (i) the assignee is a Unit Owner at the Condominium, (ii) the assignee assumes the obligations hereunder in the form annexed hereto, (iii) notification of the assignment is delivered in writing to Sponsor and the Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to Sponsor and/or the Condominium by the Licensee and/or the assignee. This License shall automatically terminate at such time as the Licensee no longer owns a Unit in the Condominium unless this License is assigned to and assumed by another Unit Owner.

6. Licensee represents that it has made a thorough inspection of the Licensed Area and agrees to take same in its "as is" condition as of the date of this Agreement. Licensee shall throughout the term of this Agreement take good care of and maintain the Licensed Area. All repairs and replacements to the Storage Bins, as well as any rooms or spaces in which such Storage Bins are located, shall be performed by the Board and the cost thereof shall be a Residential Common Expense (as defined in the By-Laws), unless such repair or replacement is necessitated by the negligence, misuse, or abuse of a Licensee, then the entire cost and expense of such repair or replacement shall be borne by such Licensee.

7. Neither Licensor nor the respective agents or employees of such Licensor shall be liable for any theft or damage to any property stored in the Licensed Area.

8. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents.

9. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Board may, in addition to the rights and remedies set forth in the Condominium Documents: (i) deny access to and use of the Licensed Area until Licensee cures such default, or (ii) terminate this Agreement upon written notice to Licensee.

10. The Board or its agents shall have the right, but not the obligation, to open the Licensed Area in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Licensed Area and to make such repairs, replacements and improvements as the Board shall deem necessary.

11. This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Licensed Area or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licensor and the Licensee with respect to the License or this Agreement.

12. Licensee shall indemnify and hold Licensor and their respective directors, officers, partners, parent and subsidiary and affiliated companies, agents and employees, harmless from and against any and all liabilities, claims, causes of action, damages, lawsuits, penalties, judgments, and

liens, together with any related costs and expenses, including but not limited to reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with this License.

13. This Agreement and the License, and use and ownership of Storage Bins, are also subject to pertinent provisions of all Condominium governing documents, including, but not limited to the Condominium Declaration, the Condominium By-Laws, including but not limited to Section 6.10 of the such By-Laws, and to such Rules and Regulations as may be adopted by the Board with regard to Licenses and Licensed Areas.

14. If at any time the Licensee sells its Residential Unit, it shall simultaneously assign its License and this Agreement to another owner of a Residential Unit, or a person simultaneously purchasing a Residential Unit; and if it fails to do so, the Board shall have the right to terminate such License and this Agreement and take possession of the Storage Bin without compensation to the Storage Bin licensee.

15. Licensee shall at all times maintain, in full force and effect, insurance covering both the property stored in the Licensed Bin as well as coverage for Licensee's liability with minimum limits of liability of $. Licensee further agrees to a waiver of its insurer's right of subrogation against Licensor.

16. Licensee shall be obligated to reimburse Licensor for any legal fees and disbursements incurred by the Licensor in defending the rights of the Licensor under this Agreement or, in the event Licensee defaults under this Agreement beyond any applicable grace period, enforcing Licensee's obligations hereunder.

17. Neither this Agreement 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.

18. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely express their agreement and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

19. If any provision of this Agreement is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Agreement and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Agreement, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

20. 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.

21. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Agreement to be performed by Licensee.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

LICENSOR:

BOARD OF MANAGERS
THE SPENCER STREET
CONDOMINIUM

By: _____

Name:
Title:

BSP Spencer, LLC

By: _____
Name: _____
Title: _____

LICENSEE:

By: _____

By: _____

EXHIBIT J

Affidavit of Bona Fide Tenant Purchaser For Purposes of Declaring Offering Plan Effective

[insert name of tenant purchaser(s)]
[insert address of Condominium or Cooperative project name and property address]
File No. [insert NYAG File Number] Unit No.
[insert unit number(s)] Purchase Price: [insert purchase price] Down Payment: [insert down payment]

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 § 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, 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.

8. [*for plans that have not been updated prior to the date of the effectiveness amendment*] I/we have been provided with a copy of the Department of Law memorandum entitled "Requirements for Effectiveness Amendments for Occupied Conversion Plans Under GBL § 352-eeee" and understand that I/we am/are providing this affidavit for purposes of declaring the plan effective.

_____
[Tenant Purchaser]

Sworn to before me this _____

day of _____, 20_____

_____
NOTARY PUBLIC

Affidavit of Bona Fide Non-Tenant Purchaser
For Purposes of Declaring Offering Plan Effective

[insert name of non-tenant purchaser(s)]
[insert address of Condominium or Cooperative project name and property address]
File No. [insert NYAG File Number]
Unit No. [insert unit number(s)]
Purchase Price: [insert purchase price]
Down Payment: [insert down payment]

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 § 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 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, 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.

8. [*for plans that have not been updated prior to the date of submission of the effectiveness amendment*] I/we have been provided with a copy of the Department of Law memorandum entitled "Requirements for Effectiveness Amendments for Occupied Conversion Plans Under GBL § 352-eeee" and understand that I/we am/are providing this affidavit for purposes of declaring the plan effective.

_____

[Non-Tenant Purchaser or
Authorized Signatory]

Sworn to before me this _____

day of _____, 20_____

_____

NOTARY PUBLIC

NYC Buildings

Certificate of Occupancy

CO Number: 302205726F

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

A.

Borough:	Brooklyn	**Block Number:**	01763	**Certificate Type:**	Final
Address:	175 SPENCER STREET	**Lot Number(s):**	24	**Effective Date:**	09/15/2011
Building Identification Number (BIN):	3048995	**Building Type:**	New		

For zoning lot metes & bounds, please see BISWeb.

B.

Construction classification:	1-B	(1968 Code)	
Building Occupancy Group classification:	J2	(1968 Code)	
Multiple Dwelling Law Classification:	HAEA		
No. of stories: 6	**Height in feet:** 55		**No. of dwelling units:** 35

C. **Fire Protection Equipment:**
Sprinkler system

D. **Type and number of open spaces:**
Parking spaces (18), Parking (7856 square feet)

E. **This Certificate is issued with the following legal limitations:**
None

Borough Comments: None

Borough Commissioner

Commissioner

DOCUMENT CONTINUES ON NEXT PAGE

NYC Buildings

Certificate of Occupancy

CO Number: 302205726F

Permissible Use and Occupancy

All Building Code occupancy group designations are 1968 designations, except RES, COM, or PUB which are 1938 Building Code occupancy group designations.

Floor From	To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
CEL			OG	D-2			ELECTRICAL ROOM, TELECOMMUNCATION ROOM, ELEVATOR MACHINE ROOM.COMPACTOR ROOM
CEL			OG	B-2			STORAGE ROOMS
CEL			OG	J-2		2	RECREATION ROOM IN CONJUNCTION WITH APTS. ABOVE
001			100	B-2			ACCESSORY PARKING FOR 18 VEHICLES
001			40	J-2	4	2	FOUR CLASS "A" APTS.
002	003		40	J-2	8	2	EIGHT CLASS "A" APTS. PER FLOOR
004			40	J-2	7	2	SEVEN CLASS "A" APTS.
005			40	J-2	6	2	SIX CLASS "A" APTS.
006			40	J-2	2	2	TWO CLASS "A" APTS.
ROF			40	D-2			MECHANICAL ROOM

END OF SECTION

Borough Commissioner

Commissioner

END OF DOCUMENT

NYC Buildings

Certificate of Occupancy

CO Number: 302005586F

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

A.

Borough:	Brooklyn	**Block Number:**	01762	**Certificate Type:**	Final
Address:	192 SPENCER STREET	**Lot Number(s):**	41	**Effective Date:**	12/15/2008
Building Identification Number (BIN):	3048959	**Building Type:**	New		

For zoning lot metes & bounds, please see BISWeb.

B.

Construction classification:	1-B	(1968 Code)	
Building Occupancy Group classification:	J2	(1968 Code)	
Multiple Dwelling Law Classification:	HAEA		
No. of stories: 6	**Height in feet:** 55		**No. of dwelling units:** 47

C. **Fire Protection Equipment:**
Standpipe system, Sprinkler system

D. **Type and number of open spaces:**
Parking spaces (24), Parking (11306 square feet)

E. **This Certificate is issued with the following legal limitations:**
Other Restriction: EXHIBIT I & EXHIBIT III

Borough Comments: None

Borough Commissioner

Commissioner

DOCUMENT CONTINUES ON NEXT PAGE

NYC Buildings

Certificate of Occupancy

CO Number: 302005586F

Permissible Use and Occupancy

All Building Code occupancy group designations are 1968 designations, except RES, COM, or PUB which are 1938 Building Code occupancy group designations.

Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
CEL		OG	D-2			PUMP RM., GAS/WATER METER RM., ELECTRICAL RM., ELEVATOR MACHINE RM., COMPACTOR RM. AND TELECOMMUNICATION RM.
CEL		OG	J-2		2A	RECREATION ROOM IN CONJUNCTION WITH FIRST FLOOR APTS.
CEL		OG	B-2			TENANT STORAGE RMS. & BUILDING STORAGE RM.
OSP		OG	K			PARKING FOR 24 VEHICLES
001		40	J-2	7	2A	LOBBY AND 7 DUPLEX CLASS "A" APTS. IN CONJUNCTION WITH RECREATION ROOMS AT CELLAR.
002		40	J-2	11	2A	11 CLASS "A" APTS.
003		40	J-2	9	2A	9 CLASS "A" APTS.
004		40	J-2	9	2A	9 CLASS "A" APTS.
005		40	J-2	7	2A	7 CLASS "A" APTS.
006		40	J-2	4	2A	4 CLASS "A" APTS. WITH (1) PRIVATE TERRACE & RECREATION ROOM WITH OPEN TERRACE FOR ALL TENANTS.
ROF			D-2			HOT WATER HEATER AND STORAGE TANK ROOM, ROOFTOP MECHANICAL EQUIPMENT

Borough Commissioner

Commissioner

DOCUMENT CONTINUES ON NEXT PAGE

NYC Buildings

Certificate of Occupancy

CO Number: 302005586F

Permissible Use and Occupancy

All Building Code occupancy group designations are 1968 designations, except RES, COM, or PUB which are 1938 Building Code occupancy group designations.

Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
ROF			J-2			ELEVATOR BULKHEAD, AND PRIVATE TERRACES IN CONJUNCTION WITH (3) APTS. AT SIXTH FLOOR. EXHIBIT I & EXHIBIT III HAS BEEN FILED AND RECORDED WITH THE CITY REGISTERS OFFICE IN THE CITY OF NEW YORK UNDER CRFN #'S - 2005000494808 & 2005000494809.

END OF SECTION

Borough Commissioner

Commissioner

END OF DOCUMENT

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SPONSOR'S CERTIFICATION

New York State Department of Law
120 Broadway
New York, New York 10271

Attention: Real Estate Financing Bureau

Re: The Spencer Street Condominium
175 & 192 Spencer Street
Brooklyn, New York 11205

Ladies and Gentlemen:

We are the Sponsor and the principal of the Sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 23 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; 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 the penalty of perjury for the benefit of all persons to whom this offer is made. We understand the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sponsor: BSP Spencer LLC
By: Black Spruce Management LLC, its Manager

By: _____
Joshua Gotlib, Sole Manager and Member

_____
Joshua Gotlib, individually

Sworn to before me this 29th day of July, 2019

_____
Notary Public

ELIZABETH INES JIMENEZ
NOTARY PUBLIC-STATE OF NEW YORK
No. 01JI6300979
Qualified in Queens County
My Commission Expires 04-07-2022

KGA

Kossar + Garry Architects, LLP
115 West 30 Street, 1201
New York, NY 10001
Tel: 212-947-6161
Fax: 212-947-9890
www.kganyc.com

ARCHITECT'S CERTIFICATION

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

RE: The Spencer Street Condominium
175 & 192 Spencer Street
Brooklyn, New York 11205

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report (the "Report") disclosing the condition of the above property (the "Property"). Our firm visually inspected the Properties on June 22, 2019 and also examined the building plans and specifications which were prepared by Kossar + Garry Architects, LLP dated November 20, 2006 for 175 Spencer Street and October 12, 2007 for 192 Spencer Street. We prepared the Report dated September 9, 2019 for 192 Spencer Street and 175 Spencer Street, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered architect in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to this Report .

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it 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:

(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

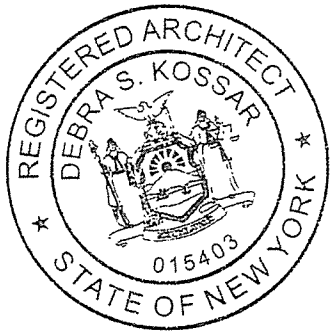
(d) did not have knowledge concerning the representation or statement made.

(viii) 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 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.

Kossar + Garry Architects, LLP

By: _____
Debra Kossar, Principal



Sworn to before me this
9th day of DECEMBER, 2019

_____
Notary Public
MARIA VICTORIA P. KRAMER
Notary Public, State of New York
Reg. No. 01KR6064080
Qualified in New York County
Commission Expires 01/11/2022

MNS
REAL ESTATE

CERTIFICATION OF EXPERT BY EXPERT OF THE ADEQUACY OF SCHEDULE B
PURSUANT TO SECTION 23.4(d)

August 8, 2019

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Spencer Street Condominium
175 Spencer Street and 192 Spencer Street
Brooklyn, New York 11205

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My experience in this field includes:

MNS does not manage cooperative and condominium buildings. However, as CEO of MNS, I have been involved with the marketing and sales of over one hundred (100) cooperative and condominium associations similar in size to The Spencer Street Condominium in the New York area for over fifteen (15) years, and have developed and reviewed budgets for the operations of numerous condominiums similar in size to The Spencer Street Condominium based on the data provided by the owners and managing agents of such buildings.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to Schedule B.

I 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. I have also relied on my experience in the development of condominium budgets and the marketing and sales of residential buildings.

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(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.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

MNS

By: _____
Name: Andrew Barrocas
Title: CEO

Sworn to before me
this 9 day of August, 2019

_____
Notary Public

STUART [illegible]
NOTARY PUBLIC State of New York
No. 01-[illegible]
Qualified in [illegible] County
Commission Expires March 30, 19[illegible]

of West.

July 21, 2021