
CONDOMINIUM OFFERING PLAN
For
THE 99 DOUGLASS STREET CONDOMINIUM
99 DOUGLASS STREET
BROOKLYN, NEW YORK 11231
KINGS COUNTY

3 Residential Units	\$7,200,000.00
Total Offering Price	\$7,200,000.00

SPONSOR AND SELLING AGENT:
DOUGLASS RESIDENCE, LLC
75-23 Main Street, Suite 216, Queens, New York 11367, Ste 400E
Rockville Center, New York 11367

Date of Acceptance for Filing: _____

This Offering Plan May Not Be Used After _____ Unless Extended By Amendment.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS

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 WITH THE NEW YORK STATE OFFICE OF THE ATTORNEY GENERAL PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE OFFICE OF THE ATTORNEY GENERAL DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT, RATHER THAN SELL UNITS, AFTER THE PLAN IS CONSUMMATED, 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 SPECIAL RISKS SECTION OF THE PLAN).

TABLE OF CONTENTS
PART I

<u>Caption</u>	<u>Page</u>
SPECIAL RISKS	1
A. INTRODUCTION	9
B. DEFINIITONS	12
C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS	14
D. LOCATION AND AREA INFORMATION.....	15
E. SCHEDULE A – OFFERING PRICES AND RELATED INFORMATION	16
F. SCHEDULE B – BUDGET	20
G. SCHEDULE B1 – BUDGET FOR INDIVIDUAL ENERGY COSTS.....	24
H. SCHEDULE C – COMPLIANCE WITH REAL PROPERTY LAW SECTION (339)(i)	27
I. CHANGES IN PRICES AND UNITS	28
INTERIM LEASES/ASSIGNMENT OF PURCHASE AGREEMENT.....	29
J. PROCEDURE TO PURCHASE	30
K. EFFECTIVE DATE	36
L. TERMS OF SALE.....	38
M. UNIT CLOSING COSTS AND ADJUSTMENTS.....	42
N. RIGHTS AND OBLIGATIONS OF SPONSOR.....	46
O. CONTROL BY SPONSOR	51
P. BOARD OF MANAGERS.....	53
Q. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS.....	54
R. REAL ESTATE TAXES.....	64
S. OPINON OF COUNSEL.....	66

T. RESERVE FUND	69
U. WORKING CAPITAL FUND.....	69
V. MANAGEMENT	70
W. IDENTITY OF PARTIES.....	70
X. REPORTS TO UNIT OWNERS	72
Y. DOCUMENTS ON FILE	72
Z. GENERAL	72
AA. SPONSOR’S STATEMENT OF SPECIFICATIONS OF BUILDING CONDITIONS.....	73

PART II

<u>Caption</u>	<u>Exhibit</u>
PURCHASE AGREEMENT	A
FORM OF UNIT DEED	B
POWER OF ATTORNEY	C
DESCRIPTION OF PROPERTY AND SPECIFICATIONS.....	D
FLOOR PLANS	E
ESCROW AGREEMENT	F
DECLARATION OF CONDOMINIUM	G
CONDOMINIUM BY-LAWS.....	H
CERTIFICATION BY SPONSOR AND SPONSOR’S PRINCIPALS.....	I
CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF BUDGET.....	J
CERTIFICATION BY ENGINEER OR ARCHITECT.....	K

SPECIAL RISKS

1. Sponsor shall provide formica or wood laminate, wall and base cabinets and granite countertops. Sponsor will not be providing any kitchen appliances. Kitchen appliances will be the responsibility of the Unit Owners at an additional cost. Each residential unit will be equipped with a washer/dryer hookup. Please see the "Description of Property and Building Condition" included in Part II of this Plan.

2. All deposits/downpayments will be placed in an IOLA account. Deposits in excess of \$250,000 will not be federally insured in excess of \$250,000. Interest earned on an IOLA account does not accrue to the benefit of the Purchaser or the Sponsor but is paid over to New York State. If Purchasers have accounts at the same bank as the Sponsor's account that holds escrowed funds, Purchasers funds at the escrow bank factor into the \$250,000 FDIC insurance limit. Please see the section entitled "Procedure to Purchase" in Part I of this Plan.

3. If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty (30) days after Sponsor gives written notice to such Purchaser to cure such default.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD.

"Time is of the essence" means that if such default is not cured within thirty (30) days after Sponsor gives written notice to the Purchaser, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event the Down Payment, together with accrued interest, if any, and any other monies held in the Escrow Account shall be paid over to Sponsor as and for liquidated damages, the Purchase Agreement shall become null and void and Sponsor shall have the right to immediately offer for sale the Unit which was the subject of such Purchase Agreement. Alternatively, but not by way of an election of remedies, Sponsor may institute a legal proceeding to compel the Purchaser to perform his or her obligations under the Purchase Agreement. The Purchase Agreement contains a provision that waives Purchaser's right to a trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with the Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

Please see the section entitled "Procedure to Purchase" in Part I of this Plan and the "Purchase Agreement" included in Part II of this Plan.

4. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title for the particular Unit. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of a Unit prior to

the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to that Unit. Accordingly, any Purchaser, or one claiming by or through Purchaser who takes possession of a Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase such Unit under the terms of the Purchase Agreement. Please see the section entitled "Procedure to Purchase" in Part I of this Plan and the "Purchase Agreement" included in Part II of this Plan.

5. The Purchase Agreement is not contingent upon the Purchaser's ability to secure financing. Failure by a Purchaser to obtain financing will not relieve a Purchaser from his obligations under the Purchase Agreement. A Purchaser who desires to finance his purchase, but who does not obtain a mortgage will still have the obligation to pay the balance of the Purchase Price when due, and failure to pay such balance will be a default under the Purchase Agreement which could result in the loss of the Purchaser's Down Payment with interest earned thereon, plus the actual cost of any special work ordered. However, the Sponsor reserves the right to negotiate with prospective Purchasers all aspects of the Purchase Agreement, including, but not limited to, conditioning the Purchase Agreement upon financing. Purchasers who need financing are advised to consult with a bank prior to executing a Purchase Agreement. No representation is made by Sponsor as to the availability or cost of such financing. Please see the section entitled "Procedure to Purchase" in Part I of this Plan and the "Purchase Agreement" included in Part II of this Plan.

6. The Offering Plan and the Purchase Agreement transfer the statutory obligation to pay the New York State Real Property Transfer Tax and the New York City Real Property Transfer Tax from the Sponsor to the Purchaser. Please see the section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan.

7. No bond or other security has been furnished to secure performance of Sponsor's obligations to pay all Common Charges, special assessments and real estate taxes with respect to Unsold Units. Please see the section entitled "Rights and Obligations of the Sponsor" in Part I of this Plan.

8. No reserve fund is being established by the Sponsor. In the event there is a need for major capital expenditures, the Condominium will assess a charge to each Unit in accordance with its percentage of Common Interest resulting in an additional expense to Unit Owners.

9. 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 Sponsor and its principals. Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Plan. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

10. Closing will not take place, and no individual Condominium apartment will be sold until a permanent Certificate of Occupancy has been obtained for the premises. In the event. In the event a permanent Certificate of Occupancy is not obtained by January 1, 2020, the closings may be substantially delayed. In such case, providing that the sponsor is diligently pursuing completion of construction and issuance of the permanent Certificate of Occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit.

The Sponsor anticipates that the first closing of a unit will occur on or about December 1, 2020. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs on or later than November 30, 2021, twelve months after the projected date for the first closing. If the plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

If the first unit closing occurs before November 30, 2021, the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your purchase agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your unit will occur by any date certain.

PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

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

12. The approximate indoor floor area of each Unit has been measured from the exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior Demising Walls separating the Unit from another Unit, or from the public side of the interior Demising Walls separating the Unit from the public corridors or public stairs, or from the mechanical space side of interior Demising Walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the

square foot area of the Unit. The floor area occupied by Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footages shown are taken from points behind the walls enclosing the Unit and significantly exceed the Unit's usable floor area. Minor inaccuracies in a Unit's square footage will not excuse a Purchaser from completing the purchase of a Unit without recourse against the Sponsor, or reduction in the price. Since the areas listed in Schedule A were not calculated from measurements from the interior surfaces of interior walls, the actual floor areas if the units will be significantly less than the areas listed in Schedule A.

13. The estimated closing costs and expenses to be borne by each Purchaser are as follows:

A. Each Purchaser will be free to obtain title and/or mortgage insurance from a title company

B. If Purchaser obtains a mortgage from a lending institution, Purchaser can expect to incur legal fees of the lending institution's attorney and Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured, Mortgage recording tax rates for individual residential condominium units recording fee for recording of the mortgage and Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution;

C. Fees for the recording of the deed and power of attorney.

D. An amount equal to two months' common charges to the Condominium's working capital fund.

13. Although usually a Seller's expense, Purchasers agree to pay all New York City and New York State transfer taxes and filing fees. As a result, when a Purchaser assumes the obligation to pay these taxes, the amount of such tax will be included in the consideration subject to tax.

All Purchasers will be required to make a \$2,950.00 payment to the Sponsor At closing as partial reimbursement for costs which Sponsor has incurred in preparing and submitting the Offering Plan, including preparation fees, filing fees, registration fees, recording fees, etc.

Each Purchaser shall pay \$1,800.00 plus disbursements to Sponsor's attorney representing a fee for services in connection with preparing the Unit Deed, the Unit Owner's Power of Attorney, all the transfer documents and for coordinating and attending the closing. A further fee \$500.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment and/or cancellation of a purchase agreement or contract. A legal fee of \$500.00 shall be payable for work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth herein. In addition, Purchaser shall pay a travel fee in the amount of \$500.00 to Sponsor's attorney in the event that the closing

of title is held at an office other than the office designated by Sponsor. See Closing Costs section of the Offering Plan.

14. The Sponsor, as owner of unsold Units, will have voting control of the Board of Managers for two (2) years from the date of conveyance of title to the first Unit or whenever the unsold Units constitute less than fifty percent (50%) of the Common Interests, whichever is sooner. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, including the Sponsor, and the enforcement of the Sponsor's obligations. Such budget must be consistent with Schedule B as disclosed herein or by a filed amendment. However, during such control period, the Sponsor will not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. At all times thereafter a majority of the Board of Managers shall be owner-occupants of the Condominium or members of an owner-occupant household who are unrelated to the Sponsor and its principals.

For a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five percent (25%) in number, whichever is sooner, the Sponsor's prior written consent shall be required in order to amend either the Declaration or the By-Laws and to (i) make an addition, alteration or improvement to the Common Elements or to any Unit, costing cumulatively more than \$2,500, 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, or (iii) hire any employee in addition to the employees referred to in this offering Plan, if any, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the Plan is declared effective, or (v) borrow money on behalf of the Condominium, or (vi) amend the Declaration or the By-Laws.

15. Aluminum window guards shall be installed as necessary by each residential unit owner at the windows within each unit that a child of ten years old or younger will reside.

16. For the first year after the conversion to a Condominium, Sponsor will manage the building at no extra charge to unit owners. After the first year it is expected that the Condominium will be self-managed. Should the Board of Managers at any time elect to employ a managing agent it will be an additional cost to the Condominium resulting in an increase in Common Charges of approximately 6 to 10%.

Activities that the Unit Owners will need to perform if there is no managing agent include maintenance of bank accounts, collection and payment of Common Charges, processing individual Unit sales, supervision of Condominium employees (if any), day-to-day operation of the Condominium, compliance with governmental laws, filing of tax returns, enforcement of Condominium rules, seizure and sale of delinquent Units and response to Unit Owner complaints, questions or issues.

In addition, no amount is budgeted for a superintendent or custodian and again, in the event the Board of Managers determines that it is in the best interest of the Condominium to employ a superintendent or custodian, this will also result in an increase in Common Charges of approximately 10%. Unit Owners will be responsible for the routine maintenance and operation of the premises and will be obligated to take care of such matters as rubbish removal, cleaning, snow removal, and the collection of common charges and payment of expenses. See FOOTNOTE 1 to SCHEDULE B.

17. The New York State Legislature adopted Article 36-B of the General Business Law, “The Housing Merchant Implied Warranty Law”, which pertains to warranties on the sale of certain new homes. This law is applicable to all purchase agreements entered into on or after March 1, 1989, for the units offered for sale under this plan. Pursuant to the terms of this law, the sponsor is giving a limited warranty to purchasers. Sponsor’s obligation, regardless of any limitations in the warranty or in this Plan is to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and Sponsor’s obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. See Section “Rights and Obligations of Sponsor” and “Description of Property & Specifications” in Part II of the Plan. The entire text of Article 36-B of the General Obligations Law is reproduced in Part II. The complete terms of the limited warranty, that Sponsor is giving, are contained in the Rider to the Purchase Agreement as set forth in Part II.

18. Sponsor will not offer interim leases to purchasers prior to closing.

19. The budget for insurance does not include officer’s and director’s liability coverage.

20. The Sponsor is reserving an unconditional right to rent rather than sell Units after the Plan is consummated. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent(15%) of the units necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the condominium after the Plan is consummated. Sponsor is not obligated to offer or sell any Units other than the fifteen percent (15%)necessary to declare the plan effective, and may, if it chooses, withhold one or more Units for future sale. In the event Sponsor chooses to withhold any Units from sale, the Plan will be amended to reflect same. See Section of The Offering Plan entitled INTRODUCTION.

21. The first year of Condominium operation is estimated to be December 1, 2020 through November 30, 2021. Given the vagaries of the construction process, as more particularly described above, it is difficult to predict, with precision, the date Sponsor will first be able to close title to the Units. Accordingly, the First Closing may occur sooner or later than the projected first year of Condominium operation and closings to certain Units may occur substantially before or after closings for other Units. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price

for his or her Unit or otherwise be relieved from any obligations under the Purchase Agreement in the event the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Unit is accelerated, delayed or postponed by Sponsor, provided however, that in the event the First Closing does not occur within twelve (12) months after the date set forth in Schedule B as the commencement date for the projected First Year of Condominium Operation then Sponsor will offer Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Purchase Agreements, if the Plan was declared effective) the right to rescind their Purchase Agreements within 15 days after such 12-month period, and any Purchaser electing rescission pursuant to such offer will have their Deposit returned. See Section II, "Description of Property and Improvements".

22. The Sponsor will be obligated to pay off and otherwise comply with the terms of any building loan mortgage on the entire Property. In the event there is a building loan mortgage after the recording of the Declaration and before or simultaneously with the closing of title to the first Unit, the Unit to which title is being conveyed and its appurtenant interest in the Common Elements shall be released from the lien of the mortgage on the Property. In addition, before the closing of title to the first Unit, all liens and mortgages affecting the Property shall be paid, bonded or satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded.

23. On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Purchasers are advised to consult with a tax expert regarding whether the new law will affect the purchaser's taxes, property tax deductions, or mortgage interest deductions. Purchasers should not rely on any representations or opinion in this offering plan addressing taxes without first consulting a tax expert. See Section "Opinion of Counsel".

24. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor, if Sponsor is the prevailing party, in defending Sponsor's rights under this Agreement, or in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations hereunder.

25. FinCEN (Financial Crimes Enforcement Network) requires U.S. title insurance companies to report to FinCEN the personal identity of purchasers in residential real estate transactions in which:

(1) the purchaser is a legal entity as defined in the GTO (geographic targeting order); (2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island; (3) the total purchase price is in excess of \$300,000 in the Borough of Manhattan Bronx, Brooklyn, Queens, or Staten Island; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a

personal check, a business check, a money order in any form, a funds transfer, or virtual currency. 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 revised GTO's effective date).

26. The Board of Managers has a right of first refusal with respect to the sale or lease of any Unit, except as set forth in Article VIII of the By-Laws. The Board will notify the Unit owner of its intention to exercise such right within twenty (20) days from the date of receipt of notice from the Unit Owner to the Board of the intended sale or lease. If the Board exercised such right, the closing will occur within forty-five (45) days from the date the Board gives notice to the Unit Owner of its election to accept such offer.

27. NO DOG, CAT, BIRD, REPTILE OR ANY OTHER ANIMAL SHALL BE KEPT OR HARBORED IN THE BUILDING UNLESS EXPRESSLY PERMITTED IN WRITING BY THE BOARD OF MANAGERS, WHICH CONSENT, SHALL BE REVOCABLE BY THE BOARD. THIS PROVISION SHALL NOT APPLY TO ANY SALE OF A UNIT BY THE SPONSOR.

28. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

29. The expected life span of the roof type is ten (10) years. No bond or guarantee shall be furnished by Sponsor. Please be advised that the Sponsor is not providing "No Dollar Limit Manufacturers Warantee" (NDL) for new roof. The absence of NDL manufacturer's warrantee may indicate that the roof membrane and appurtunance were not inspected for compliance with the manufacturer's specifications for installation. As such, a premature deterioration and replacement of the roof membrane may be anticipated and therefore should be budgeted for.

30. On August 28, 2017, New York City Mayor Bill De Blasio signed Local Law 147 which the Administrative Code of the City of New York ("NYC Administrative Code") to require that all class A multiple dwellings—i.e., buildings with three or more residential dwelling units—adopt a written smoking policy for the building that is disclosed to all residents and incorporated into all leases, purchase agreements, and building governing documents. Local Law 147 does not dictate the contents of a building's smoking policy. Smoking is not allowed in the following areas (Take note that the Smoke-Free Air Act bans smoking tobacco or non-tobacco products, and using e-cigarettes in indoor common areas): Outdoor common areas, including play areas, rooftops, parking areas, or yards; and Outdoors within 15 feet of entrances, exits, windows, and air intake units on property grounds. Smoking is allowed in one's unit and their limited common elements (i.e. balconies). The condominium's smoking policy will be distributed to each unit owner and their tenants, if any.

33. There are no Lot line windows on the building.

A. INTRODUCTION

This is an Offering Plan (the “Plan”) for the sale of Condominium Units to be known as the 99 Douglass Street Condominium (the “Condominium”) located at 99 Douglass Street, Brooklyn, New York.

The purpose of this Plan is to set forth all the material terms of the offer. The Plan delivered to prospective purchasers contains all of the material terms of the transaction. The Plan may be amended from time to time by an amendment filed with the New York State Office of the Attorney General. Amendments will be served on all Unit Owners and Purchasers. A copy of the Plan, all documents referred to in the Plan and all exhibits submitted to the Office of the Attorney General in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on site sales office is open and at the office of the selling agent or Sponsor.

The Sponsor of the Plan is Douglass Residence, LLC, a New York limited liability company, having an office at 75-23 Main Street, Suite 216, Queens, New York 11367, Rockland Center, New York. The Sponsor acquired title to the property on May 30, 2017.

The Sponsor reserves the unconditional right to rent rather than sell Units after the Plan is consummated, but represents that it will endeavor in good faith to sell rather than rent Units. If sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor sponsor is bound by Sponsor’s representations regarding its commitment to sell Units.

Bayport Funding, LLC, 98 Cutter Mill Road Suite 424-N, Great Neck, New York 11021 is the holder of the loan on this property. In the event the building loan mortgage is still in effect after the recording of the Declaration and before or simultaneously with the closing of title to the first Unit, the Unit to which title is being conveyed and its appurtenant interest in the Common Elements shall be released from the lien of the mortgage on the Property. Bayport Funding LLC will release the lien on each unit upon receipt of 100% of the net sale price for the unit. There is no requirement that multiple units be in contract for the release of the lien on any one unit. If, due to market conditions, borrower is unable to sell units or pay the balance of the lien, it shall be at the discretion of lender whether to allow the units to be converted to rental apartments. In addition, before the closing of title to the first Unit, all liens and mortgages affecting the Property shall be paid, bonded or satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded.

The sponsor will be offering three (3) residential units (the “Residential Units”). The Residential Units, referred to as the “Units”. Refer to Schedule A for a schedule of sales prices. Sale prices are not subject to approval by the Office of the Attorney General or any other government agency.

Basic Aspects of Condominium Ownership

Each unit owner must pay common charges in accordance with the New York Condominium Act.

Each Purchaser of a Unit owns their respective Unit outright and is entitled to exclusive possession of that Unit together with an interest in and right to use the Common Elements. The Common Elements consist of all parts of the Condominium other than the Units themselves. The Common Elements are owned in common by all of the Units Owners, each having an undivided interest therein and the non-exclusive right to use them. Please refer to the “Definitions” section for a more detailed explanation of the Common Elements.

A Unit Owner can sell or lease his Unit to anyone, without restriction or limitation, subject only to the right of first refusal by the Board of Managers to purchase the Unit at the same price offered by a third party.

The Board of Managers has the authority to manage the Condominium. The rights and responsibilities of the Board of Managers include, the maintenance and repair of the Common Elements, collection of Common Charges from the Unit Owners, promulgating Rules and Regulations, obtaining insurance, and all other duties that may be required in connection with the operation of the Condominium. Each Unit Owner will have the right to vote for the members of the Board of Managers. Unit Owners will have one vote for each Unit that they own. Each Unit Owner must pay common charges in accordance with the New York Condominium Act, RPL Sections 339(i) and (m) and must comply with the Declaration, By-Laws, Rules and Regulations and any other requirements of the Board of Managers.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be liable for the payment of any other Unit’s taxes. Each Unit may be separately mortgaged. No Unit is subject to the lien of any mortgage placed on any other Unit in the Condominium.

The Condominium Board does not have the right to approve or disapprove Purchasers. There is no limit on the number of Owners who may purchase for investment rather than personal occupancy and there may always be a substantial percentage of owners who are non-residents.

Although the Board of Managers will carry fire insurance covering the Buildings and public liability insurance, Unit owners are encouraged to carry insurance covering the interior of their Units and any personal property therein. Additionally, Unit Owners will be responsible for the repair and maintenance of the interior of their respective Units. The Board of Managers will

be responsible for the maintenance and repair of all Common Elements.

The Condominium is subject to and complies with the New York Condominium Act.

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.

B. DEFINITIONS

The following terms shall be defined for the purposes of this Plan as follows:

Board of Managers: The Board of Managers of the Condominium, as created by the By-Laws to govern and manage the affairs of the Condominium.

By-Laws: The by-laws governing the operation of the Condominium. The By-Laws are included in this Plan in Part II, Exhibit G.

City Register's Office: The Kings County Office of the Register of the City of New York.

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

Common Elements:

- (a) The land on which the building is located;
- (b) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building;
- (c) The basements, cellars, yards, gardens, recreational or community facilities, parking areas and storage spaces;
- (d) The premises for the lodging or use of janitors and other persons employed for the operation of the property;
- (e) Central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;
- (f) The elevators, escalators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;
- (g) Such facilities as may be designated as common elements in the Declaration; and
- (h) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

Common Expenses: Expenses of operation of the Condominium and all sums designated As Common expense by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

Common Interest: The proportionate, undivided interest in fee simple absolute appurtenant to each Unit of the Condominium

Condominium: The 99 Douglass Street Condominium.

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

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

Limited Common Elements: A portion of the common elements allocated for the exclusive use of one or more but fewer than all of the units.

Property: The land, the building and all other improvements located at 99 Douglass Street, Brooklyn, New York 11231.

Purchase Agreement: The agreement to purchase a Unit pursuant to the Plan, the general form of which is set forth in Part II of the Plan as Exhibit A.

Purchaser: A purchaser of a Unit under a Purchase Agreement.

Sponsor: Douglass Residence, LLC, a New York limited liability company, having an office at 75-23 Main Street, Suite 216, Queens, New York 11367, Rockland Center, New York

Unit(s): Any unit in the Building designated as such in the Declaration.

Unit Owner(s): An owner of any Unit.

All other capitalized terms used in Part I of the Plan which are not separately defined in Part I shall have the meanings ascribed to them in the Condominium Act, By-Laws or in the Declaration, as the case may be.

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Building is located at 99 Douglass Street, Brooklyn, New York 11231. The Building is located on a plot of land that has an area of approximately 2,000 square feet and is located on Douglass Street in the Boerum Hill section of Brooklyn. The property is located in an R6B Zoning Use District as established by the City of New York, which zoning district, according to the Sponsor's engineer, Victor Subin, P.E., permits the construction and use of the Property as a four (4) story building with a cellar, consisting of three (3) Residential Units. For more information see the Floor Plans included in this plan as Part II, Exhibit E.

The Building Plans are available for inspection at the Sponsor's Office.

The Units, the Building containing them and all other improvements will comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction, and the sponsor and all other persons engaged by the sponsor in connection with this plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto including but not limited to the City of New York. The Sponsor must obtain at least a temporary certificate of occupancy prior to the closing of title to a Unit.

This offering covers a newly constructed building. The Building will be constructed substantially in the manner set forth in the Building Plans filed with the City of New York, which Plans will not be changed so as to adversely affect the Unit Owners.

Sponsor shall provide the formica or wood laminate, wall and base cabinets and granite countertops in the kitchen. Sponsor will not be providing any appliances. These kitchen appliances will be the responsibility of the Unit Owners at an additional cost. Each residential unit will be equipped with a washer/dryer hookup.

There will be no onsite parking spaces. There is no common recreation area in the building and none is required.

For a detailed description of such data, see the Description of Property in part II of the plan. Construction of the Building commenced in August of 2018, and substantial completion of the construction of the Building except for extra work ordered by a Unit Owner is expected by approximately August 2020, barring any strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor.

D. LOCATION AND AREA INFORMATION

The Condominium is located at 99 Douglass Street, Brooklyn, New York 11231. The property is located in the Boerum Hill section of Brooklyn, which provides a diversity of cultural, religious, educational and shopping facilities. In addition, the property affords easy access to all forms of public transportation. Police and fire stations are located approximately 1 mile from the project. Medical needs of the community are served by Long Island College Hospital. Students living in this project will be eligible to attend Public School 32 several blocks away and Cobble Hill School For American Studies for High School. There are also numerous charter and private schools in the vicinity.

The closest Subway station for the F and G lines at Bergen Street.

Zoning of the site is residential. There is no landmark designation of the site. To Sponsor and its principal's knowledge, there are no adjoining undeveloped areas of the site which may impact the condominium. Neither the Sponsor, nor any principals of the Sponsor, own in whole or in part, or have an optional right to acquire in whole or in part, any adjacent areas which are not fully developed.

Water supply, sanitary sewers, and storm sewers servicing the Building are provided by the City of New York and will be billed as a Common Charge.

Natural gas will be provided by the National Grid and will be used for cooking and heating. Each Unit will be separately metered and billed directly.

Electricity will be provided by the Consolidated Edison Company. Each Unit will be separately metered and billed directly.

Telephone service will be provided by the Verizon Company, and each Unit will be billed directly.

Refuse disposal will be provided by the New York City Sanitation Department.

New York City requires the installation of carbon monoxide detectors by owners of multiple dwellings.

The Property is located within an R6B zoning district, which according to Sponsor's architect, permits the use of the Property as a four (4) story building consisting of three (3) Residential Units.

SCHEDULE A

OFFERING PRICES AND RELATED INFORMATION THE 99 DOUGLASS STREET CONDOMINIUM ESTIMATED COSTS FOR THE FIRST YEAR OF CONDOMINIUM OPERATION EXPECTED TO COMMENCE ON DECEMBER 1, 2020_– NOVEMBER 30, 2021

Unit	(1) Bedrooms And Baths	(2) Approx. Total Square Footage (habitable space)	(2) Approx. Total Square Footage (uninhabita ble space)	(2) Percentage of Common Interest	(3) Offering Price	(4) Projected Monthly Common Charges for 1st Year	(5) Projected Monthly/Annual Real Estate Taxes for 1st Year	(6) Projected Total Monthly Carrying Charges
1	1BDRM/1.5 BTH	1650		36.20%	\$2,500,000.00	390.72	508.97/6,107.66	899.69
2	3BDRM/2.5 BTH	1595	451	35.00%	\$2,500,000.00	377.77	492.10/5,905.20	869.87
3	3BDRM/2BTH	1315	430.75	28.80%	\$2,200,000.00	310.85	404.93/4,859.14	715.78
TOTAL				100%	\$7,200,000.00	1,079.33	1,406/16,876	2,485.34

NOTES: a. There is a fee of two (2) months common charges which is paid at closing and deposited in the Working Capital Fund. See Section “Closing Costs and Adjustments”.

b. Units 2 and 3 have the following limited common elements attached to their units:

2nd floor terrace: about 108 SF.

Lower roof – front (unit 2): 383 SF.

Lower roof - back (unit 3): 250 SF.

Upper roof (unit 3): 180.75 SF.

c. With regard to limited common elements, these spaces may not be legally used as a bedroom or living room and that to do so may result in a building code violation being issued for the building.

FOOTNOTES TO SCHEDULE A

1. The number of rooms listed for each Unit equals the number of “rooms” to be counted for a particular apartment for lot area requirements according to the Zoning Restriction of the City of New York. This basis of calculation is commonly known as the “zoning law” room count. Floor Plans are included in Part II of the Plan.

The approximate indoor floor area of each Unit has been measured from the exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior Demising Walls separating the Unit from another Unit, or from the public side of the interior Demising Walls separating the Unit from the public corridors or public stairs, or from the mechanical space side of interior Demising Walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by Common Elements bordering or within a Unit (such as the Building’s façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footages shown are taken from points behind the walls enclosing the Unit and significantly exceed the Unit’s usable floor area. Immaterial inaccuracies in a Unit’s square footage will not excuse a Purchaser from completing the purchase of a Unit without recourse against the Sponsor, or reduction in the price. A decrease in a unit’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 rebuttal presumption that an area that is diminished by 5% or less is not material. Since the areas listed in Schedule A were not calculated from measurements from the interior surfaces of interior walls, the actual floor areas if the units will be significantly less than the areas listed in Schedule A.

2. These prices have been set by the Sponsor. Prices are not subject to the approval of any governmental agencies. Sponsor’s right to make changes in Offering Prices is set forth in the section of the Plan entitled “Changes in Prices and Units.” For closing costs payable by Purchasers (in addition to the prices), and adjustments at closing, see the section of the Plan entitled “Unit Closing Costs and Adjustments”.
3. The common interest of each Unit has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit pursuant to Sec. 339-i (1)(iv) of the Real Property Law of the State of New York. Units 2 and 3 have the following limited common elements attached to their units: 2nd floor terrace: about 108 SF; Lower roof – front (unit 2): 383 SF; Lower roof - back (unit 3): 250 SF; and Upper roof (unit 3): 180.75 SF.

4. Common charges have been estimated by the Sponsor and include insurance, electricity for the common areas and maintenance and operation of the Common Elements. If a purchaser obtains financing, the purchaser's debt service payments will be an additional expense.

Common Charges do not include repair and decoration to the inside of a Unit, separately metered gas, electricity, hot water, heat, air conditioning and cable television services and insurance for personal belongings. See Schedule B-1 for estimated individual energy costs during the first year of operation.

5. The projected real estate taxes are based upon a (i) taxable assessed valuation of \$16,876 and (ii) tax rate of 20.919%.

The construction on the building has not been completed. Sponsor is finishing up the units. The first taxable status date is expected to be January 1, 2021.

After the condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate purposes. A Unit Owner will not be responsible for the payment of real estate taxes assessed against other Units, nor will a Unit be subject to a lien arising out of the nonpayment of real estate taxes assessed against other Units. See the section of the Plan entitled "Real Estate Taxes."

6. The Sponsor is not offering and has not procured mortgage financing. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. In the event a Purchaser obtains a mortgage, his monthly carrying charge will increase. Any Purchaser who applies for a mortgage from a lending institution should check with that institution as to the monthly mortgage costs as well as any closing costs that the Purchaser will be obligated to pay the lending institution. Carrying charges exclude repair and decoration to the inside of a Unit, utilities for each Unit and insurance for personal belongings.
7. The Law capped the amount an owner of a residential property may deduct from his otherwise taxable income for mortgage debt eligible for deductions from \$1 million to \$750,000 (in the aggregate) and eliminates deductions for home equity debt (currently capped at \$100,000), unless the homeowner uses the money for home improvements, in which case the \$100,000 cap will still apply.

The deduction for second homes, with the \$750,000 cap applying in aggregate to mortgage debt. New mortgage debt caps will apply only to new mortgages, but all deductions for home equity loans will be eliminated (unless the money is used for home improvements).

The Law also capped the deduction amounts paid for certain state and local taxes to \$10,000 per year (\$5,000 for a married taxpayer filing a separate return).

F. SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION DECEMBER 1, 2020 – NOVEMBER 1, 2021

PROJECTED INCOME

<u>Common Charges</u>	<u>\$13,152</u>
-----------------------	------------------------

PROJECTED EXPENSES

Labor (1)	\$-0-
Cooking, Heating & Hot Water (2)	\$-0-
Electricity (3)	\$2,500
Water & Sewer (4)	\$2,452
Repairs, Maintenance & Supplies (5)	\$1,000
Insurance (6)	\$3,000
Management Fees (7)	\$-0-
Legal Fees & Audit Fees (8)	\$1,400
Contingency (9)	\$1,000
Reserve Fund (10)	\$1,800
TOTAL:	<u>\$13,152</u>

In the event the actual or anticipated date of commencement of condominium operation differs from the budget year projected herein by more than six (6) months, this Plan must be amended to include a revised budget disclosing current projections. If such amended projections exceeds this budget by at least 25%, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreement in a reasonable period of time that is not less than fifteen (15) days after the date of presentation of the amended budget, whether or not the Sponsor offers to guarantee this budget. Sponsor will return any deposit to Purchasers who rescind within a reasonable period of time. Sponsor may not declare the Plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Plan.

FOOTNOTES TO SCHEDULE B

1. Labor

No amount is budgeted for a superintendent or custodian and, in the event the Board of Managers determines that it is in the best interest of the Condominium to enter into a service contract or employ a superintendent or custodian, this will also result in an increase in Common Charges. Unit Owners will be responsible for the routine maintenance and operation of the premises and will be obligated to take care of such matters as rubbish removal, cleaning, snow removal, and the collection of common charges and payment of expenses. This figure is based on the Sponsor's experience with prior projects.

2. Cooking, Heating & Hot Water

Each Purchaser will pay separately for cooking, heating & hot water supplied to their Unit. Please see Schedule B-1 for a projection of individual cooking, heating & hot water charges.

3. Electricity

The figures for electricity are based on the projections of Royal Engineering, PC, dated July 8, 2019. There will be no common area heating or cooling. Common area lighting is estimated at \$2,500.00 per year. Please see Schedule B-1.

4. Water and Sewer

The Units are not separately metered for water and sewer. There is one meter servicing the entire building. Water and sewer will be billed as a common charge. The figures for water & sewer are based on the projections of Royal Engineering PC. Please see Schedule B-1.

5. Repairs, Maintenance & Supplies

This estimate is an allowance for general maintenance, service contracts, repair and supplies to the Common Elements of the Condominium including plumbing, electrical and miscellaneous items. The estimated figure is based on the cost of maintenance, repairs and supplies for comparable buildings in the area, adjusted to take into account all relevant factors.

6. Insurance

The insurance figure is based on an estimate by Briarwood Insurance Services, Inc., dated May 9, 2019, for the following coverage:

Property	\$2,000,000
Deductible	\$2,500.00

Liability Occurrence

\$1,000,000

The foregoing insurance will be adequate to replace the Buildings in the event of total loss and will eliminate the standard co-insurance requirement. Public liability insurance will be in effect at the time of closing. Insurance coverage meets the requirements of any mortgage lender procured by the Sponsor. The policy will provide:

- (a) that each Unit Owner is an additional insured party;
- (b) Fire, casualty and general liability insurance;

that there will be no cancellation without notice to the Board of Managers;

- (c) will waive subrogation;
- (d) will waive invalidity because of the acts of the insured and Unit Owners; and
- (e) will waive pro-rata reduction if Unit Owners obtain additional coverage.

The following items are not included but may be available at extra cost: officers' and directors' liability, rent insurance, water damage, excess liability, auto liability, fidelity bond and garage keeper's liability.

Purchasers are advised of the desirability of obtaining additional insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the Unit or Limited Common Elements.

7. Management Fees

For the first year after the conversion to a Condominium, Sponsor will manage the building at no extra charge to unit owners. After the first year it is expected that the Condominium will be self-managed. In the event the Board of Managers determines that it is in the best interest of the Condominium to employ a managing agent, this item will represent an additional expense not included in the projected budget, and will require an increase in Common Charges of approximately 6 to 10%.

Activities that the Unit Owners will need to perform if there is no managing agent include maintenance of bank accounts, collection and payment of Common Charges, processing individual Unit sales, supervision of Condominium employees (if any), day-to-day operation of the Condominium, compliance with governmental laws, filing of tax returns, enforcement of Condominium rules, seizure and sale of delinquent Units and response to Unit Owner complaints, questions or issues.

8. Legal Fees & Audit Fees

The budget includes an allowance of \$900 for CPA fees. This fee entails the preparation of the Condominium's annual financial statement and preparation and filing of tax returns by SSTG, dated May 14, 2019. While the Sponsor is in control of the board, this financial statement must

be certified. This figure also reflects the estimated cost of retaining an attorney (of the Board's own choosing) to advise the Board of Managers on legal issues that may arise in connection with the Condominium's normal business operations. The amount reflected covers one hour of attorney's time and does not cover extraordinary costs or expenses for additional services rendered or costs incurred to conduct litigation on behalf of the Condominium.

9. Contingency

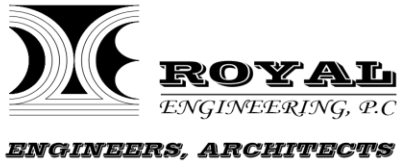
These contingency funds are to provide for any unanticipated expenses. This fund on an annual basis should be sufficient to pay for major capital repairs or replacement items likely to be needed within the first five years of Condominium operation.

10. Reserve Fund

This amount is provided as a reserve for capital expenditures to common areas. No representation is made that this fund will be adequate to cover current or future expenses including repairs or replacements of Common Elements. If additional funds are required over and beyond said fund, it may be necessary to increase the Common Charges payable by the Unit Owners or to collect a special assessment from each Unit Owner

G. SCHEDULE B1 -
BUDGET FOR INDIVIDUAL ENERGY COSTS

THE 99 DOUGLASS STREET CONDOMINIUM



**146-02 Hillside Avenue,
Jamaica, NY 11435
Tel: (718) 883-1555
Fax: (718) 883-1666
Email: Mpiroozs@Aol.com**

July 08th, 2019

To: Whom it may concern

Re: 99 Douglass Street,
Brooklyn, NY 11231
Block: 409 Lots: 49

Dear Sirs:

The following is an energy analysis showing utility costs for four-story, three apartments. Apartment # 1 is a one bedroom and apartments # 2 and 3 have three bedrooms in each apartment. The cellar contains common areas, meter rooms and accessory use for apartment # 1. The first floor has an entrance lobby and one apartment. The common areas is the lobby, the building contains common electric charges for lobby, hallway lighting, exterior lighting, stair lighting and cellar meter room and water and sewer. Each unit has its own hot water heater for domestic and Heat pump for heating. Heat losses were calculated from plans prepared by Royal Engineering, P.C. Calculations are based on roof "R" value = 49, wall "R" value = 13, glass "U" value = 0.32.

1. Unit Owner Costs

<u>Floor</u>	<u>Unit#</u>	<u>Electric</u> (\$ per year)	<u>Gas (HW& Cooking)</u> (\$ per year)
Cell / 1st Floor	1	1800	1200
2 nd / 3 rd Floor	2	1800	1200
4 th / Penthouse Floor	3	1800	1200

Air conditioning Costs: Unit owner costs during summer months add additional \$450 per year for each 12,000 btu/h air conditioning unit.

2. Common Costs

A. Electricity will be used for lobby, hall lighting, exterior lighting and stair lighting. Electric consumption is estimated at 7,000KWHR per year at an average cost of \$0.30 per KWH plus minimum meter charge for a total cost of **\$2,500 annually**. This included taxes and fuel adjustments, but no inflation factor.

B. Water Costs: Based upon metering of the estimated water consumption of 250 gallons per day per unit (250 gal x 3 units = 750 gallons x 365 days = 273,750 gallons annually; when converted to cubic feet by dividing 273,750 gallons by 7.48 = 36,598 cubic feet and using the rate of \$2.6 per 100 cubic feet of water per year, the approximate water cost is equal to **\$952 annually**.

C. Sewer Costs: Based upon metering of the estimated water consumption of 750 gallons per day, the sewer cost is at the rate of 159% of the total water cost or at the rate of \$4.1 per 100 cubic feet of water. Therefore, \$4.1 x 366 = **\$1,500 annually**.

3. Natural Gas:

First 50 Therms or less	\$29.32
Next 280 Therms	\$2.40/Therm
Over 280 Therms	\$2.10/Therm

4. Electric:

Winter:	First 250 KWH	\$0.335/KWH
	Over 250 KWH	\$0.305/KWH
Summer:	First 250 KWH	\$0.375/KWH
	Over 250 KWH	\$0.355/KWH

Gas costs are based on Therms ratings mentioned above, including taxes and fuel adjustments but no inflation factor.

Electric costs are based on a KWH rating mentioned above, including taxes and fuel adjustments but no inflation factor.

The above costs are estimated only, and are based on conditions outlined herein and the following natural gas, electric and water rates currently in effect which include the latest utility company surcharges for fuel adjustments plus applicable taxes. It also takes in account the variation of family size and lifestyle.

The above costs may also vary depending upon the setting of the apartments' thermostats and the maintenance of the equipment in good and efficient condition. Calculations were based upon 70 degrees F in the apartments when the outside temperature is 0 degrees F with 15 mph wind. The figures are not intended to be a guarantee.

Very truly yours,

Piروز Soltanizadeh, P.E

H. SCHEDULE C -

BORIS SAKS, ESQ., PLLC

COUNSELOR AT LAW

Boris Saks

**1732 East 12th Street
Brooklyn, New York 11229**

Phone: (718)-998-1800

Fax: (718)-998-1881

September 22, 2020

New York State Department of Law
120 Broadway
New York, NY 10271

Re: The 99 Douglass Street Condominium Offering Plan
Compliance with Real Property Law Section 339(i)(1)(iv)

Dear Sir/Madam:

I am the attorney for the Sponsor and I am familiar with cooperative and condominium offering plans and preparing contracts of sale and closing title to the units in the respective offering plans and as such have the requisite experience to prepare this compliance letter. I am not the selling agent or managing agent for this property.

I have reviewed the pertinent data with respect to the floor area, relative values of the units, and other pertinent information with respect to the units. Based on these factors, and the certification of Sponsor's expert as to the allocation of common interest is being made pursuant to Real Property Law section 339-i(1) subparagraph (iv) which provides:

"(iv) The determination of percentages of Common Interest allocated to each unit is based upon floor space, subject to the location of such space, and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements or exclusive or shared use, and the overall dimensions of a particular unit"

I certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this letter is not contingent on the conversion of the property to a condominium or on the profitability of the offering.

Sincerely,

Boris Saks, Esq

I. CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A may be changed only by a duly filed amendment to the Offering Plan when the change of price is an across-the-board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual purchaser.

Prices and all other terms of sale are negotiable and the Sponsor may enter into an agreement with an individual purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment.

No change will be made in 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 an amendment to the Offering Plan and, when applicable, to the Declaration.

Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default.

Unless all Purchasers consent, no material change will be made in size and no material adverse change will be made in the quality of Common Elements.

INTERIM LEASES

Sponsor will not rent any units to a purchaser as an interim lessee .

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements are not assignable without Sponsor's prior written consent.

J. PROCEDURE TO PURCHASE

Purchase Agreement; Down Payment

A person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the person is other than a natural person, shall be required to execute in duplicate a contract to purchase ("Purchase Agreement"), in the form of Exhibit A in Part II, and return it to the Selling Agent, together with a check in the amount of ten percent (10%) of the purchase price ("Down Payment"), drawn to the order of "Boris Saks Esq., PLLC, as attorney." All checks delivered in payment of the Down Payment shall be subject to collection and if any check is returned for insufficient funds or any other reason, Sponsor shall have the right, but not the obligation, to cancel the Purchase Agreement. Within thirty (30) days of receiving two copies of a Purchase Agreement, both executed by Purchaser, together with the required Down Payment, Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said thirty (30) day period, the Purchase Agreement shall be deemed null and void and Sponsor shall return the Down Payment to Purchaser.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's Regulations, and all funds paid by Purchaser shall be handled in accordance with said statutes and regulations. The law firm of Boris Saks PLLC, with an address at 1732 East 12th Street, Brooklyn, New York 11229, telephone number (718) 998-1800, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Boris Saks, Esq. The designated signatory is admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatory 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 name of the account is entitled "Boris Saks Esq., - Attorney Escrow Account/IOLA" (the "Escrow Account"), and has been opened with Signature Bank at its branch located at 6321 New Utrecht Avenue, Brooklyn, New York 11219. This bank is covered by federal bank deposit insurance to a maximum of \$250,000 per individual deposit.

The account is an IOLA account with no interest accrued to the benefit of either a Purchaser or the Sponsor. An IOLA is a special segregated escrow account maintained by an attorney. Interest on an IOLA account is paid to the State of New York.

All instruments shall be made payable to or endorsed to the order of "Boris Saks, Esq., PLLC."

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

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

Release of Funds:

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

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

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Purchase Agreement upon closing of title to the Unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a)

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

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

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

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

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

Waiver Void:

Any provision in the Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Deposit in trust is absolutely void. The provisions of the Attorney General's regulations and 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.

The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds.

Time of the Essence

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD.

"Time is of the essence" means that if such default is not cured within thirty (30) days after Sponsor gives written notice to the Purchaser, Sponsor may (but shall not be obligated to)

elect to cancel the Purchase Agreement. In such event the Down Payment, together with accrued interest, if any, and any other monies held in the Escrow Account shall be paid over to Sponsor as and for liquidated damages, the Purchase Agreement shall become null and void and Sponsor shall have the right to immediately offer for sale the Unit which was the subject of such Purchase Agreement. Alternatively, but not by way of an election of remedies, Sponsor may institute a legal proceeding to compel the Purchaser to perform his or her obligations under the Purchase Agreement.

Notice of Closing of Title; Balance of Purchase Price

After the Plan had been declared effective the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served in compliance with the service provisions contained in the Attorney General's regulations no less than thirty (30) days before the date set for the closing of the Units. 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 notice to Purchaser shall also specify when Common Charges will be due and payable. All closings will take place at the Sponsor's office.

AT THE CLOSING OF TITLE, THE BALANCE OF THE PURCHASE PRICE MUST BE PAID BY (i) UNENDORSED CERTIFIED, TELLER'S OR CASHIER'S CHECK PAYABLE AT THE DIRECTION OF SPONSOR.

All checks must be drawn on a bank or trust company which is a member of the New York Clearinghouse Association or any successor organization.

Date of First Closing

The Sponsor anticipates that the first closing of a unit will occur on or about December 1, 2020. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than November 30, 2021, twelve months after the projected date for the first closing. If the plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

If the first unit closing occurs before November 30, 2021 the Sponsor may schedule the closings of title to other units significantly later than such date. Unless your purchase agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your unit will occur by any date certain.

Default

Sponsor must make a written demand for payment after default thirty (30) days before forfeiture of the deposit may be declared.

Power of Attorney

Simultaneously with the closing of title to a Unit, Purchaser will be required to sign and immediately deliver to Sponsor a Power of Attorney to the Board of Managers of the Condominium.

A copy of the Power of Attorney is attached as Exhibit C.

Right of Rescission

Purchasers who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) business days prior to their executing a Purchase Agreement shall be given seven (7) days, after delivering an executed Purchase Agreement, together with the required Down Payment, to rescind the Purchase Agreement and have the full Down Payment refunded promptly. Such rescission must be in writing, addressed and sent to Sponsor, and be postmarked or hand delivered by midnight of the seventh (7th) day subsequent to Purchaser's executing and delivering such Purchase Agreement. Purchasers who execute a Purchase Agreement after having 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 shall not be permitted the aforementioned time period to rescind for any reason.

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 for the particular Unit. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of a Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to that Unit. Accordingly, any Purchaser, or one claiming by or through Purchaser who takes possession of a Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase such Unit under the terms of the Purchase Agreement.

PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR AN INSURANCE AGENT AS TO PURCHASER'S INSURANCE NEEDS.

Entry Prior to Closing

Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor or the Selling Agent. Purchaser shall have the right to enter and inspect

such Unit prior to the closing of title but shall be obligated to make an inspection appointment with Sponsor or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

Mortgage Financing Contingency

The Purchase Agreement is not contingent upon the purchaser's ability to secure financing. However, the Sponsor reserves the right to negotiate with prospective Purchasers all aspects of the Purchase Agreement, including, but not limited to, conditioning the Purchase Agreement upon financing.

Conflict Between Plan and Purchase Agreement

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan.

No Waiver of Purchaser's Rights

The Purchase Agreement and Offering Plan may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 22-A of the General Business Law

Assignment

Purchase Agreements are not assignable without Sponsor's prior written consent.

A complete copy of the Purchase Agreement is attached as Exhibit A.

K. EFFECTIVE DATE

The sponsor's offer to sell is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods described in the Plan.

The Plan shall be declared effective by an amendment to the Plan.

The Plan may not be declared effective unless bona fide purchasers, including investors, have signed Purchase Agreements for at least fifteen percent (15%) of the Residential Units offered under the Plan (i.e., one (1) Unit).

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

- (i) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- (ii) if the Purchaser was not afforded not fewer than three (3) business days to review the Plan and all filed amendments prior to executing the Purchase Agreement; or
- (iii) with any Purchaser who is the Sponsor, the selling agent, or the managing agent or is a principal of the Sponsor, the selling agent, or the managing agent or is related to the Sponsor, the selling agent, or the managing agent or to any principal of the Sponsor or 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; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Office of the Attorney general establishing that the Purchaser is bona fide.

The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for eighty percent (80%) or more of the Residential Units offered under the Plan (i.e. three (3) Units).

If the Plan has not been declared effective, the Sponsor has the option to abandon the Plan for any reason whatsoever. If Sponsor opts to abandon the Plan it shall file an amendment with form RS-3, and will refund all monies paid by Purchasers, with interest earned, if any, in full, within five (5) days of the acceptance of filing of the amendment.

Sponsor may not abandon the Plan after effectiveness for any reason other than:

- (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering amount, or

(ii) substantial damage or destruction of the Buildings by fire or other casualty which cannot be cured for less than one-half of one percent of the total offering amount, or

(iii) the taking of any material portion of the Property by condemnation or eminent domain.

The amounts stated in subdivisions (i) and (ii) above exclude any attorneys' fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the sponsor or are a matter of public record.

Notwithstanding the fact that not all purchasers used for purposes of declaring the plan effective may actually close, Sponsor must re-declare the plan effective in order to consummate the offering plan in accordance with 13 NYCRR 20.1 (c) (6). If all purchase agreements are either rescinded or terminated prior to the date of the first unit closing, regardless of whether the condominium declaration has been recorded, Sponsor must re-declare the plan effective.

L. TERMS OF SALE

At closing of title, good and marketable title to the Unit and its appurtenant interest in the Common Elements will be conveyed by the Sponsor to the Purchaser by Bargain and Sale Deed with Covenants against Grantor's Acts, in the form set forth in Part II of this Plan.

The Purchase Agreement is not contingent upon the Purchaser's ability to secure financing.

Risk of loss from fire or other casualty remains with the Sponsor until title is passed, at that time, all risk of loss passes to Purchaser, and Sponsor shall not thereafter be responsible to repair any damage, which occurs before closing. No closing will occur unless and until a permanent Certificate of Occupancy for the Unit to be closed has been issued.

Anything herein to the contrary notwithstanding, closings of Units will take place only concurrently with the issuance of a temporary or permanent certificate of occupancy for the entire project or issuance of a partial, temporary or permanent certificate of occupancy for the Unit closed or the Building in which the Unit is located.

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at closing free and clear of all liens, encumbrances, and title exceptions other than those described in the Plan and the proposed Unit deed except the following:

1. Any statement of facts which an accurate survey might show provided that they do not render title unmarketable.
2. Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.
3. All of the terms, covenants and conditions of the Declaration, the By-Laws and the Building Plans as they are subsequently filed or recorded and the Offering Plan and any amendment thereto.
4. All easements set forth in the By-Laws and Declaration as they are subsequently recorded and in the Offering Plan and Purchase Agreement including:
 - (a) Easements in favor of the Owners of other Units to use the wires, conduits, cable television, and public utility lines located in the Common Elements or in the Unit itself servicing such other Units and/or the Common Elements;
 - (b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Unit and to all the Common Elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements or any other Units, to make repairs to the Common

Elements, to any wires, pipes, conduits or cable television system servicing any of the Units or to make repairs to any other Unit;

(c) Easements in favor of those Units having restricted use to portions of the Common Elements;

(d) Easements for the continuance of encroachments on the Unit and on the Common Elements by other Units or portions of the Common Elements, now or hereafter existing by reason of the rehabilitation of the Units, or hereafter occurring by reason of the settling or shifting of the Units or by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Units stand;

(e) Easements in favor of the Residential Unit Owners for access through the basement to the meter room and any other machinery that services the entire Building or the Residential Units.

(f) The rights reserved in the Declaration to establish, grant and create additional utility easements in, under and through the Property, to relocate existing easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company;

(g) Easements for ingress and egress and for construction, installation, operation and maintenance of municipal and private service facilities and utilities;

(h) Right of access of other Unit Owners through the Common Elements to the public streets; and

(i) Easements to the Sponsor and any Sponsor affiliate and their successors, assigns, invitees, licensees, contractors and employees, on, in, over and across the Property in connection with the development, maintenance and/or operation by it or its designees of the Condominium or any projects in the vicinity of the Property or any adjoining properties for (1) the construction installation, maintenance, ingress to and egress from the right to use (in common with Unit Owners) all lines, poles, pipes, flues, chutes, conduits, ducts, cables, wires, sewer and storm drainage facilities, water, sewer, electric, plumbing, heating, gas telephone, cable television and other utility lines servicing or located on the Property, supports, enclosures, fire walls, roofings, footings, floorings, foundations, underpinnings, bearing walls, vents, flues or the like; provided such use does not materially interfere with the use of same by the Condominium; (2) ingress to and egress

from all land areas of the Condominium, and the use thereof (in common with Unit Owners) for any lawful purpose; (3) the purpose of exhibiting any model Units and the common properties to prospective purchasers or tenants in any other property in the vicinity of the Property which may be developed by the Sponsor or its affiliate, and (4) the erection, maintenance, repair and replacement from time to time of one or more signs on the site for the purposes of advertising the sale of Units in the Condominium and the leasing of space in any Unit in the Condominium.

5. The lien of unpaid real estate taxes, water charges or sewer rents, provided same are adjusted at the closing of title.
6. Easements and rights of others, including utility companies, to operate and maintain any underground utility lines and the overhead lines and utility poles.
7. Encroachments of walls, watertables, stoops, areas, cellar, steps, trim, coping foundations fences cornices and similar projections, if any, on, over and under the Property or the streets of sidewalks abutting the Property and the right of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls, if any.
8. All matters set forth in the title company report.
9. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his/her Unit.

In the event any existing mortgages or construction loans will not be satisfied at or prior to the closing of the first unit, each such mortgagee shall at the time of conveyance of the first unit:

- (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; or
- (ii) subordinate the lien of its mortgage to the Declaration of Condominium;
- (ii) release its lien on the condominium Unit being conveyed and its interest in the Common Elements.

If Applicable, prior to closing, Sponsor will procure the real property transfer gains tax incentive assessment and return (or statement of no tax due) and will, at closing, pay all real property transfer gains tax and all other transfer taxes due and comply with the requirements of the New York State Department of Taxation and Finance.

All personal property located within the Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor or the Owner of the Property, is included in the conveyance unless specifically

excepted in the Offering Plan.

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 City Register's office prior to the first conveyance of title to a Unit in accordance with The New York Condominium Act.

M. UNIT CLOSING COSTS AND ADJUSTMENTS

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

A. Each Purchaser will be free to obtain title and/or mortgage insurance from a title company other than Capital Abstract, LLC, Sponsor, however, makes no representation or warranty as to cost, terms or availability of such other title and/or mortgage insurance. Purchasers will not incur a penalty for using the title company of their choice. Fee title insurance is available from Capital Abstract, LLC at the estimated rates of \$402.00 for the first \$35,000.00 or fraction thereof of fee title insurance, approximately \$6.67 for each additional \$1,000 of insurance up to \$50,000 or fraction thereof, approximately \$5.43 for each additional \$1,000 of insurance up to \$100,000 or a fraction thereof, approximately \$4.36 for each additional \$1,000 of insurance up to \$500,000 or fraction thereof, approximately \$3.98 for each additional \$1,000 of insurance up to \$1,000,000 or fraction thereof, and approximately \$3.66 for each additional \$1,000 of insurance up to \$5,000,000 or fraction thereof. Insurance rates and fee for recording documents are uniform, and will be the same regardless of the company used.

B. If Purchaser obtains a mortgage from a lending institution, Purchaser can expect to incur the following costs:

1. Legal fees of the lending institution's attorney;
2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by Capital Abstract LLC effective as of the date of this Plan as follows (please note that the following premium rates are discounted based upon the simultaneous purchase of a fee and mortgage title insurance policies): \$103.20 for the first \$35,000 or fraction thereof of insurance, approximately \$1.66 for each additional \$1,000 of insurance up to \$50,000 or fraction thereof, approximately \$1.36 for each additional \$1,000 of insurance up to \$100,000 or fraction thereof, approximately \$1.09 for each additional \$1,000 of insurance up to \$500,000 or fraction thereof and approximately \$0.99 for each additional \$1,000 of insurance up to \$1,000,000 or fraction thereof, and approximately \$0.92 for each additional \$1,000 or insurance up to \$5,000,000 or fraction thereof;
3. Mortgage recording tax rates for individual residential condominium units as follows:
 - (i) 2.05% of the principal debt if under \$500,000.00; and
 - (ii) 2.175% of the principal debt if \$500,000.00 or more.

In either case, .25% thereof paid by the mortgage lender, less a \$30.00 credit. The mortgage tax credit, if any, received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of Sponsor;

4. Recording fee for recording of the mortgage is \$32.00 per document and \$5.00 per page;

5. Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution; Each Purchaser will be free to obtain title and/or mortgage insurance from a title company other than Capital Abstract, LLC, Sponsor, however, makes no representation or warranty as to cost, terms or availability of such other title and/or mortgage insurance.

C. Fees for the recording of the deed and power of attorney are approximately \$32.00 per document and \$5.00 per page.

D. New York State transfer tax of \$4.00 per \$1,000 of the Purchase Price; and New York City Real Property Transfer Taxes which is calculated as follows for residential units:

1. 1% of the Purchase Price if the Purchase Price is \$500,000.00 or less; and

2. 1.425% of the Purchase Price if the Purchase price exceeds \$500,000.00.

These taxes are normally an expense of the Seller; however, by contractual agreement they will be paid by Purchaser. As a result, when a Purchaser assumes the obligation to pay these taxes, the amount of such tax will be included in the consideration subject to tax. Purchasers should refer to the footnotes to Schedule A to ascertain the cost and procedure to follow regarding these taxes.

E. In the case of a Unit whose purchase price is \$1,000,000.00 or more, each Purchaser shall pay at the Closing the Additional Tax Due on the Conveyance of Residential Real Property of \$1,000,000 or more, the 1% so-called "Mansion Tax."

F. An amount equal to two months' common charges to the Condominium's working capital fund.

G. All Purchasers will be required to make a \$2,950.00 payment to the Sponsor At closing as partial reimbursement for costs which Sponsor has incurred in preparing and submitting the Offering Plan, including preparation fees, filing fees, registration fees, recording fees, etc.

H. Each Purchaser shall pay \$2,600.00 plus disbursements to Sponsor's attorney representing a fee for services in connection with preparing the Unit Deed, the Unit Owner's Power of Attorney, all the transfer documents and for coordinating and attending the closing. In addition, Purchaser shall pay a travel fee in the amount of \$500.00 to Sponsor's attorney in the event that the closing of title is held at an office other than the office designated by Sponsor. A further fee \$500.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment and/or cancellation of a purchase agreement or contract. A legal fee of \$500.00 shall be payable for work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth herein.

I. If the Units have not been separately assessed for real estate tax purposes prior to closing of title to the first Unit, Sponsor shall place in escrow, in the name of the Board of Managers an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing or until the Units are separately assessed, whichever is shorter. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and shall receive reimbursement from Unit Owners at closing of title.

In addition, should the Purchaser elect to obtain a purchase money mortgage, he may be required by the lending institution to deposit monthly with the lending institution commencing with the closing date a reserve for the payment of real estate taxes. The amount of the deposit will be a multiple of the estimated monthly real estate taxes and will vary in accordance with the date of closing of title to a particular Unit.

J. Each Purchaser shall be responsible for the payment of fees of his own attorney.

The fee title and mortgage title policy premiums and the recording charges set forth above are those in effect as of the date of this offering Plan. If said premiums, charges or rates are subsequently revised by the title company the State or Municipality, each Purchaser shall be required to pay the policy premiums and recording charges in effect as of the date of closing title to his Unit.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to Units will be real estate taxes, water and sewer charges, if any, and Common Charges, if they have been declared due and payable by the Board of Managers of the Condominium. The adjustments will be made as of midnight preceding the date of closing of title. In the event there are any other items which are to be apportioned at closing, said items will be adjusted at closing.

Example of Closing Costs:

A numerical example for the costs set forth in this section of the Offering Plan for a typical apartment (Unit 2) with a purchase price of \$2,500,000 and a mortgage of \$2,000,000 are estimated as set forth below. Taxes, insurance and recording rates are subject to change.

- | | |
|---|------------------|
| a. Title insurance for fee and mortgage, including the simultaneous fee discount: | \$11,444.00 |
| b. Recording costs for deed and power of attorney (approximately): | \$ 400.00 |
| c. Mortgage recording tax (including any payment to Sponsor pertaining to mortgage tax credit): | \$38,470.00 |
| d. Recording cost of mortgage (approximately): | \$ 400.00 |
| e. New York City Real Property Transfer Tax: | \$36,275.16 |
| f. New York State Real Estate Transfer Taxes (deed stamps): | \$10,184.00 |
| Mansion Tax: | \$31,820.31 |
| g. Offering Plan Reimbursement fee: | \$2,950.00 |
| h. Legal fee of Sponsor's attorney (assuming no travel fee, no assignment and no unauthorized delay in closing by Purchaser): | \$2,600.00 |
| i. Contribution to the working capital fund (two months' common charges): | <u>\$ 755.54</u> |

Total	<u>\$132,349.01</u>
--------------	----------------------------

Purchasers should note that closing costs for a unit that costs more than the \$2,500,000 example used above, will be higher.

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly Common Charges prospectively from the closing date.

N. RIGHTS AND OBLIGATIONS OF THE SPONSOR

1. The Sponsor shall be obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnify the Board of Managers and the Unit Owners.
2. 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.
3. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold Unit(s) owned by Sponsor. The Sponsor represents that it has the financial resources to meet its obligations with respect to unsold Units. Sponsor's obligations will be paid for from projected sales and Sponsor's assets which combined are adequate to meet Sponsor's obligations on an ongoing basis. No bond or other security has been posted to secure Sponsor's obligations.
4. Except as set forth below, the risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without abatement in the Purchase Price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Subsequent to the filing of an amendment substantiating effectiveness of the Plan, Sponsor may be required to repair or restore as set forth below. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside this Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under the Purchase Agreement and accepting title to the Unit.

With respect to all risk of loss after an amendment substantiating effectiveness of the Plan has been filed but prior to closing, Sponsor is not obligated or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property to the extent of an amount equaling one half of one percent of the Total Purchase Price set forth on the front cover of the Plan (minus certain amounts which Sponsor is required to spend to cure or comply with any work order from an insurer or to cure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Plan). If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage which Sponsor is not required to repair or replace, the Purchase Agreement shall continue in full force and effect, Purchaser will not have the right

to reject title to the Unit or to receive a credit against, or abatement of, the Purchase Price, and Sponsor will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to repay the balance of the Purchase Price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Sponsor. The provisions of the preceding sentence will survive the closing.

In the event Sponsor is not obligated to restore or repair as set forth above and notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, the Purchase Agreement will be deemed cancelled and of no further force or effect and Sponsor will instruct its attorneys to return to Purchaser all sums deposited hereunder (with interest, if any) whereupon the parties will be released and discharged from all obligations and liability hereunder except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor will retain the sums as liquidated damages.

5. Sponsor shall procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule B.

6. In the event of a dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Units in the Condominium, 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.

7. The Sponsor will diligently, expeditiously and at its own cost, build and complete the Condominium substantially in accordance with the building plans and specifications identified in this Plan.

Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality or design for any of those set forth. Equal or better quality is defined herein as comparable or better quality as recognized by industry standard for performance, efficiency, longevity, and/or classifications, as applicable. The Sponsor may not substitute equipment or materials of lesser quality or design.

Sponsor reserves the right to change the size, location of Buildings or Units and other improvements or Common Elements provided such changes do not 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.

8. Prior to the closing of the first Unit, the sponsor must obtain a permanent certificate of occupancy for the property.

9. The Sponsor agrees to warrant the materials or workmanship of each Unit (and limited common elements) or common elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) applies to the offering. All other warranties are excluded. The warranty and a copy of the statute is included in Part II of the plan. The warranty is extended only to the first purchaser of a Unit, not subsequent purchasers.

Sponsor shall provide a Housing and Merchant Warranty for the Units and Common Elements pursuant to Section 777B of Article 36B which states as follows:

§ 777-a. Housing merchant implied warranty. 1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

- a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;
- b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and
- c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

- a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or
- b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable

statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

7. At or prior to the closing of a Unit, Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers. Sponsor will only provide such warranties as he will receive from third party suppliers.

8. The Sponsor agrees to pay for the authorized and proper work involved in the construction and establishment and sale of the Condominium that Sponsor is obligated to complete under the Plan and will cause all mechanics' liens with respect to such construction to be promptly discharged or bonded.

9. The Sponsor agrees to deliver a set of “as-built” plans to the Board of Managers.
10. No bond or other security has been furnished to secure performance of any of the obligations contained in this Section, including Sponsor’s obligations to complete construction of the Condominium.
11. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing its construction and sale of the Building and Units and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along any of the Common Elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. The Sponsor reserves the right to continue to use the Common Elements, in its efforts to market Units in the Condominium. Sponsor will be obligated to repair any damages to the Common Elements caused as a result of its use of the easements, licenses, rights and privileges.
12. The Sponsor will be obligated to pay off and otherwise comply with the terms of any building loan mortgage on the entire Property. In the event there is a building loan mortgage after the recording of the Declaration and before or simultaneously with the closing of title to the first Unit, the Unit to which title is being conveyed and its appurtenant interest in the Common Elements shall be released from the lien of the mortgage on the Property. In addition, before the closing of title to the first Unit, all liens and mortgages affecting the Property shall be paid, bonded or satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded.
13. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six years from the date of first closing: this Offering Plan; the proposed Declaration and By-Laws of the Condominium; public liability, fire and casualty policy; and Exhibits submitted to the Department of Law in conjunction with this Plan. A copy of the form of Unit Owner’s Purchase Agreement is submitted with this Offering Plan.
14. The Sponsor reserves the unconditional right to rent rather than sell Units after the plan has been consummated, but represents that it will endeavor in good faith to sell rather than rent Units. If sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor sponsor is bound by Sponsor’s representations regarding its commitment to sell Units.

O. CONTROL BY THE SPONSOR

The Sponsor, as owner of unsold Units, will have voting control of the Board of Managers for two (2) years from the date of conveyance of title to the first Unit or whenever the unsold Units constitute less than fifty percent (50%) of the Common Interests, whichever is sooner. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, including the Sponsor, and the enforcement of the Sponsor's obligations. However, during such control period, the Sponsor will not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. At all times thereafter a majority of the Board of Managers shall be owner-occupants of the Condominium or members of an owner-occupant household who are unrelated to the Sponsor and its principals.

For a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five percent (25%) in number, whichever is sooner, the Sponsor's prior written consent shall be required in order to amend either the Declaration or the By-Laws and to (i) make an addition, alteration or improvement to the Common Elements or to any Unit, costing cumulatively more than \$2,500, 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, or (iii) hire any employee in addition to the employees referred to in this offering Plan, if any, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the Plan is declared effective, or (v) borrow money on behalf of the Condominium, or (vi) amend the Declaration or the By-Laws.

The first Board of Managers of the Condominium will consist of individuals who are designated by the Sponsor. Within sixty (60) days of the closing of title to the first Unit, a Unit Owner who is independent of the Sponsor will be elected to the Board of Managers by a majority of the then Unit Owners other than the Sponsor to serve on the Board until the first Board of Managers resigns. Within thirty (30) days of the expiration of the voting control period as set forth herein, the Sponsor will call the first annual meeting of the Unit Owners at which time a new Board of Managers unrelated to the Sponsor will be elected. Upon the election of the new Board, the members of the first Board will resign.

The detailed provisions for the management of the Condominium are set forth in the By-Laws, found in Part II of the Plan. The By-Laws contain provisions dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Unit Owners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the use of the Units. The By-Laws provide that the Condominium shall be governed by the Board of Managers, but that the Board

of Managers shall have the right to legislate a managing agent to carry out such function. Members of the Board of Managers, as such, shall receive no compensation for their services.

If the By-Laws do not require that a majority of the Board of Managers be owner-occupants who are unrelated to sponsor after sponsor relinquishes control, purchasers for their own occupancy may never gain control of the board of managers and that owner-occupants and no-residential owners, such as sponsor, may have inherent conflicts on the management of the condominium.

P. BOARD OF MANAGERS

The form of the By-Laws and the Declaration of Condominium referred to in the Plan appear in Part II.

The following is a summary of important sections of the By-Laws and Declaration.

The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three (3) Managers designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter, all Managers other than designees or nominees of the Sponsor shall be Unit Owners. The three Board Members selected by Sponsor shall be Eran Tourgeman (principal of sponsor), Barak Ben Shlomo (associate of Sponsor) and Or Raucher (associate of Sponsor). At the first annual meeting of Unit Owners, a maximum of five (5) Managers shall be elected by the Unit Owners. The term of office of each Manager shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Unit Owner shall be entitled to cast one vote on each ballot for each Unit he owns. The one (1) nominee of each of the ballots receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of one (1) year. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board of Managers until two (2) years from the date of conveyance of title to the first Unit or until the unsold Units constitute less than fifty (50%) percent of the common interest. Thereafter the Sponsor shall have the right to designate one (1) member of the Board of Managers so long as it continues to own at least one Unit.

The By-Laws do not require that a majority of the Board of Managers be owner-occupants who are unrelated to sponsor after sponsor relinquishes control, purchasers for their own occupancy may never gain control of the board of managers and that owner-occupants and no-residential owners, such as sponsor, may have inherent conflicts on the management of the condominium.

Within thirty (30) days after title to the last Unit is conveyed by the Sponsor, but in no event later than the earlier of (i) two (2) years after the closing of title to the first Unit or (ii) whenever the unsold Units constitute less than (50%) percent of the Common Interests, 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 the anniversary of such date in 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.

Special meetings of the Board may be called by the President on two (2) days notice to each Manager either personally or by telephone, mail or telegram. 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 three (3) Managers.

In order to limit the liability of the Unit Owners, any contract, agreement or commitment made by the Board of Managers or Officers of the Condominium shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers or Officers of the Condominium nor individual Unit Owner shall be liable for such contract, agreement or commitment except that every Unit Owner shall be liable to the extent that his proportionate interest in the Common Elements bears to the total liability under such commitment. The Board of Managers and Officers of the Condominium shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited to the extent that his proportionate interest in the Common Elements bears to the total liability of the member of the Board of Managers.

Officers and Members of the Board of Managers shall serve without compensation.

Managers, other than Sponsor designees, may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager, other than a member of the First Board of Managers or a Manager elected or designated by the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner. Such member shall be deemed to have resigned effective as of the date such ownership ceased. A Manager designated by the Sponsor or its designee may only be removed by the Sponsor or its designee and only they shall have the right to designate a replacement.

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.

The Declaration may be amended upon a vote of 80% of the Unit Owners in number and common interest held at a duly called meeting of the Unit owners, provided however, that:

- (i) No amendment shall change any condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any unit, unless all of the record owner(s) in number and Common Interest thereof and the first mortgagees, if any, of each of these same units agree to such change by recorded instrument;
- (ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees; and
- (iii) No amendment will be effective against the Sponsor or its assignees unless the Sponsor consents thereto in writing.

The By-Laws may be amended upon a vote of 80% of the Unit Owners in number and common interest held at a duly called meeting of the Unit owners, provided however, that:

- (i) The notice of the meeting shall contain a full statement of the proposed amendment;
- (ii) Said amendment shall be set forth in a duly recorded amendment to the Declaration; and
- (iii) No amendment will affect or impair the validity or priority of the Unit Owners' interest and the interests of holders of a mortgage encumbering a Unit or Units to be effective against the Sponsor, its designees or owner of an Unsold Unit unless such Unit Owner, mortgagee or Sponsor shall consent thereto in writing.

Q. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale or Lease of Units by Unit Owners

Each Unit Owner has the right to sell or lease his Unit, provided that he is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the Grantee or provided for out of the proceeds of the sale) and provided further that such sale or lease is first offered to the Condominium under the same terms and conditions as the prospective purchasers or lessee has offered to purchase or lease the Unit. See the By-Laws in Part II of the Plan as to the procedure to follow in case of a sale or lease.

Any Unit Owner who wishes to enter into a lease for his Unit shall be required to provide the Board of Managers with a copy of the proposed lease prior to its execution. Any lease entered into must contain a provision that the Lessee is subject to the Declaration, By-Laws and Rules and Regulations of the Condominium. Failure to comply with the above shall be deemed an automatic violation of the By-Laws of the Condominium. See Article VIII Section 10 of the By-Laws regarding other leasing restrictions. A purchaser is free to make a gift of his Unit to anyone during his lifetime or to devise his Residential Unit by wills or to have it pass by intestacy without any restriction, provided, however, that such new Unit Owner shall be bound by and his Residential Unit shall be subject to the foregoing restrictions. No Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

The Sponsor or any mortgagee acquiring title to a Unit in a foreclosure can sell or lease a Unit free of any of the foregoing restrictions. Further, the Sponsor may rent a Unit to a purchaser of said Unit if the purchaser so desires, prior to the conveyance of title to said Unit.

The Board of Managers has a right of first refusal with respect to the sale or lease of any Unit, except as set forth in Article VIII of the By-Laws. The Board will notify the Unit owner of its intention to exercise such right within twenty (20) days from the date of receipt of notice from the Unit Owner to the Board of the intended sale or lease. If the Board exercised such right, the closing will occur within forty-five (45) days from the date the Board gives notice to the Unit Owner of its election to accept such offer.

In the event the Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the funds deposited in the capital and or expense account of the Condominium or, if such funds are insufficient, the Board may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's interest in the Common Elements, as a common charge, 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 may also assess each Unit Owner, as provided above, for maintenance of such Unit. In the event any Units are acquired or leased by the Board the title or lease will be held by the Board or its designees on behalf of all Unit Owners in proportion to their interest in the Common Elements

and any sale or lease of such Unit will be made by the Board or its designees on behalf of all Unit owners in proportion to their interests in the Common Elements. Such Units, while owned or leased by the Board or its designees, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board or its designees at any meeting of Unit Owners vote the votes appurtenant thereto in any election of members of the Board. In any sale or lease of such Unit by the Board of Managers the Board or its designees may not discriminate against any person on the basis of race, creed, color, national origin, sex, disability, age, marital status or other grounds prohibited by law.

Mortgaging of Units by Unit Owners

Each Unit Owner has the right to mortgage his Unit at any time after he acquires title to the Unit in whatever amount and under whatever terms he can obtain, provided that the mortgage can only be taken from a bank, savings and loan association, mortgage company, life insurance company, pension fund, trust company or other institutional lender. Any Unit Owner may, however, upon the resale of his Unit, grant a purchase money mortgage to a purchaser of his Unit. A Unit Owner may mortgage his Unit only if all arrears for common charges, if any, are provided for at the closing of the mortgage.

Common Charges and Assessments

The Board of Managers will prepare and furnish its budget to the Unit Owners and their mortgagees, if requested, annually. Based upon such budget, and any modification thereof, approved by the Board of Managers, all the Unit Owners will be charged for the cost of the operation of the Common Elements of the Condominium in accordance with their interest in the Common Elements as well as submetering, contract allocations and usage. The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements, assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium. In addition, Common Charges may have to be increased as a result of Unit Owners not paying their maintenance charges.

The Condominium has the right to accumulate reserves for capital replacements or other general repairs of the Condominium. However, the Condominium will be taxed on any excess of income over expenses from unrelated sources. An example of unrelated source income includes interest earned on reserve or other invested funds.

Pursuant to Section 339-z of the Real Property Law, 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 and legal interest thereon prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force even after resale of a Unit except that the Board shall, in accordance with the Declaration, release the lien and right to collect unpaid Common Charges against any purchaser of a Unit where such purchase arises out of a foreclosure of a first institutional mortgage when the Board of Managers has been made a party to the foreclosure action.

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Unit Owner for the payment of Common Charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of such Unit in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Unit Owner may convey his Unit to the Board of Managers or its nominee, on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and By-Laws and in such event he shall be exempt from any Common Charges thereafter assessed, but not relieved of his obligation to pay his mortgage. However a Unit Owner may not exempt himself from liability for his Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

Upon a resale, the purchaser of a Unit shall be liable for the payment of unpaid Common Charges assessed against such Unit prior to the acquisition of such Unit by the purchaser except that a mortgagee who acquires title to a Unit or a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the acquisition of title to such Unit by the mortgagee or purchaser at a foreclosure sale. In such event and in the event of a foreclosure by the Board of Managers of its lien of any Unit for unpaid Common Charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a common expense.

The Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers.

The Sponsor shall be liable for the Common Charges and real estate taxes of all Units to which title has not been transferred to a purchaser commencing when Common Charges are first collected by the Board of Managers. Once title has passed to a purchaser, the purchaser shall be solely responsible for all costs associated with the Unit including but not limited to Common Charges, real estate taxes, any special assessments and all individual utility costs.

Repairs

The cost of repairs to the Common Elements shall be a common expense of the Unit Owners. All maintenance (including electrical repairs and plumbing stoppages in the Units, painting and decorating of the Units), repairs and replacements to the Units including doors abutting a Unit (except painting or maintenance of the exterior surface of windows and doors which open from a Unit which are performed by the Board of Managers) and repairs to pipes, wires and conduits located in and servicing a particular Unit other than as set forth in the Plan shall be made by the respective Unit Owners at their own expense.

In the event that the Unit Owner fails to make any repair or creates any condition which effects the Building in which his Unit is located, the Common Elements, or any other Unit, the Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws make such repair or correct such condition and charge the Unit for the cost of such service.

In the event it becomes necessary for the Board of Managers to bring any lawsuit or other proceeding to enforce its right to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding.

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 the Declaration and By-Laws.

All maintenance, repairs and replacements to the Common Elements of the Property including but not limited to exterior walls of the Buildings, windows, roof and roof members, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a common expense by all Unit Owners. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements. All maintenance, repairs and replacements to a Unit, whether structural or nonstructural, ordinary or extraordinary, other than to the Common Elements contained therein, will be made by the respective Unit Owners at their expense.

The Board of Managers shall have the right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained therein or elsewhere in the Buildings or to remedy any condition which would result in damage to any other Unit or the Common Elements, or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

Additions, Alterations and Improvements

A Unit Owner can make any interior alterations or improvements to the Unit he desires without obtaining the consent of the Condominium so long as such alterations or improvements do not affect the Buildings or any other common element. Non-structural alterations and

improvements to Units that do not affect the exterior of the Buildings or the value of other Units, and non-structural alterations to roof terraces which are designated as Irrevocably Restricted Areas, may be made without the prior approval of the Board of Managers. In the event such alterations or improvements affect the structural soundness of the Buildings the Unit Owner must first obtain the written consent of the Board of Managers.

All work done by a Unit Owner must be done in accordance with all applicable rules regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

The Sponsor shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of mortgages on Units to make alterations, additions or improvements structural and nonstructural, interior and exterior, ordinary and extraordinary, in, to and upon their Units, provided, however, that in each instance the Unit Owner 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 will sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor or his designee to any Unit, provided, however, that the Board of Managers shall not be subjected to any expense or liability by virtue of the signing of the application or other document furnished to the Board of Managers.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire and casualty insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Buildings, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, any air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as such interest may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee or 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.

In addition to the insurance set herein, a Unit Owner may desire to insure his personal effects and the interior of the Unit itself for fire and liability. Such insurance, if taken by the Unit owner, will be payable by the unit Owner directly.

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the insurance Trustee if the loss shall amount to more than \$25,000 to be applied for the purpose of repairing, restoring or rebuilding the Buildings unless otherwise determined by the Unit owners, as hereinafter set forth.

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 the 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 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 a Unit at least ten (10) days prior to expiration of the then current policies.

The amount of fire insurance to be maintained on the Buildings upon the transfer of title to the first Unit and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount of replacement cost (agreed upon amount) for the entire Buildings. The Board of Managers shall review the amount of fire insurance annually.

A New York Bank or Trust Company shall be the Insurance Trustee unless or until replaced by another bank or trust company in the State of New York, designated by the Board of Managers. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall also be a bank or trust company in the State of New York designated by the Board of Managers. The Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

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: (1) fidelity insurance covering all employees of the Condominium who handle Condominium funds; and (2) in order to limit the liability of Unit Owners for personal injury and tort, public liability insurance covering each member of the Board of Managers and except arising out of occurrences within his own Unit, each Unit Owner, in such limits as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

THE CONDOMINIUM INSURANCE COVERAGE DOES NOT COVER FIRE AND LIABILITY INSURANCE FOR THE PURCHASER'S PERSONAL EFFECTS AND INTERIOR OF THE UNIT. PURCHASERS ARE ADVISED TO SECURE SUCH COVERAGE.

Where a Unit is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Units will be a Common Charge to all Unit Owners. In order to protect the Unit Owner against the possibility of such common charges, the Board of Managers determines the amount of blanket casualty insurance covering all Units (the cost of such insurance is part of the Common Charges) and reviews the amount of such coverage annually. In the event of damage to or destruction of the Buildings as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress 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 the Unit Owners for such deficit as part of the Common Charges. In the event of a casualty loss, the Unit Owners will continue to pay the Common Charges on their Units.

If 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not resolve to proceed with repair or restoration, the property comprising the Condominium shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy.

Refer to Schedule B for details of the estimated insurance costs of the Condominium.

Restrictions on Occupancy and Use

There is no restriction upon ownership of a Unit. Occupancy of a Unit, however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium. Notwithstanding the foregoing, the Sponsor may, without permission of the Board of Managers, retain ownership of one or more Units for use as models or sales and/or promotional offices in connection with the sale or rental of Units.

The By-Laws of the Condominium contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Unit Owners, their families, employees, guests and any permitted pets

shall not use or permit the use of the Units and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Unit Owners. Except for the Sponsor, no Unit Owner shall put any advertisement, poster or for sale signs of any kind in or on the Condominium without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows or from the Buildings or to string clothes lines on or over the Common Elements or to use any of the Common Elements, other than those specifically designated, for storage. No Unit Owner shall paint the exterior surfaces of the windows walls or doors opening out of his Unit.

NO DOG, CAT, BIRD, REPTILE OR ANY OTHER ANIMAL SHALL BE KEPT OR HARBORED IN THE BUILDING UNLESS EXPRESSLY PERMITTED IN WRITING BY THE BOARD OF MANAGERS, WHICH CONSENT, SHALL BE REVOCABLE BY THE BOARD. THIS PROVISION SHALL NOT APPLY TO ANY SALE OF A UNIT BY THE SPONSOR.

Other Material Provisions of the Declaration or By-Laws

Ownership of a Unit in the Condominium subjects the Unit Owner to compliance with the provisions of the Declaration and By-Laws as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rules and regulations set forth in the By-Laws and Declaration can be found in Part II of the Plan. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the rules and regulations established therewith.

Please refer to the By-Laws and Declaration in Part II of this Plan.

R. REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of taxes on other Units.

If the Units have not been separately assessed for real estate tax purposes prior to closing of title to the first Unit, Sponsor shall place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six-month period following the first closing or until the Units are separately assessed, whichever is shorter. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and shall receive reimbursement from Unit Owners at closing of title.

Until Units are separately assessed, real estate taxes and thus the partial tax exemption will be allocated among the Units based on their respective percentages of Common Interest. However, once Units are separately assessed, there is no assurance that the New York City taxing authority will allocate taxes and the tax exemption among the Units in accordance with their percentages of Common Interest.

The tax expert and counsel consulted for the disclosure in this section are not purchaser's attorney. Purchasers should consult his/her own counsel or expert before signing an agreement to purchase a condominium.

The estimated monthly costs and charges to be incurred by the owner of each Unit in the first year in which the property will be fully subject to real estate taxes are set forth on Schedule A. The estimate of real estate taxes for the projected first year of operation is based upon the following as determined by Metropolitan Realty Exemptions, the Sponsor's real estate tax consultant. Such estimates are also based upon valuation amounts and tax rates following completion of the construction of the Building. The estimates are (i) a taxable assessed valuation estimate in the amount of \$16,876, and (ii) a projected tax rate of 12.719%.

The actual taxes for the Property for the 2019/20 tax year are based on a taxable assessed valuation of \$21,496. The assessing authority that determines the tax rate and the assessed valuation is the New York City Department of Finance.

The Sponsor anticipates that the real estate tax rate will increase in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time. Actual assessments may vary depending on such factors as changes in tax rates, method of assessment, etc. In no event will the Sponsor, Sponsor's counsel or Sponsor's consultant be liable to any purchaser under this Plan, nor will any purchaser have the right to rescind his Purchase

Agreement, in the event the amount of the taxes and assessed valuation differ from those projected nor if the method of allocating taxes is done in a manner different from that indicated in Schedule A of the Plan.

Due to the Tax Cuts and Jobs Act of 2017 (the “Law”), which was passed by Congress in January 2018, Purchasers should consult with their tax professional to make sure they fully understand what amounts of real estate taxes and mortgage interest can be deducted from their income taxes.

The Law capped the amount an owner of a residential property may deduct from his otherwise taxable income for mortgage debt eligible for deductions from \$1 million to \$750,000 (in the aggregate) and eliminates deductions for home equity debt (currently capped at \$100,000), unless the homeowner uses the money for home improvements, in which case the \$100,000 cap will still apply.

The deduction for second homes, with the \$750,000 cap applying in aggregate to mortgage debt. New mortgage debt caps will apply only to new mortgages, but all deductions for home equity loans will be eliminated (unless the money is used for home improvements).

The Law also capped the deduction amounts paid for certain state and local taxes to \$10,000 per year (\$5,000 for a married taxpayer filing a separate return).

There are no open tax certiorari proceedings pending with respect to the Property. Each Unit Owner shall designate the Board of Managers as his attorney-in-fact, which power shall be deemed coupled with an interest to act as agent for such Unit Owner in accordance with Section 339-y of the Real Property Law to complain or apply to the board of assessment review of the assessing agency by filing a single complaint on behalf of all such Unit Owners, to commence and prosecute a special proceeding and to seek administrative and judicial review of assessments. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and to charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees, for which charges the Board of Managers shall have a lien pursuant to Section 339(z) of the Real Property Law. See By Laws Section 5(a)(14) in Part II for a more detailed explanation.

Each Unit Owner shall at the closing of title to his Unit execute an instrument substantially in the form included in Part II, authorizing the Board of Managers and the Sponsor to act on such Unit Owner’s behalf.

S. OPINION OF COUNSEL
BORIS SAKS, ESQ., PLLC
COUNSELOR AT LAW

Boris Saks

1732 East 12th Street
Brooklyn, New York 11229

Phone: (718)-998-1800
Fax: (718)-998-1881

September 22, 2020

Douglass Residence, LLC
75-23 Main Street, Suite 216, Queens, New York 11367
Rockville Center, NY

Re: The 99 Douglass Street Condominium

Dear Sirs/Madam:

We have been requested to furnish a legal opinion with respect to several legal issues regarding the above referenced condominium project.

Due to the Tax Cuts and Jobs Act of 2017 (the “Law”), which was passed by Congress in January 2018, Purchasers should consult with their tax professional to make sure they fully understand what amounts of real estate taxes and mortgage interest can be deducted from their income taxes.

The Law capped the amount an owner of a residential property may deduct from his otherwise taxable income for mortgage debt eligible for deductions from \$1 million to \$750,000 (in the aggregate) and eliminates deductions for home equity debt (currently capped at \$100,000), unless the homeowner uses the money for home improvements, in which case the \$100,000 cap will still apply.

The deduction for second homes, with the \$750,000 cap applying in aggregate to mortgage debt. New mortgage debt caps will apply only to new mortgages, but all deductions for home equity loans will be eliminated (unless the money is used for home improvements).

The Law also capped the deduction amounts paid for certain state and local taxes to \$10,000 per year (\$5,000 for a married taxpayer filing a separate return).

I base my opinion on the following authorities: a review of the Summary of the Law, Public Law No: 115-97 (as of 12/22/17) on the Congress.gov website, 26 U.S.C., otherwise

known as the United States Internal Revenue Code of 1986 (the “Code”), 26 U.S.C. §§ 163(h)(3) and 164(a)(2), New York State Tax Law § 615, as amended. Owners of condominium units are entitled to the same deductions (Revenue Ruling 64-31). In addition, a homeowner may be entitled to a property tax reduction if he or she is a veteran, senior citizen or is handicapped. In our opinion, the unit owners in the referenced condominium will be entitled to the income tax deductions and the real estate tax benefits described above.

Section 528 of the Code affords certain condominiums, substantially all of whose units are used for residential purposes, the opportunity to elect to be treated as a tax exempt organization. In order to qualify under this statute, sixty percent or more of the condominium’s gross income must consist of common charges, membership dues, fees or assessments from the unit owners and ninety percent or more of the expenditures of the condominium must be for the acquisition, construction, management, maintenance and care of the condominium properties, which properties, as defined in Section 528, include property held by the condominium, or property within the condominium held by the members of the condominium, or unit owners.

Based upon my examination of the offering plan and subject to the condominium actually satisfying the minimum percentage income and expenditure criteria set forth above, it is my opinion that the condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code if it elects such status. Such an election may entail the filing of tax returns and will exempt from federal and New York state income taxation all amounts received by the condominium from the unit owners as membership dues, fees or assessments. The condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the unit owners such as tenants of commercial space owned by the condominium. In the event either the condominium fails to qualify for and elect Section 528 taxation status in any year, it may be subject to federal and New York state income taxation.

Sponsor has complied with Section 339-i(1)(i) of the Real Property Law assigning the percentage of common interest in the approximate proportion that the fair value of the Unit, at the date of the Declaration, bears to the then aggregate fair value of all the Units. My opinion on this matter is based on other expert factual determinations as required by 13 NYCRR §20.3(i).

In our opinion, the Condominium will be eligible for tax-exempt status, if it elects such status, and unit owners will be entitled to income tax deductions (or the unit owners will be eligible for the real estate tax benefits described above). However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor’s counsel, the Board of Managers of the Condominium, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of section 528 of the Internal Revenue

Code of 1986, as amended, or the New York State Tax Law, as amended, and cause the unit owners not to be entitled to income tax deductions (or which cause Unit Owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above).

Again, Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert.

As discussed in Section “Real Estate Taxes” of the Offering Plan, the Sponsor is not applying for tax exemption for the Community under Section 421 of the New York State Real Property Tax Law ("Section 421").

Finally, based on information received from the Sponsor, the percentage of Common Interest among the respective Units as set forth in Schedule A of the Offering Plan is in compliance with Real Property Law Section 339 (1) (ii).

It is our understanding that this letter will be made a part of the Offering Plan of the 99 Douglass Street Condominium.

Very truly yours,

Boris Saks, Esq., PLLC

By:

Boris Saks, Member

T. RESERVE FUND

The budget includes a line item for contingencies for unexpected maintenance and a reserve fund for the Building to be collected out of common charges paid by the Unit Owners. This fund is to be used for the replacement of major capital expenditures of the Common Elements of the Condominium, however the fund shall in no way be limited to such use.

While the sponsor is in control of the board of managers, the reserve fund may not be used to reduce projected common charges in the plan.

No representation is made that this fund will be adequate to cover current or future expenses including repairs or replacements of Common Elements. If additional funds are required over and beyond said fund, it may be necessary to increase the Common Charges payable by the Unit Owners or to collect a special assessment from each Unit Owner

Neither the Department of Law nor any other government agency has passed upon the adequacy of the Reserve Fund.

U. WORKING CAPITAL FUND

At each Unit closing the Sponsor shall collect an amount equal to two months of that Unit's common charges from each Purchaser to be paid to the Board of Managers for its working capital ("Working Capital Fund") which shall be used to pay any net closing adjustment owed to the Sponsor by the Condominium Board or for such other appropriate purposes permitted under the Declaration and the By-Laws as well as determined by the Board of Managers in its sole discretion. Adjustments for prepaid expenses between the Sponsor and the board of Managers may be deducted only from the Working Capital Fund.

While the Sponsor is in control of the Board of Managers, the Working Capital Fund may not be used to reduce projected Common Charges in the Plan. Sponsor will not contribute to the Working Capital Fund.

NO REPRESENTATION IS MADE THAT THE INTIAL WORKING CAPITAL FUND WILL BE ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS

NEITHER THE OFFICE OF THE ATTORNEY GENERAL NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

V. MANAGEMENT

For the first year after the conversion to a Condominium, Sponsor will manage the building at no extra charge to unit owners. After the first year, or until the Sponsor no longer controls the board, it is expected that the Condominium will be self-managed. Should the Board of Managers at any time elect to employ a managing agent it will be an additional cost to the Condominium resulting in an increase in Common Charges.

Activities that the Unit Owners will need to perform if there is no managing agent include maintenance of bank accounts, collection and payment of Common Charges, processing individual Unit sales, supervision of Condominium employees (if any), day-to-day operation of the Condominium, compliance with governmental laws, filing of tax returns, enforcement of Condominium rules, seizure and sale of delinquent Units and response to Unit Owner complaints, questions or issues.

W. IDENTITY OF PARTIES

Sponsor/Principals of Sponsor

The Sponsor is Douglass Residence, LLC, a New York limited liability company with offices at 75-23 Main Street, Suite 216, Queens, New York 11367, Rockville Center, New York. The principal of the Sponsor is Eran Tourgeman. Mr. Tourgeman is the founder of TR Development Inc. a successful real estate development company specialized in the outer borough market of NYC. TR development Inc. employed over 20 people specializing in research, sourcing, acquisition and reposition of undervalued properties. Since its inception in 2006, TR Development Inc. and its subsidiaries has completed over 100 transactions including vacant lands, single/multifamily properties in variety of reposition scenarios from rehabilitation, gut renovation and new construction ranging from single family houses to a ground-up development of a 49 unit residential building. Some of his recent completed projects include the following:

25 East 19 Street, Brooklyn.
405 Quincy Street, Brooklyn.
302 Nostrand Ave., Brooklyn.

- (i) There are no prior felony convictions of the Sponsor or of Mr. Tourgeman.
- (ii) There are no prior bankruptcies, convictions, injunctions and judgments against the sponsor, any principal of the sponsor, and/or entities in which principals of the sponsor were principals, that may be material to the offering plan or to an offering of securities generally and that occurred within the 15 years prior to the submission of the proposed offering plan.
- (iii) Other than as set forth below, there are no other cooperative, homeowners associations or condominiums other than this one where the sponsor or principal of the sponsor own 10% or more of the unsold shares or units.

Neither the Sponsor nor its principal have made any prior offerings of either condominium or cooperative units within the past five years, except that Mr. Tourgeman was principal of the Sponsor for the 405 Quincy Street Condominium (CD16-0208), of which Sponsor nor its principal hold any interest.

Attorneys

The Sponsor has retained the law firm of Boris Saks, Esq., PLLC, 1732 East 12th Street, Brooklyn, New York 11229 to prepare the Offering Plan. Mr. Saks has no financial interest in the Property, Sponsor, Condominium, Selling Agent, or any other party interested in this transaction, except for their fees for services rendered in connection with the preparation of the Plan and closings of units.

Professional Engineer

Sponsor's professional engineer is Victor Subin, PE of Royal Engineering, PC, 146-02 Hillside Avenue, Jamaica New York 11435. Mr. Subin has no financial interest in the Property, Sponsor, Condominium, Selling Agent, or any other party interested in this transaction, except for their fee for services rendered in connection with his report. Recent projects of Mr. Subin include the following:

- 1) 163 Veronica Place - Brooklyn
- 2) 60 Jefferson Street - Brooklyn
- 3) 104 Seigel Street - Brooklyn
- 4) 106 Seigel Street - Brooklyn
- 5) 69-49 185 Street - Queens
- 6) 813/817/821 Barbey Street - Brooklyn

Managing Agent

For the first year after the conversion to a Condominium, Sponsor will manage the building at no extra charge to unit owners.

Selling Agent

The Sponsor is the Selling Agent for the Plan. The Sponsor has no previous experiences as a selling agent for any offerings of condominium or cooperative interests in real property.

X. REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium to give all Unit Owners annually:

1. A financial statement of the Condominium prepared by a certified public accountant or public accountant within three (3) months of the end of each fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;
2. Prior notice of the annual Unit Owners' Meeting; and
3. A copy of the proposed annual budget of the Condominium within thirty (30) days prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers, such budget shall be certified.

Y. DOCUMENTS ON FILE

The Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Office of the Attorney General in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at the office of the Sponsor for six (6) years from the date of first closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first Unit.

Z. GENERAL

There are no lawsuits, administrative proceedings, or other proceedings the outcome of which may materially affect the Offering, the Property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation of the Condominium.

The Property has not been the subject of any prior cooperative or condominium offerings. No preliminary binding agreements have been entered into and no money has been collected from prospective purchasers. There have been no market tests pursuant to Cooperative Policy Statement No. 1.

No contracts or written agreements, written or oral, have been entered into for the sale of transfer of any of the units offered in the Plan and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such units, prior to the submission of the Plan to the Department of Law

Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

If there is a material amendment to the Offering Plan that adversely affects the Purchasers, Sponsor will grant Purchasers a right of rescission within fifteen (15) days after the date of presentation of the material amendment. The Sponsor will return any deposit or down payment to Purchasers who rescind.

AA. SPONSOR'S STATEMENT OF SPECIFICATIONS OF BUILDING CONDITIONS

Sponsor adopts the Description of Property and Building Condition set forth in Part II of the Plan, and represents that it has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Condition.

Douglass Residence, LLC

Dated: Brooklyn, New York
_____, 20____

PART II

EXHIBIT "A"

PURCHASE AGREEMENT ("Agreement")
THE 99 DOUGLASS STREET CONDOMINIUM
99 DOUGLASS STREET, BROOKLYN, NY ("Condominium")

Purchaser(s): _____

Address: _____

Telephone No.: _____

Social Security No.: _____

Attorney: _____

Attorney's Address: _____

Attorney's Phone No.: _____

Attorney's E-mail Address: _____

Dated as of: _____

Unit No.: _____ Common Interest: _____%

Total Purchase Price: \$ _____

Down Payment
(10% of Purchase Price) \$ _____

Balance Due at Closing \$ _____

1. Agreement to Purchase. Purchaser agrees to purchase from Douglass Holdings, LLC ("Seller") Unit No. _____ and a _____% undivided appurtenant interest in the Common Elements of the Condominium upon the terms set forth herein, for the Total Purchase Price shown above. Purchaser is delivering to Seller a check for the Down Payment shown above to the order of "Boris Saks Esq., PLLC as attorney", which Seller acknowledges receiving. If the Down Payment check is not collectible for any reason, this Agreement shall, at Seller's option, be null and void. When Seller delivers the deed for the Unit, Purchaser will give Seller or anyone Seller designates Purchaser's personal certified check or an official bank check payable as per the instructions of Seller, for the Balance Due at Closing shown on the first page, drawn

on a New York City bank which is a member of the New York Clearing House Association. Purchaser understands, however, that this Agreement will not have any legal effect, until Seller has signed a copy of this Agreement and forwarded it to Purchaser, and that Seller has no obligation whatsoever to do so.

2. Definitions. All of the capitalized terms used in this Agreement shall have the same meanings as they do in the Condominium Offering Plan for The 99 Douglass Street Condominium (the "Plan"), unless the context requires otherwise. The term "Purchaser" shall be read "Purchasers" if more than one person is a Purchaser, in which case the obligations of each Party signing this Agreement shall be joint and several.

3. Closing of Title. The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (the "Closing Date") to be specified by Seller. Such date shall be no earlier than ten (10) days after the date of which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on five (5) days written notice to Seller. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had been no unauthorized delay in closing of title by Purchaser.

At the closing of title Seller shall deliver to Purchaser a bargain and sale deed, with covenants against grantor's acts, conveying the Unit to Purchaser. Such deed shall be in the form contained in Part II of the Plan, executed and acknowledged by Seller or as directed by Seller in form for recording.

Simultaneously with the delivery of the deed, Purchaser shall cause the proceeds of any mortgage loan to be transferred to the Seller on account of the Total Purchase Price and shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Seller.

4. Power of Attorney. At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller or as directed by Seller at the closing of title for recording and to pay the recording fee thereof.

5. Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations. Purchaser has been afforded at least three (3) full business days to review the Plan, as amended, prior to the signing of this Agreement.

Purchaser hereby agrees to be bound by the Plan, the Declaration, the By-Laws, and the Rules and Regulations.

6. Condition of Title. 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 in the section titled "Terms of Sale," and the 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.

7. Expenses of Closing and Closing Adjustments. Purchaser will pay the closing costs and expenses referred to in the Section of the Plan entitled "Unit Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax as set forth in such Section, payment for title insurance, if Purchaser elects or is required by lender to obtain same, recording fees for recording the Deed and Power of Attorney, New York City Real Property Transfer Tax, New York State Transfer Tax, Additional Tax Due on the Conveyance of Residential Real Property of \$1,000,000 or more (the 1% so-called "Mansion Tax", if applicable), Seller's attorney's fees for closing the Unit, a reimbursement fee for preparation of the offering plan, and costs associated with obtaining a mortgage loan. The legal fees of Seller's attorneys in the amount of \$2,600.00, plus disbursements, will be payable by Purchaser to Boris Saks Esq., PLLC. A further fee \$500.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment and/or cancellation of a purchase agreement or contract. Purchaser shall have no right to assign this Agreement without Seller's prior written consent. Any purported assignment of this Agreement in violation thereof shall be voidable at the option of Seller. A legal fee of \$500.00 shall be payable for work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth herein. In addition, Purchaser shall also pay at the closing an amount equal to 2 months' common charges for the Unit(s) to Sponsor for the Condominium's working capital fund and \$2,950.00 to the Sponsor as reimbursement of expenses associated with the Offering Plan. Except as otherwise provided in this agreement or in the Plan, 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 \$500.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association.

8. Agreement Subject to Mortgages. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan

mortgage heretofore or hereafter made and any advances heretofore and hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments.

9. Default by Purchaser. 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 or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser and Seller may send notice to Purchaser of Seller's intention to cancel this Agreement if such default shall not be cured within twenty (20) days from the mailing date of such notice or fifteen (15) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, Boris Saks, Esq., PLLC, that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof, and Boris Saks, Esq., PLLC shall thereupon pursuant to Paragraph 15 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment, and 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 cancelled by Seller pursuant to the provisions of this Paragraph 9, 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. Boris Saks, Esq., PLLC may rely upon the truth and accuracy of the facts contained in Seller's certification and authority of the person or persons executing the same and shall have no liability as a result of such reliance.

Notwithstanding the above, the Escrow Agent will not release the funds from the escrow account until otherwise directed in:

- (i) a writing signed by both Sponsor and Purchaser;
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the

Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provisions.

The Sponsor will 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.

In the event of a dispute, Sponsor shall apply and Purchasers or the Escrow Agent may apply to the Attorney General for a determination on the disposition of the down payment and any interest thereon. A form for this purpose is attached as Exhibit G of Part II of the Plan and is also available from the Office of the Attorney General. The party applying for a determination shall contemporaneously send all other parties a copy of the application.

10. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above or to Purchaser's Attorney's e-mail address given above and to Sponsor at 75-23 Main Street, Suite 216, Queens, New York 11367, with copy to Boris Saks, Esq., PLLC, 1732 East 12th Street, Brooklyn, New York 11229 or at such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

11. No Representation. 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, advertisements, representations, warranties or statement of any nature, whether made by Seller, Seller's counsel or otherwise, including, but not limited to, any relating to the description or physical condition of the Buildings 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 or the right to any income tax deduction on account of any real estate taxes and/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 is not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specification for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from its obligations hereunder by reason of any minor inaccuracy or error.

12. 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 Register of the City of New York, County of Kings. Such deed and power of attorney will be in the form set forth in the Plan.

13. 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.

14. 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, provided Purchase Agreements for Units totaling not more than 80% of the Common Interest of the Condominium have been executed and accepted. If the Plan is abandoned or does not become effective this Agreement shall be deemed cancelled, and the Plan terminated and Purchaser is to receive back, not later than five (5) days thereafter, in full, all monies paid by him hereunder, 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. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in the Plan for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Agreement shall be deemed cancelled. If this Agreement is cancelled pursuant to the provisions of this paragraph, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

15. Monies to be Held in Trust; Liquidated Damages. The required Down Payment pursuant to this Agreement will be ten percent (10%) of the Purchase Price for the Unit. All monies, including all deposits, down payments or advances, received by Seller through its agents or employees pursuant to this Agreement will be deposited with Signature Bank in an IOLA account titled "Boris Saks, Esq., PLLC - Attorney Escrow Account/IOLA" or similar name at its branch located at 6321 New Utrecht Avenue, Brooklyn, New York 11219. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 per individual deposit.

In the event of an uncured default by Purchaser in its obligations under the Purchase Agreement, no more than ten percent (10%) of the Purchase Price plus any interest earned thereon, may be retained as liquidated damages.

16. Equipment and Furnishings. Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in

the Purchase Price of the Unit.

17. Acceptance of Condition of Unit. The signing of a Purchase Agreement shall constitute acceptance of the Unit "As Is" by Purchaser, except for those matters which are the responsibility of the Sponsor as stated in the Plan.

18. 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 for the Unit. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of a Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Accordingly, any Purchaser, or one claiming by or through Purchaser who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase such Unit under the terms of the Agreement.

19. Entry of Unit Prior to Closing. Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor or the Selling Agent. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title but shall be obligated to make an inspection appointment with Sponsor or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

20. Limitation of Sponsor's Liability. The Sponsor's liability under this Agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the money deposited hereunder 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 Sponsor shall not be required to bring any action or proceeding to render the title to the Unit marketable or to cure any objection to title.

21. Gender. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

22. Other Agreements. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

23. Amendment to the Purchase Agreement. This Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

24. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than _____. Purchaser hereby agrees to indemnify, defend and hold Seller harmless from any claims by any broker that alleges that he has dealt with Purchaser in connection with the purchase of the Unit.

25. Governing Law. The Agreement shall be governed by and construed in accordance with the laws of the State of New York.

26. Jury Waiver. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

27. Acceptance by Seller. Within thirty (30) days after delivery to Seller or its agent by Purchaser of this 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 downpayment tendered by Purchaser.

28. 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.

29. Conflict with Plan. Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

30. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement, or the intent of any provision hereof.

Dated: _____

_____, New York

PURCHASER

Accepted:

Douglass Residence, LLC

By: _____

:

Escrow Received in Accordance
With the Terms Hereof:
Boris Saks, Esq., PLLC

By: _____

EXHIBIT “B”

DEED

THIS INDENTURE made the _____ day of _____, 20____,
between Douglass Residence, LLC, 75-23 Main Street, Suite 216, Queens, New York 11367,
 (“Grantor”), and _____ (“Grantee”);

W I T N E S S E T H:

That the Grantor, in consideration of Ten (\$10.00) Dollars and other good and valuable Consideration, paid by the Grantee, does hereby grant and release unto Grantee, and the heirs or successors and assigns of the Grantee, forever,

ALL that certain piece or parcel of real property described in Schedule A attached hereto, known as Unit # ____ in the 99Douglass Street Condominium, 99 Douglass Street, Brooklyn, New York;

TOGETHER WITH a ____% undivided interest in the Common Elements of the Condominium;

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Buildings, or which may come into existence hereafter as a result of settling of the Buildings, or as a result of repair or restoration of the Buildings, or the Unit, after damage or destruction by fire or other casualty, or any taking in condemnation or eminent domain proceedings, or by 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 Buildings shall stand;

TOGETHER WITH AND SUBJECT to the terms conditions covenants, easements and provisions of the Declaration and of the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended or modified in accordance therewith, from time to time by instruments recorded in the City of New York, Kings County, which terms, conditions, covenants, reservations and provisions together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit as though such provisions were recited and stipulated at length herein;

SUBJECT FURTHER to all exceptions to title set forth in the Offering Plan;

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, and the heirs or successors and assigns of the Grantee, forever;

AND the Grantor covenants that the Grantor 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 of the State of New York, covenants that the Grantor will receive the Consideration for this conveyance and will

hold the right to receive such Consideration as a trust fund for the purpose of paying the cost of improvements and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose;

AND the Grantee accepts and ratifies the Declaration and the By-Laws and the Rules and Regulations 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 Register of the City of New York, Kings County.

The use for which the Unit is intended is that of a one family residence subject to the applicable governmental regulations and the restrictions contained in the Declaration.

IN WITNESS WHEREOF, the Grantor and Grantee part have duly executed this deed the day and year first above written.

Grantor

Grantee

State of New York)
) ss.:
County of _____)

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 _____)

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

EXHIBIT "C"

POWER OF ATTORNEY

THE UNDERSIGNED, the Owner(s) of Condominium Unit No. _____ in the Condominium known as The 99 Douglass Street Condominium covering the property located in Kings County, City and State of New York, do hereby nominate, constitute and appoint the members of the Board of Managers of the Condominium and their successors jointly, my true and lawful attorneys-in-fact coupled with an interest and with the power of substitution, in my name and on my behalf to (1) 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 sell or abandon the same, or which shall be the subject of a foreclosure sale or a deed in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their 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 my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present; and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

I(We) do, hereby further irrevocably nominate, constitute and appoint Douglass Residence, LLC, and its successors, my true and lawful attorneys-in-fact coupled with an interest, with power of substitution, in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of The 99 Douglass Street Condominium, the By-Laws and the Rules and Regulations of the said Condominium or any of said documents when such amendment (1) shall be required to fully and fairly depict the Units as built or to carry out any of the provisions of the Offering Plan, or to create any utility easement, or (2) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with the Declaration or (3) shall be required by (a) an institutional lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided however, that any amendment made pursuant to the terms of subdivision (1), (2) or (3) of this paragraph shall not

Prepared By:

Royal Engineering, P.C.

Victor Suben, P.E.

146-02 Hillside Avenue

Jamaica, NY 11435

Phone No# (718) 883-1555

Dated: September 4th, 2020

SECTION 20.7: DESCRIPTION OF PROPERTY AND SPECIFICATIONS

(a) LOCATION AND USE OF PROPERTY

(1) Address:

The building will be located at 99 Douglass Street in the Boerum Hill section of the Borough of Brooklyn, County of Kings, City and State of New York in Zip Code 11231.

(2) Block and lot number:

The site is located on Tax Lot number 49 in Tax Block number 409.

(3) Zoning:

The site is located in an R6B as designated on Map number 16c of the N.Y. City Zoning Resolution.

The site is being developed pursuant to the Quality Housing requirements of the current New York City Zoning Resolution. The building plans have been approved by the N.Y. City Department of Buildings and comply with the Quality Housing Zoning requirements. Exhibits I & III have been recorded in the city register under CRFN# 2017000344557, 2017000344556 (Section 20.7 (a) (3))

(4) Permissible Use:

The Zone permits Residential as of right.

(b) STATUS OF CONSTRUCTION

(1) Year built:

The building is currently under construction. Construction commenced in August of 2018. It is expected that the construction work will be completed in Fall of year 2020.

(2) Class of construction:

The Class of Construction will be I-B as described by Table 601 of the 2014 New York City Building Code. The structural support members will consist of non combustibile material with a minimum fire protection rating of two hour. Floor/ ceiling assemblies shall also be of non-combustible materials with a minimum rating of one hour. Exterior walls shall also be of non-combustible materials with a minimum fire rating of two hours.

(3) Certificate of occupancy, type and number:

The building is under construction and a permanent certificate of occupancy will be issued when all the required work is inspected and signed off by the New York City Department of Buildings.

The sponsor shall obtain a Final Certificate of Occupancy prior to the closing of the first unit.

(4) Permit numbers and description of work done:

The building is being constructed as per plans which were filed with and approved by the Brooklyn Office of the NYC Department of Buildings. The building plans have been assigned Department of Buildings application number 321583176.

The building plans were reviewed and approved by the NYC Department of Buildings. The Building plans were not "Self-Certified"

Permit number 321583176-01-AL has been issued by the NYC Department of Buildings for the construction of the building.

The sponsor has not retained the Engineer responsible for this Report to conduct "Special Inspections" on the project.

(c) SITE

(1) Size:

The site is located on Northerly side of Douglass Street, distance 225.0 feet Westerly from the Northwesterly corner of Douglass and Hoyt Streets. The site is rectangular in shape and has a frontage of 20.0 feet along Douglass Street. The side lot lines, extend to a depth of 100.0 feet perpendicular to Douglass Street. The site has an area of approximately 2,000 square feet.

(2) Number of buildings and use:

There will be one building constructed with residential and accessory uses.

(3) Streets owned or maintained by the project:

(i) Paving (material and condition):

The streets beyond the lot lines are existing, New York City sidewalks, curbs, and roadways. Douglass Street is an existing sixty (60.0') foot wide, one way street.

There is an existing concrete sidewalk fronting the property. The existing concrete will be replaced with a new sidewalk, as required for this building when construction is near completion.

The new sidewalk fronting the property shall be free of tripping hazards and ponding. The sidewalk shall be ADA compliant and shall be replaced as directed by the NYC Department of Transportation. The roadways are asphalt paved. The roadways fronting the property will be repaired as directed by the NYC Department of Transportation when construction is near completion.

(ii) Curbing (material and condition):

There is an existing concrete curb fronting the property. The existing concrete curb will be replaced with a new concrete curb, as required for this building when construction near completion.

The new curbs, ramps, and aprons shall be ADA compliant and shall be replaced as directed by the NYC Department of Transportation.

(iii) Catch basins (location and condition):

Existing catch basins are located along the roadway to drain the sidewalk, storm water run-off, into the existing New York City Sewer System. The existing catch basins are in good condition and located along Douglass Street.

(iv) Street lighting (material, type, location, and condition):

Existing street lighting is provided by the City of New York. The existing street lights are located, at the sidewalk close to the curb, on both sides of the roadway along Douglass Street. The existing street lights are in good condition.

(v) Conformity with Municipality Codes:

The sidewalk paving, ramps and aprons shall be ADA compliance. A Builders Paving Plan was filed with and approved by NYC Department of Buildings under application number 321683353, for the construction of the new sidewalk, curb, and roadway repair.

The Condominium Board will be responsible for maintaining the sidewalk in front of the property as per the NYC Department of Transportation requirements.

The new sidewalk paving and curb will be subject to site inspection and approval by NYC Department of Buildings and NYC Department of Transportation.

(4) Drives, sidewalks, and ramps:

(i) Curbing (material and condition):

There will be a new eight inch high reinforced, concrete curb in front of the building.

(ii) Conformity with municipal codes:

All paving and drainage devices will be designed to conform to the standards of the NYC Department of Buildings and the NYC Building Code and will be subject to approval and inspection by the Department of Buildings.

(d) UTILITIES

Water, will be provided by the City of New York, and water consumption will be a common charge.

Natural Gas, will be provided by National Grid, for cooking and heating; and each unit will be separately metered and billed directly.

Electricity, will be provided by the Consolidated Edison Company, and each unit will be separately metered and billed directly.

Telephone service, will be provided by Verizon, and each unit will be separately metered and billed directly.

The entire Sanitary waste, will be carried from the building into the existing New York City Sewer System.

The cost of services of the common areas will be borne by the condominium board.

(e) SUB-SOIL CONDITIONS:

The site is located within FEMA Map Panel number 3604970211F which is determined to be outside the annual chance of flood plain.

The soil at the bottom of the footings will be Type (3b) soil, as per subsurface test.

All new foundations shall be 12 inches reinforced concrete wall. All new reinforced footings shall be 36 inches by 12 inches. There shall be a 4" concrete slab in the cellar reinforced with wire mesh. All existing foundations and footings shall be reinforced.

The new foundation walls and slabs shall be greater than four feet below grade level and shall be protected where possible with trowelled on mastic waterproofing and adjacent gravel fill at the perimeter to negate freezing stresses.

- (1) There is no apparent evidence of uneven foundation movement, settling, cracking, mortar joist decay, etc.
- (2) There is no apparent evidence of moisture, seepage or ground water infiltration.
- (3) There is no apparent danger from flooding due to a water table or overflow from other bodies of water. The site and surrounding properties are relatively flat and there is no apparent potential mudslides or erosions from the surrounding properties.

(f) LANDSCAPING AND ENCLOSURES:

(1) Grass cover (type, location):

There will be no grass cover on the site.

(2) Plantings (type, location):

There will be some evergreen type, shrubs and plants, planted in planters located at grade level adjacent to maintain entrance at the front of the building.

(3) Trees (type, location):

There will be no tree on the site.

(4) Fencing (type, location):

There will be a new six foot high vinyl fence on property lines enclosing the rear yard.

(5) Gates (type, location):

There will be no gates constructed on the property.

(6) Garden walls (type, location):

There will be no garden walls at the open yard areas.

(7) Retaining walls (type, location):

There will be no retaining walls constructed on the property.

(8) Display pools and fountains (type, location):

There will be no display pools or fountains at the open yard areas.

(g) BUILDING SIZE

(1) The total height (approximately total feet from ground level to highest part of roof):

The building will be a total height of approximately fifty feet, measured from the average grade to the finished roof above the bulkhead.

(2) Crawl Spaces (floor to ceiling, height):

There will be no crawl spaces in the building.

(3) Number of sub-cellars and cellars:

There will be one cellar level in the building. There cellar level will be approximately nine feet below the average grade level.

(4) Number of floors (actual including penthouses):

The building will consist of four floors with penthouse and cellar.

(5) Equipment rooms (location and use):

There will be sprinkler equipment, mechanical room, and meter rooms located at the cellar floor level of the building. There will also be mechanical closets within each unit at the third and fourth floor levels.

(6) Parapet (height above roof):

There will be metal railing with a minimum height of three feet and six inches, above the finished roof areas at the roof above the fourth floor and penthouse level. The roof above penthouse and bulkhead will also have metal railing with a minimum height of three feet and six inches.

(h) STRUCTURAL SYSTEM

The structural system for the building will be mainly a poured, reinforced concrete slab and foundation construction for new extension and steel columns for existing part of the building. The steel columns will reinforce the existing foundations and bear the weight of the new floors added above. There is no underpinning.

The footing shall be 36" wide by 12" deep on minimum 2 ton undisturbed soil. The reinforced foundation walls shall be 12" thick which will be tied into the mat slab with steel re-bars. Foundation walls shall be protected below grade with a trowled on mastic, waterproofing membrane and clean gravel fill adjacent to the walls at the exterior where applicable. There will be no subgrade drainage system for foundation. The cellar slab shall be 4" thick reinforced with 6"x6"x10/10mm wire-mesh on vapor barrier, 6" porous fill on 2 ton undisturbed soil.

The structural assembly at the floors and the roof assembly shall be constructed with 12J14 metal joists with 2 1/2" lightweight concrete over 1 1/2" 20 gage galvanized deck. The subfloors will be 3/4" T&G fire rated plywood. Floor/ceiling assemblies shall have minimum STC of 50 in compliance with the 2008 NYC Building code.

The structural system has been designed by a NY State licensed structural engineer and has been designed to withstand lateral forces due to wind, soil and earthquake in compliance with the 2014 NYC Building Code.

The Class of Construction will be I-B as described by Table 601 of the 2014 New York City Building Code.

(1) Exterior of Building:

(i) Walls:

The exterior wall finishes at the front of building shall be a double glazed windows, bricks on the sides and aluminum panels between the floors. The exterior wall finishes at the rear of building shall be a double glazed windows, stucco on the sides and aluminum panels between the floors. The exterior wall finish shall be of dense glass on heavy gage metal studs on the existing part and load bearing masonry blocks on the extension part of the side walls. The dense glass and the stucco walls shall be supported by load bearing steel columns and beams at the perimeter of the building.

The interior finish, at the inside surfaces of the exterior walls to the front and rear of the building shall be of gypsum wallboards supported by steel studs. The interior finish, at the inside surfaces of the masonry walls at the sides of the building shall be gypsum wallboards on steel furring studs. The spaces between the steel studs at all exterior walls shall be filled with foam insulation with a minimum R-value of 13.

The exterior walls have been designed to comply with the New York State Energy Conservation Construction Code and the NYC Energy Conservation Code.

Exterior walls shall also be of non-combustible materials with a minimum fire rating of two hours. That includes exterior walls that are inboard the main exterior CMU walls and also the exterior walls that are setback from the interior lot lines.

The building is not greater than five stories in height and therefore shall not comply with Local law 11 of 1998 which requires periodic façade inspections once construction has been completed.

(ii) Windows:

Windows are to be new Dual Pane Glazing, custom windows manufactured by 'Pella Windows and Doors'. Windows will be mainly of the casement and out-swinging. Glazing shall be set in extruded aluminum frames constructed with polyurethane thermal breaks. The perimeter of window openings shall be constructed with a minimum 24 gage galvanized steel flashing and shall be filled with latex-based, caulking compound at interior and exterior surfaces. Air infiltration rate of windows shall not exceed 0.3 cf and shall comply with the New York City Energy Conservation Code and New York State Energy Conservation Construction Code.

Air infiltration rate of windows shall be in compliance with the New York State Energy Conservation Construction Code and the New York City Energy Conservation Code.

The manufacturer limited warranty is for ten years for material and hardware and two years for labor.

Window sills shall be constructed of extruded aluminum and of stucco. Lintels above window openings shall be of steel fabrication protected with aluminum cladding and also stucco.

Window guards shall be installed as necessary by each unit's owner. Aluminum window guards shall be installed by each residential unit's owner at the windows within each unit that a child 10 years old or younger will reside.

There will be no window screens provided.

(iii) Landmark Status:

The building is currently not located in a Landmarks area, nor will the building be designated Landmarks Status.

(2) Parapets and copings:

There will be metal railing with a minimum height of three feet and six inches, above the finished roof areas at the roof above the fourth floor and penthouse level. The roof above penthouse and bulkhead will also have metal railing with a minimum height of three feet and six inches.

(3) Chimneys and Caps:

There will be vertical, stainless steel direct vent from mechanical rooms through roof for the ventilation of the mechanical equipment. The vents shall be minimum three feet high from the surface of the roof. The vents shall be double-walled and with an inner pipe thickness of approximately 0.014" and an outer pipe thickness of approximately 0.018". Caps shall be constructed to prevent back drafts and to keep out rain and all types of debris out of the vents. Vent and caps shall be NYC BS & A or MEA approved.

The sponsor reserves the right to provide flues by a different manufacturer.

(4) Balconies and Terraces:

There will be no balconies located at the building, there will be a terrace at the back of the 2nd floor. The door to the terrace will be sliding dual pane glazing with 0.29 U factor manufactured by 'Pella Windows and Doors', material is aluminum clad exterior with wood interior.

(i) Deck Finish:

The roofs shall be finished with exterior type raised access flooring system on two layers of rubber material supported on the poured, reinforced concrete slab.

(ii) Railings:

There will be metal and glass railings with a minimum height of three feet and six inches all around the roof. There will not be ladder effect.

(iii) Coping:

There will be no coping.

(iv) Soffits:

There will be on soffits.

(5) Exterior entrances:

The exterior entrances to the building shall be free of tripping hazards and ponding. The exterior entrances shall also be ADA compliant and shall comply with the NYC Building Code.

Walkways at grade level shall be pitched to cast iron area drains and sidewalks shall be pitched towards the curb to allow for drainage. The exterior drainage system will be adequate and shall comply with the NYC Building Code and the standards of the NYC Department of Transportation.

(i) Exterior Doors and Frames:

There will be one, main, exterior entrance door located at the first floor level at the front façade of the building. The door will provide access to the entry lobby and egress stair.

The main entrance door shall be double-hinged, double glazed glass door set in extruded aluminum framing and mounted on steel frames. The main entrance door which provides access directly to the exterior will be non-fire rated.

The doors to the egress stair will be provide access to and from the cellar floor level and shall be single hinged, hollow core steel, fireproof self-closing door mounted on steel frames. The doors shall be one and one half hour fire rated and shall be equipped with an entry type lockset and panic hardware.

(ii) Vestibule doors and frames:

There are no vestibules.

(iii) Exterior Stairs:

There will be exterior stairs at the rear of the building. Exterior stairs can be accessed from the cellar level and from the grade level at the rear.

(iv) Railings

Exterior stairs shall be fabricated with metal and shall have three feet and six inches high metal railing.

(v) Mailboxes:

U.S.P.S. approved type mailboxes will be provided for each residential unit within the entrance, located at the first floor level.

Mailboxes shall be wall mounted, cluster box type units. Series 4C as manufactured by Salsbury Industries. Mailboxes shall be of aluminum construction.

The sponsor reserves the right to provide mailboxes by a different manufacturer which are equal to or better than the noted above.

(vi) Lighting:

There shall be wall mounted, exterior, lighting fixtures provided adjacent to the main entrance at the first floor level of the building. The lighting fixtures shall be capable of providing an aggregate illumination of at least two hundred (200) watts incandescent illumination, or its equivalent at the entrances.

There shall be a wall mounted lighting fixtures at the rear of the building and above the entrance to the egress stair at the rear of the building. The lighting fixtures shall be capable of providing an aggregate illumination of at least sixty (60) watts incandescent illumination, or its equivalent at each entrance.

Lighting shall be adequate and shall be in compliance with the NYC Housing Maintenance Code and Multiple Dwelling Laws.

All lighting fixtures shall be installed by a NYS licensed electrician and shall be in compliance with the NYC Electrical Code.

(6) Service Entrances:

There will be no separate service entrances to the building. The following sub-sections will not be applicable to this Report.

- (i) Doors and Frames (material, type, lock);
- (ii) Gates (material, type, lock);
- (iii) Exterior stairs (material, location);
- (iv) Railings (material, location);

(7) Roof and Roof Structures:

(i) Types:

There will be flat roof located above the fourth floor, penthouse, and bulkhead.

(i) (a) Material:

The flat roof areas shall have following system ;

1st layer of waterproofing protection course manufactured by W.R. Meadows Model PC-3,
2nd layer of modified bitumen membrane as manufactured by firestone Model APP 160,
3rd layer of modified bitumen membrane as manufactured by firestone Model APP 180, supported by steel columns, concrete block walls, and load bearing walls.

(b) Insulation:

The Foam insulation located below the concrete slab of the roof area shall be closed cell as manufactured by 'DEMILEC' and have a minimum R-value of R-49.

The roof composition shall comply with the New York State Energy Conservation Construction Code and the New York City Energy Conservation Code.

(c) Surface Finish:

The roofs shall be finished with raised access flooring system supported on the poured, reinforced concrete slab. The finish material shall be appropriate for daily foot traffic.

The roof terrace finish material and installation is acceptable by the manufacturer to retain the roof warranty.

The sponsor reserves the right to provide a roofing finish by a different manufacturer which is equal to or better than noted above.

(d) Bond or guarantee:

The expected life span of the roof type is ten to fifteen years. A minimum of fifteen year starting summer of year 2020. No Dollar Limit manufacturer's warranty for materials and labor shall be provided for the flat roof areas.

(e) Flashing materials including counter flashing:

The perimeter of the roof areas shall be fitted with copper fabric or stainless steel flashing and counter flashing.

Penetrations of ducts, pipes, skylights, etc. shall be properly flashed and waterproofed with galvanized steel or stainless steel base and cap flashing.

(ii) Drains:

(a) Flat roof areas shall be pitched at minimum slope of approximately 1/8" per foot. Controlled flow roof drains and internal leaders at the roof areas shall be of cast iron and will be connected to the building's storm drainage system.

(b) There will be aluminum scuppers and leaders at the roof areas above the stairs bulkhead which will transport the storm drainage to the controlled flow, roof drains at the roof above the fourth floor level.

(iii) Skylights:

There will be no skylight on roof area.

(iv) Bulkhead:

(a) Stair material:

The exterior walls of the stair bulkhead shall be mostly of load bearing, steel studs with exterior grade gypsum wallboards with a wire lath and a stucco finish. The spaces between the steel studs shall be fitted with fiberglass, batt insulation. The interior surfances shall be finished with gypsum wallboards. The roof areas shall be finished as mentioned above.

Stairway access to the roof shall comply with FC chapter 10.

(b) Elevator material;

There is no elevator in this building.

(c) Other;

There will be no other bulkhead areas.

(v) Metal work at roof levels:

(a) Exterior Metal stairs:

There will be no exterior metal stairs at the roof areas.

(b) Vertical ladders, including gooseneck:

There will be a vertical ladder at the back of the bulkhead, to the roof of the bulkhead.

(c) Railings:

There will be metal and glass railings at the bulkhead roof area.

(d) Hatches to Roof:

There will be no hatches to the roof areas.

(e) Other:

There will be steel dunnage beams supporting condensers at the roof above the bulkhead.

(vi) Rooftop Facilities:

There will be an open roof terrace, allocated as accessory to apartment # 2 located at the front roof above the fourth floor level towards the front of the building. The accessory area shall be for the use of the owner of the apartment # 2.

There will be an open roof terrace allocated as accessory to apartment # 3 located at the rear roof above the fourth floor level towards the rear of the building. The recreation area shall be for the use of the owner of the apartment # 3. Also there shall be a roof above penthouse level allocated as accessory use for apartment number 3.

There is no roof terrace assigned as 'LIMITED COMMON ELEMENT'.

Rooftop access is designed in compliance with 2014 NYC Fire Code, section FC 504.4.

The furnishings for the roof terrace and the rules and regulations regarding the use of the area shall be decided by the Condominium Board.

(8) Fire Escapes:

There will be no fire escapes at the exterior of the building. Interior egress stairs will be provided as per Section (10) of this report.

The following subsections will not be applicable to this report:

- (i) Location
- (ii) Floors covered
- (iii) Drop ladder
- (iv) Type
- (v) Materials

(9) Yard and Courts:

There will be no front yard area. There will be one rear yard area. There will be no driveway and walkway along the length of the building.

(i) Paving:

The open rear yard shall have approximately 190 SF of paved area.

(ii) Drainage:

The paved area of rear yard will have drain.

(iii) Railings:

There will be 3'-6" high metal/glass railings at the yard areas next to area way adjacent to cellar.

(iv) Stairs:

There will be exterior stairs at the rear yard area.

(v) Fencing:

There will be a new wood fence at the property lines to the rear of the building.

(vi) Walls:

There will be no walls at the yard areas.

(10) Interior Stairs:

(i) Number and type:

There will be Straight and double winder, and half landing type, interior stairs within the building. The stairs will provide egress from the cellar floor to the 1st floor and the rear yard in unit # 1. There will be interior stairs between 2nd and 3rd floor in unit # 2, and there will be interior stairs between 4th floor and penthouse in unit # 3. The stairs shall also provide egress from the cellar through to the roof above the fourth floor. Egress and convenience stairs shall be in compliance with applicable codes.

(ii) Enclosure:

The walls enclosing the interior, egress, stairs will be mainly of load bearing steel studs with two layers of 5/8" type X gypsum wallboards. The steel studs walls will be finished with exterior grade wallboards and wire lath with stucco at the exterior at the roof areas. The ceiling areas, below landings of the egress stairs shall be finished with stucco. The enclosures will have a minimum fire resistance of two hours.

(iii) Stair construction:

The interior egress stair shall be of metal, filled with concrete.

(iv) Stringers:

The stringers shall be of metal.

(v) Treads:

The treads of the egress stairs shall be of metal, filled with concrete.

(vi) Risers:

The risers of the egress stairs shall be of metal.

(vii) Guardrails:

The open perimeter of egress stair landings, where necessary, shall be protected with steel guardrails, with a minimum height of three feet and six inches (3'-6") above the finished level of the landings.

The maximum spacing between the vertical mullions of all types of railings shall be approximately four inches (4") as required by the NYC Building Code.

The egress stairwells shall be equipped with steel tube handrails, with a minimum height of thirty inches above the finished level of the treads.

(viii) Balustrade:

There will be no balustrades at the perimeter of any of the stair landings.

(11) Interior Doors and Frames:

(i) Unit Entrance and Interior Doors and Frames:

The entrance door to each residential unit shall be double-hinged, hollow metal doors with a minimum rating of one and one half hours. Doors shall be mounted on steel frames. Each door shall be equipped with a peephole and an entry type lockset.

Interior doors within the residential units shall be solid wood doors, mounted on metal frames. Doors within the residential units shall be equipped with privacy type locksets.

(ii) Mechanical room doors and frames:

There will be mechanical room doors located at cellar, 3rd floor, and 4th floor of the building which will provide access to mechanical rooms. Mechanical room doors shall be fireproof, self closing, hollow core, steel doors, with a minimum rating of 1 1/2 hours. All doors shall be set in steel frames.

(iii) Stair hall doors and frames:

Stair hall doors, located at the first through the penthouse level, shall be fireproof, self closing, hollow core, steel doors, with a minimum rating of 1 1/2 hours. All doors shall be mounted on steel frames.

(iv) Roof doors, cellar doors, and frames:

The doors located at the cellar floor level will provide access to mechanical and meter rooms. Doors located at the cellar floor level shall be fireproof, self closing, hollow core, steel doors, with a minimum rating of 1 1/2 hours. All doors shall be mounted on steel frames. Roof doors shall be fireproof, self closing, hollow core, steel doors, with a minimum rating of 1 1/2 hours. All doors shall be mounted on steel frames.

AUXILIARY FACILITIES

(1) Laundry Rooms:

(i) Location and number of rooms:

There will be one laundry closet provided within each residential unit with hookups for domestic type, stackable not wider than 27", electric ventless washing machines and dryers.

The actual laundry equipment to be purchased and installed by each unit's occupant as necessary. Laundry equipment to be installed shall be U.L. approved or NYC M.E.A. or B.S. and A. approved if necessary.

(ii) Clothes Washers (number and type):

There will be one cloth washer provided by the Sponsor for each unit manufactured by Electrolux, Model number EFLS527UTT.

(iii) Clothes Dryer (number and type):

There will be one cloth dryer provided by the Sponsor for each unit manufactured by Electrolux, Model number EFME527UTT.

(iv) Dryer Ventilation (method and final exhaust):

There will be direct vents provided for each dryer.

(2) Refuse Disposal:

There will be no refuse disposals in the building.

Garbages will be collected by NYC Department of sanitation every Tuesday and Fridays, and recycling will be collected every Friday. This information is based on current Sanitation department schedule and is subject to change.

The following subsections do not apply:

- (i) Incinerators
- (ii) Compactors
- (iii) Approvals by authority having jurisdiction
- (iv) Initial storage location
- (v) Pick-up Schedule

PLUMBING AND DRAINAGE

(1) Water Supply (system, pumps, storage and location):

Water will be supplied to all units through connections to the building, from the New York City Water Distribution System. There will be a new 3" combined domestic and sprinkler water main supply line, connected to the existing 8" NYC water main located in the roadway beneath Douglass Street. Water shut off valve will be located in the cellar. Each residential unit is to be supplied with cold water from a minimum 3/4" copper piping. Each residential unit will have its own hot water heater, located in the mechanical room.

The hot and cold water piping throughout the building will be protected with polyethylene, thermal insulation with a minimum R-value of 3 as required by the N.Y. State Energy Conservation Construction Code.

The building will rely on normal New York City water pressure for raising water to the fourth floor level.

(2) Fire Protection System:

There will be a wet pipe, sprinkler system installed throughout the building. Sprinkler application in conjunction with Alteration Type-1 application Number 321583176 has been filed and approved by NYC Department of Buildings. The applications were filed by a New York State licensed, professional engineer. The required permits will be secured prior to the installation of the sprinkler system. The nearest fire hydrant to the building is approximately 73 feet East of the Easterly side property line, at the curb on the opposite side of the street.

(i) Standpipes (material, size, location):

There will be no standpipe provided.

(ii) Hose racks, hoses, and nozzle (location):

There will be no hoses, hose racks, and a nozzle.

(iii) Sprinkler heads (type, system, location):

Sprinkler heads shall be mainly of the concealed, pendant type within the residential units and of the upright pendant type at the cellar and mechanical room areas.

(iv) Siamese Connection (type, location):

There will be a 4"x3"x3" free standing, siamese connection located adjacent to the main entrance to the building at Douglass Street. The connection will be a minimum of 24" above grade level.

(3) Water storage tanks and enclosures:

There will be no water storage tanks at the roof of the building. The following sub sections will not be applicable to this report:

(i) Number, type, location

(ii) Material (interior, exterior, and roof)

(iii) Access to tank

(iv) Capacity (total gallons)

(v) Capacity (fire reserve)

(4) Water Pressure:

The building will rely on normal New York City water pressure for raising water to the fourth floor level. The water pressure at the site will be approximately 58 psi.

(5) Sanitary Sewage System:

(i) Sewage piping (materials):

Sanitary sewage piping shall be of extra heavy cast iron.

(ii) Sewage pumps:

There will be no sewage pumps installed.

(iii) Sewage disposal:

The sanitary waste will be conveyed to the New York City sewer system via new extra heavy cast iron, sewer pipes located within the building, which will lead to a 6" sanitary, house trap of extra heavy cast iron, located towards the front of the building at the cellar floor level.

Beyond the house traps, there will be new 6", extra heavy cast iron, sanitary drain pipe which will be connected to the existing 15" combined sewer line located in the roadway beneath Douglass Street.

(6) Permits Required:

A permit for installation of plumbing fixtures shall be obtained from the Department of Buildings prior to the installation of all plumbing work within the building and on the site. A Site Connection permit shall be obtained from the Department of Environmental Protection prior to connecting to the existing New York City sewer system.

All plumbing work shall be performed by a N.Y. State licensed Plumber.

(7) Storm Drainage System:

The storm drainage system will be a gravity flow system. The on-site storm drainage system will consist of controlled flow, cast iron, roof drains connected to vertical, interior cast iron leaders, cast iron area drains and below grade, horizontal, cast iron drains.

The controlled flow, run-off from the roof and yard areas will be conveyed to a new 6" extra heavy, cast iron, horizontal, storm drain. The 6" storm drain will be tied into a new 6" sanitary connection at property line which will be led to the existing 15" combined sewer, located in the roadway beneath Douglass Street.

The proposed drainage system has been approved by the NYC Department of Environmental Protection, prior to approval of the building plans by the NYC Department of Buildings.

(i) Catch Basins:

Catch basins are located in the public roadway along Douglass Street and Hoyt Street.

(ii) Yard and Roof Drains:

There will be controlled flow, cast iron, roof drains located at the roof areas above fourth floor and at the roof area above the stair bulkhead.

(iii) Piping:

Interior, vertical, storm and waste pipes shall be of cast iron or other material as approved by NYC Department of Buildings.

(iv) Ejector or sump pumps:

There will be no sewage ejector pump.

There will be no sump pump installed in this building.

HEATING (SPACE HEATING AND DOMESTIC HOT WATER)

- (1) Domestic hot water shall be provided for each residential unit by a gas fired, instant water heating unit, manufactured by Navien, Model number NPE-240 which will be located in a

mechanical room in each dwelling unit. The hot water heating system shall be designed to be capable of providing peak required services to each residential unit.

Heating of each residential unit will be achieved by a forced air, HVAC system manufactured by Mitsubishi, Heated air will be supplied to the spaces within the units

The space heating system will be designed to maintain a minimum inside temperature of 70 degrees Fahrenheit, when the outside temperature is 15 degrees Fahrenheit with a 15 mph wind (in accordance with ASHRAE, 2001 Fundamentals Handbook, Climatic Design Information, Table 1A, for New York City, JFK Airport).

Each Condominium Owner will be responsible for the costs of maintenance and replacement of the domestic hot water and the space heating equipment for his residential unit.

(2) Number of Boilers and Description:

There are no boilers to be installed in the building.

(3) Manufacturer (model, Capacity):

Each water heater unit is manufactured by Navien, and will operate with an energy efficiency rating of approximately ninety five (95%) percent.

The sponsor reserves the right to provide hot water heater units by different manufacturer which are equal to or better than noted above.

(4) Manufacturer and age of burners (model, capacity):

The hot water heater burners will be new and will be as manufactured by Navien.

The sponsor reserves the right to provide burners by different manufacturer which are equal to or better than noted above.

(5) Type of Controls:

Each hot water heater shall be equipped with thermostats.

(6) Radiator, Piping, etc.:

There will be no radiators.

(7) Fuel (supply system):

Gas service will be provided by National Grid. The gas will be used for domestic cooking and for water heating and will be distributed throughout the building by black iron piping.

(8) Location of Oil Tank:

There will be no oil tanks in the building.

(9) Capacity of Oil Tank:

There will be no oil tanks in the building therefore, this sub section will not be applicable to this report.

GAS SUPPLY

(1) Type:

Gas service will be provided by National Grid company to each residential unit. The gas will be used for domestic cooking and for water heating.

(2) Meters:

There will be a minimum of three gas meters provided at the cellar level towards the front of the building facing Douglass Street.

(3) Piping:

Gas piping throughout the building shall be of black iron.

AIR CONDITIONING

The cooling systems will be designed to provide sufficient cooling to maintain inside conditions of 78 degrees Fahrenheit and 50% relative humidity when the outside conditions are 88 degrees Fahrenheit dry bulb and 72 degrees wet bulb (in accordance with ASHRAE 2001, Fundamentals Handbook, Climatic Design Information, Table 1A, for New York City, JFK Airport). Indoor design temperatures will be in accordance with the New York State Energy Conservation Construction Code.

(1) Type of system:

Cooling of the residential units will be achieved by the cooling cycle, forced air, HVAC system. Cooling of each unit will be achieved by supplying cool air to the different spaces within the units. The condenser units, which will generate the energy required for cooling, will be located at the roof area above the stair bulkhead.

(2) Condensers (number, location, description):

In total, there will be six condensers for the residential units. Two of the condensers will be located in the "area way" provided at the rear of the building, at the cellar level. There will be four condensers for the residential units, located at the roof above the bulkhead.

The residential condensers units shall be of model XR-13, number 4TTB3036E1000AA as manufactured by Trane. Each condenser will have an input capacity of approximately three tons and will operate at SEER ratings of approximately 14.50.

The sponsor reserves the right to condensers by different manufacturer which are equal to or better than noted above.

(3) Individual Units Covered by the Offer (window/ sleeve-number, location, description):

There will be no window sleeves provided for the units.

VENTILATION

The spaces that require mechanical ventilation within the units are the interior bathrooms and kitchen areas. These spaces within the units shall be equipped with vertical ducts with a fan, which terminates to the outside air. The minimum rate of exhaust ventilation shall be 50 cfm; for bathroom areas and approximately, 3 cfm per square foot of floor area or a minimum of 150 cfm, for kitchen

areas as required by the NYC Building Code. Ventilation noise emission is 1 Sone. The cellar accessory space will be ventilated through the exterior doors and windows.

The mechanical and within the units shall be provided with exhaust ventilation ducts for furnaces and dryers and fresh air intake ducts and registers for ventilation of the mechanical closet.

All exhaust equipment shall be New York City M.E.A. or B.S.A. approved.

ELECTRICAL SYSTEM

(1) Service from main switchgear:

The electrical service will be brought in from the terminal point of the Consolidated Edison Co to the building. The service supplied to the building, shall be a 200 Amp, 110/220 Volt. There will be no emergency generator to supply power in case of outage.

The electrical service will be transported throughout the building via, insulated three wire cables.

(2) Service to the individual units:

There will be a separate electrical meter for each residential unit. There will be 100 Amps of electrical service supplied to each residential unit.

(3) Compartment switchgear:

The sectional meter boards and transformers supplying power to the meter boards will be located in electrical meter panels, at the meter rooms located at the cellar level towards the front of the building.

(4) Unit Service:

Each residential unit will be equipped with 100 Amp fuses and circuit breakers. The electrical system will be adequate to handle modern usage and appliances such as air conditioners, dishwashers and electric washers and dryers.

(5) Adequacy:

(i) Service:

There will be at least six circuits with circuit breakers provided for each residential unit. The circuits will have the capacity to handle modern appliances such as air conditioners, dishwashers, and electric washers and dryers.

(ii) Lighting and fixtures:

There shall be at least one centrally located, overhead, incandescent, lighting fixture, provided in each bedroom, kitchen and bathroom within each residential unit. There shall also be an overhead fixture provided in hallways within the units. Each lighting fixture shall be capable of providing at least 60 watts of incandescent illumination.

Lighting fixtures and electrical outlets shall be installed by a licensed electrician, and shall be in compliance with the NYC Electrical Code and the NYC Building Code.

(iii) Convenience outlets and appliance outlets:

There will be convenience outlets and appliance outlets provided in each bedroom, living room, kitchen, bathroom, etc. within each unit.

Ground Fault Circuit Interrupters (GFCI) shall be provided at all outlets. Three way switches shall be provided at the cellar areas as necessary to comply with the NYC Electrical Code.

Electrical Equipment shall be installed by a licensed electrician and shall be in compliance with the NYC Electrical Code and the NYC Building Code.

INTERCOMMUNICATION SYSTEM

Each residential unit will be equipped with an intercom located close to the entrance door within the unit; which will permit voice and video contact between the inside of the residential units and the main entrance door at the first floor level. The intercom shall be equipped with a buzzer to allow access to the entrance lobby. The intercom shall provide audio and video from the main entrance

The building will be wired for cable. Each unit's owner will be responsible for securing their own cable service provider at their own cost.

The sponsor reserves the right to provide equipment by a different manufacturer which is equal to or better than noted above.

PUBLIC AREA LIGHTING

Lighting fixtures shall be provided in the common stairways and hallways. Lighting fixtures shall also be provided at the common areas at the first floor level. Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights, of a total of not less than sixty (60) watts incandescent illumination.

Wall mounted, lighting fixtures shall be provided adjacent to the exterior entrances of the building; providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination, or its equivalent.

There shall also be wall mounted lighting fixtures provided at the yard area to the rear of the building, at approximately the level of the second floor. The wall mounted lighting fixtures shall each be a minimum of sixty (60) watts incandescent illumination or its equivalent.

The ceiling lighting fixtures for the interior public areas shall be flush mounted.

The lighting fixtures at the exterior entrance shall be wall sconces.

The public area lighting will be adequate and shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws.

All lighting fixtures shall be installed by a N.Y. State licensed Electrician and shall comply with the New York City Electrical Code.

GARAGES AND PARKING AREA:

There will be no garages or parking area provided since parking for this building is not required as per ZR 25-241. The following sub sections will not be applicable to this report:

- (1) Location of garages
- (2) Location of parking areas
- (3) Surfaces
- (4) Parking
- (5) Garage ventilation
- (6) Garage fire protection
- (7) Drainage

SWIMMING POOLS

There will be no swimming pools in this building. The following sub sections will not be applicable to this report:

- (1) Type (concrete, material composition)
- (2) Size (length, width, depth, and approximate number of bathers permitted at any time)
- (3) Enclosure (material including roof)
- (4) Pumping and filter system
- (5) Water heating equipment
- (6) Structural support system

TENNIS COURT, PLAYGROUNDS AND RECREATION FACILITIES

There will be no tennis courts or playgrounds or recreational facilities at the exterior yard areas of the building. The following sub sections (1), (2) and (3) will not be applicable to this Report:

- (1) Tennis Courts:
 - (i) Type (clay, macadam, turf)
 - (ii) Number and size
 - (iii) Lighting (number and type)
 - (iv) Fencing and enclosure
- (2) Playgrounds (size and location)
- (3) Other Recreational Facilities:

There will be no other recreational facilities provided.

PERMITS AND CERTIFICATES

All required permits and sign-offs required and a Certificate of occupancy are to be obtained by the sponsor. The following permits will be obtained by the sponsor:

PERMIT TYPE

AGENCY

Fence	Department of Buildings
Sidewalk Shed	Department of Buildings
Foundation	Department of Buildings
General Construction	Department of Buildings
Plumbing	Department of Buildings
Sprinkler	Department of Buildings
Electrical	Department of Buildings
Site Connection	Department of Environmental Protection
Builders Pavement Plan (New sidewalk)	Department of Buildings

Permits issued by the NYC Department of Buildings are valid for a minimum of one year from the date of issue or on the expiration date of the contractor's insurance policy whichever comes first. All work types for permits issued by the Department of Buildings are subject to inspection and sign off by the Department of Buildings prior to the issuance of a Certificate of Occupancy.

Site Connection permits will be valid for two years from the date of issue. All permits issued by the NYC Department of Transportation expire on December 31st of each year and are required to be renewed.

Once building is in operation, the following annual inspection shall be performed,;

- Back flow prevntion device.

VIOLATIONS

There are currently no open violations listed for the property as per NYC Department of Buildings Information System website.

Any violations issued by the NYC Department of Buildings will be corrected by the sponsor's contractor prior to the completion of the building.

A final Certificate of Occupancy will not be issued by the NYC Department of Buildings until all violations, if any, are corrected.

Sponcer shall cure any outstanding violation prior to closing.

UNIT INFORMATION

The condominium will consist of three (3) residential units.

The residential units will be located at the first through fourth floor levels of the building. All floor shall have floor to celing height of min 8'-0". A part of the cellar will be in conjuction with the first floor dwelling unit. The other part of the cellar will be used to accommodate all utilities such as electric meters, gas meters, sprinkler assembly, etc. The second floor unit will be in conjunction with

third floor. Lastly, The fourth floor unit will be in conjunction with the penthouse. Upper roof area shall be accessible to all units.

Apartment 1: Two (2) bedrooms, Two (2) bathrooms, living/dining area, kitchen, laundry closet, (1) half-bath in the cellar, laundry closet in the cellar, and mechanical room.

Apartment 2: Three (3) bedrooms, two (2) bathrooms, (1) half-bath, living/dining area, kitchen, laundry closet and mechanical room.

Apartment 3: Three (3) bedrooms, two (2) bathrooms, living/dining area, kitchen, laundry closet and mechanical room.

Sponsor will not provide any appliance to the units, sponsor will only provide hook ups for the appliances.

UNIT SIZES

The dimensions indicated are approximate and are located horizontally; approximately to the outside face of the exterior walls of the building and approximately to the non-unit side of the wall and partitions (dividing the units from corridors, stairs and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units.

The approximate square footages for each unit are as follows:

Apartment 1	Cellar and First Floor = 1589 square feet
Apartment 2	Second and Third Floor = 1433 square feet
Apartment 3	Fourth Floor and Penthouse = 1239 square feet

UNIT FINISHES

The units will be finished as described herein.

The finished floor of the living dining and bedroom areas of the residential units shall be a hardwood finished floor of select grade white oak strips on plywood subflooring. Thereafter unit owners may finish with carpeting or another material of their own choice and at their own expense.

The walls and ceiling of the residential units shall be of gypsum wallboard. When finished the walls and ceilings shall be primed and painted with one primer coat and one finished coat of paint. Thereafter the unit owners may decorate by finishing with additional coats of paint, wallpaper, paneling, etc. of their own choice.

Residential kitchens shall have a hardwood finished flooring of select grade oak strips on plywood subflooring, covering the floors, and gypsum wallboard walls and ceilings.

Full bathrooms shall be equipped with a washbasin, medicine cabinet, water closet and a combination bathtub/shower or a shower at master bathrooms. Bathrooms shall have ceramic tile floors. Tile around the bathtubs or showers shall extend to the ceiling. All other bathroom walls shall be of tile and moisture resistant, gypsum wallboard.

The sponsor reserves the right to provide hardwood flooring of a different species than noted above.

When completed, the following interior finishes will be installed;

Location	Floors	Base	Walls	Ceilings
Living/Dining Room	Wood	Wood	G.W.B. Painted	G.W.B. Painted
Bedroom	Wood	Wood	G.W.B. Painted	G.W.B. Painted
Kitchen	Wood	Wood	G.W.B. Painted	G.W.B. Painted
Storage Room	Wood	Wood	G.W.B. Painted	G.W.B. Painted
Bathroom	Ceramic Tile	Ceramic Tile	Tile/G.W.B. Painted	G.W.B. Painted
Laundry/Mech. RM.	Ceramic Tile	G.W.B. Painted	G.W.B. Painted	G.W.B. Painted

Note:

G.W.B. : Denotes Gypsum Wallboard

All wood floors shall be of select grade finish.

All painted surfaces will consist of at least one primer coat and one finished coat of paint.

FINISH SCHEDULE (SPACES OTHER THAN UNITS)

The following interior finishes will be installed at the locations as indicated:

Location	Floors	Base	Walls	Ceilings
Mechanical Room	Concrete	Mas.G.W.B.	Mas.G.W.B.	G.W.B. Painted
Meter Room	Concrete	Mas.G.W.B.	Mas.G.W.B.	G.W.B. Painted
Stairs	Concrete	Concrete	Mas.G.W.B.	G.W.B. Painted
Storage Room	Wood	Wood	Mas.G.W.B. Painted	G.W.B. Painted

Note:

G.W.B. : Denotes Gypsum Wallboard

All concrete floors shall be a smooth screed finish.

All painted surfaces will consist of at least one primer coat and one finished coat of paint except at mechanical and meter rooms which will be finished with one primer coat of paint.

SAFETY AND WARNING DEVICES

There will be a hardwired, combined smoke and carbon monoxide detector provided in each residential unit; within each bedroom and also at a maximum distance of fifteen feet from any bedroom

door within the unit as required by the NYC Building Code. The combined smoke and carbon monoxide detector shall be model number SC9120LBL as manufactured by FIRST ALERT.

The sprinkler system and the smoke and carbon monoxide detectors are the fire and smoke safety devices required by the NYC Building Code.

The sponsor reserves the right to provide a combined smoke and carbon monoxide detector by a different manufacturer which is equal to or better than noted above.

The building will not have Fire Alarm system.

FURTHER DEVELOPMENT

There will be no further development of the property. The sponsor shall not construct any additional units or phases after completion of the structure which is contrary to the plans approved by the NYC Department of buildings.

ASBESTOS

There shall be no asbestos made products or containing asbestos materials used in the construction of the building.

LEAD-BASED PAINT

There shall be no lead-based paint or lead-based paint products used in the construction and finishing of the building.

CORROSIVE MATERIALS

There shall be no "Chinese Drywall" or other known corrosive drywall materials used in the renovation of the building.

TENANT PROTECTION PLAN

The building will not be occupied by tenants and/or unit owners prior to the sponsor obtaining the Final Certificate of Occupancy.

DOCUMENTS TO BE TRANSFERRED TO THE CONDOMINIUM MANAGEMENT

The following documents, as applicable, shall be transferred to the Condominium Management upon transfer of control:

Operation & Maintenance (O & M) manuals for mechanical equipment;

Electronic system manual;

Re-commissioning manual (as applicable);

Equipment Warranties;

Roof Warranty;

Major Equipment Start-Up Sheets;

Control System As-Built

Original Test and Balance Report for HVAC System;

Indoor Air Quality Report;

Final As-Built Drawings as maintained during construction, ie. Structural, Mechanical, Electrical,

THE 99 DOUGLASS STREET CONDOMINIUM
99 DOUGLASS STREET BROOKLYN, NY 11231

<u>TAX LOT</u>	<u>UNITS</u>
1401	1
1402	2
1403	3

99 DOUGLASS STREET
BROOKLYN, NY 11231

THE 99 DOUGLASS STREET CONDOMINIUM
99 DOUGLASS STREET BROOKLYN, NY 11231

<u>TAX LOT</u>	<u>UNITS</u>
1401	1
1402	2
1403	3

99 DOUGLASS STREET
BROOKLYN, NY 11231

NEW YORK STATE DEPARTMENT OF LAW

MODEL FORM OF ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 20____, by and among _____ ("PURCHASER"), Douglass Residence, LLC, ("SPONSOR"), as sponsor of the Q Condominium offering plan ("Plan") and Boris Saks PLLC, ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale condominium ownership interests at the premises located at 99 Douglass Street, Brooklyn, New York, subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b), 352-h and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT has established an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of unit [] (the "Purchase Agreement") at JPMorgan Chase Bank located at 1100 Kings Highway, Brooklyn, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Boris Saks PLLC – Attorney Escrow Account/IOLA, or similar name ("Escrow Account"). The account number is _____.

1.2 ESCROW AGENT has designated the following attorneys to serve as signatories: Boris Saks, Esq. 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 1732 East 12th Street, Brooklyn, New York 11229, and a telephone number of (718)998-1800.

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 Boris Saks PLLC, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, N.Y. 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-e(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the [shares/unit/membership interest/fractional interest];

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the [unit/building] is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

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

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and PURCHASER, and ESCROW AGENT acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

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

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-h and the New York State Department of Law's regulations.

6.2 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

Prior to release of the Deposit, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION.

SPONSOR agrees to defend, indemnify, and hold ESCROW AGENT harmless from and against all costs, claims, expenses, and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-hand the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

Boris Saks, Esq. PLLC

By: _____
Name: Boris Saks, Esq.

SPONSOR:

Douglass Residence, LLC

By: _____

Name:

Title: Member

PURCHASER

[INSERT NAME]

By: _____

Name: _____

Title: _____

EXHIBIT “G”

DECLARATION

Establishing a Plan of Condominium Ownership of the Premises Located at
99 Douglass Street, Brooklyn, New York
Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: THE 99 DOUGLASS STREET CONDOMINIUM

Sponsor: DOUGLASSRESIDENCE, LLC
75-23 Main Street, Suite 216
Queens, New York 11367

Date of Declaration:

The land affected by the within instrument lies in Block , Lot(s) on the Tax
Map of the Borough of Brooklyn, County of Kings, and State of New York.

Record & Return To:

Boris Saks, Esq., PLLC
1732 East 12th Street
Brooklyn, New York 11229

TABLE OF CONTENTS

	Page
ARTICLE 1: Submission of the Property	1
ARTICLE 2: Description of the Land.....	1
ARTICLE 3: Description of the Building.....	1
ARTICLE 4: The Units	1
ARTICLE 5: Description of the Common Elements.....	2
ARTICLE 6: Common Interests	2
ARTICLE 7: Use of Building and Units.....	3
ARTICLE 8: Service of Process	3
ARTICLE 9: Amendments to the Declaration	3
ARTICLE 10: Power of Attorney to the Board of Managers.....	3
ARTICLE 11: Acquisition of by the Board of Managers.....	4
ARTICLE 12: Alterations	4
ARTICLE 13: Encroachments	5
ARTICLE 14: Easements.....	5
ARTICLE 15: Covenants Running With the Land.....	6
ARTICLE 16: Covenant of Further Assurances.....	6
ARTICLE 17: Withdrawal.....	7
ARTICLE 18: Successors and Assigns.....	7
ARTICLE 19: Severability.....	7
ARTICLE 20: Waiver	8
ARTICLE 21: Captions.....	8
ARTICLE 22: Gender	8
SCHEDULE A Description of the Land.....	9
SCHEDULE B Unit Identification	10

DECLARATION
OF
THE 99 DOUGLASS STREET CONDOMINIUM

Pursuant to Article 9-B of the Real
Property Law of the State of New York

DOUGLASS RESIDENCE, LLC, a New York Limited Liability Company having an office at 75-23 Main Street, Suite 216, Queens, New York 11367 (“Sponsor”), hereby declares as follows:

ARTICLE 1
SUBMISSION OF THE PROPERTY

The Sponsor hereby submits the Land and Building (each hereinafter defined), and all other improvements erected thereon and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the “Property”), to the provisions of Article 9-B of the Real Property Law of the State of New York (the “Condominium Act”).

ARTICLE 2
DESCRIPTION OF THE LAND

The Land consists of all that certain tract, plot and parcel of land situate, lying and being in the County of Kings and State of New York, bounded and described in Schedule A annexed hereto and made a part hereof.

ARTICLE 3
DESCRIPTION OF THE BUILDINGS

The Condominium contains a total of three (3) residential units (the “Residential Units”), in a building consisting of four (4) stories and a cellar. The principal materials of which the Building is constructed are concrete, block, brick, wood and steel.

ARTICLE 4
THE UNITS

Schedule B annexed hereto and made a part of hereof sets forth the following data with

respect to each Unit necessary for the proper identification thereof: the Unit designation, tax lot number, location, approximate area, number of rooms, common elements to which it has immediate access and the percentage of common interest appurtenant thereto. The location of each Unit, and any Limited Common Elements appurtenant thereto, is more clearly designated on the Floor Plans and reference should be made thereto for the statement of the location of each Unit.

ARTICLE 5 DESCRIPTION OF THE COMMON ELEMENTS

The Common Elements consist of all portions of the Property other than the Units, including, without limitation, the following:

- (a) The land on which the Building is located;
- (b) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, exterior walls and entrances and exits of the Building;
- (c) Central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;
- (d) The elevators, escalators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use; and
- (e) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

Certain portions of the Common Elements are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers to enter upon any restricted area for maintenance, repair or improvement of a Unit or Common Element and subject to the rules of the Board of Managers. Any portion of the Common Elements which are not restricted in use may be used by any Unit Owner and are referred to as General 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.

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.

ARTICLE 6 COMMON INTERESTS

Schedule B annexed hereto and made a part of hereof sets forth the percentage of Common Interest appurtenant to each Unit. In accordance with the Condominium Act, the Common Interests of each Unit have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions

of the particular Unit.

ARTICLE 7 USE OF BUILDING AND UNITS

Each of the Residential Units in the Building may be used only as a residence. No more than one family may occupy a single Residential Unit at one time. Each of the Parking Units may be used only as a parking space. Each of the Storage Units may only be used as a storage space.

ARTICLE 8 SERVICE OF PROCESS

The Secretary of State is designated as agent of the Board of Managers upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Board of Managers served upon him is 99 Douglass Street, Brooklyn, New York 11231. The Board of Managers shall update said address as necessary.

ARTICLE 9 AMENDMENTS TO THE DECLARATION

Subject to the provisions contained herein or in the By-Laws, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of at least 66 2/3 % in number and in Common Interest of all Unit Owners, taken in accordance with the provisions of the By-Laws.

Notwithstanding the foregoing, no amendment shall be effective:

- (a) That restricts the rights of mortgagees;
- (b) Which changes the Common Interest of any Unit Owner, without the consent of the Unit Owner whose Common Interest would be affected thereby;
- (c) Which adversely affects the Sponsor, without Sponsor's consent; or
- (d) Until it is recorded in the Kings County Register's Office.

ARTICLE 10 POWER OF ATTORNEY TO BOARD OF MANAGERS

Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution the persons who shall from time to time constitute the Board of Managers, jointly to:

(a) acquire or lease any Unit, together with its Common Interest, appurtenant thereto, (i) whose Unit Owner desires to sell, convey, transfer, assign, lease or surrender such Unit, or (ii) that becomes the subject of a foreclosure or other similar sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners;

(b) convey, sell, lease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(c) execute, acknowledge and deliver, (i) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any applicable law in respect of the maintenance, demolition, construction, alternation, repair, restoration or other work in or to the Condominium, or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Board of Managers deems necessary or appropriate.

In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of the Board of Managers, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth in Exhibit C of the Offering Plan.

ARTICLE 11

ACQUISITION OF UNITS BY THE BOARD OF MANAGERS

In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-x of the Condominium Act or in the event the Board of Managers shall purchase, acquire or lease any Unit, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners, in proportion to their respective Common Interests.

ARTICLE 12

ALTERATIONS

To the extent permitted by law, with respect to Units owned by the Sponsor, the Sponsor or its successor shall have the right, without the vote or consent of the Board of Managers, other Unit Owners, or mortgagees of record, if any, to perform work, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to, and upon the Units, change the layout of or number of rooms in any Unit, change the size and/or number of Units by subdividing one or more Units into two or more separate Units, combining two or more separate Units into one or more Units altering the boundary walls of any Units, or otherwise, and if appropriate, reapportion among such Units affected by such change their respective Common Interests, provided that the Sponsor shall comply with all applicable laws, agrees to hold the Board of Managers and all other Unit Owners harmless from any claims arising therefrom, and such alteration shall not jeopardize the structural integrity of the Building or the safety of any Unit Owner, tenant or other persons at the Property.

No physical modification, or change in the Common Interests or dimensions of a Unit not owned by the Sponsor shall be made, without the consent of the Owner of the Unit affected.

No reapportionment of the Common Interests shall be made without a duly filed amendment to the Offering Plan.

ARTICLE 13 ENCROACHMENTS

If any portion of a Unit or the Common Elements encroaches upon another Unit or on the Common Elements as a result of original construction or settling of the Building, 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 is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and are rebuilt the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforescribed 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.

ARTICLE 14 EASEMENTS

Each Unit Owner shall have, in common with all other Unit Owners, an easement, for the use of the Common Elements.

Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements will be owned in common by the Unit Owners. Every Unit Owner shall have an easement in common with the owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Unit and any other Unit. The cost of such repairs shall be a common expense.

The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such common elements are restricted or not.

The Board of Managers and Owner(s) of a Unit shall have an easement to maintain and use all pipes, wires, conduits, meters and public utility lines located in the other Unit(s) and servicing such Unit Owner's portion of the Building.

The Sponsor, its successors, assigns, and purchasers, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing any rehabilitation or renovation to the Building and for

sale of Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, its successors, assigns, and purchasers, also reserve the right to connect with and make use of any utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along any of the Common Elements. This paragraph shall not be amended without the consent of the Sponsor.

Each Unit and the Common Elements 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.

ARTICLE 15

COVENANTS RUNNING WITH THE LAND

All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 15 shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating, any rights in, or for the benefit of, the general public.

All present and future Unit Owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time interest or estate in such Unit as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

Any Person subject to terms of this Declaration, the By-Laws and the Rules and Regulations, whether such Person is a Unit Owner, a tenant or subtenant of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the condominium, or otherwise, shall, at the expense of any other person so requesting, execute, acknowledge and deliver to such other person such instruments, in addition to those specifically provided for in the

Declaration, the By-Laws and the Rules and Regulations, and take such other action as such other person may reasonably request in order either to effectuate the provisions of the Declaration, the By-Laws and the Rules and Regulations or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Unit Owner or other person subject to the terms of the Declaration, the By-Laws and the Rules and Regulations fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit owner or person is required to execute, acknowledge and deliver or to take pursuant to the Declaration, the By-Laws and the Rules and Regulations, then the Board of Managers is hereby authorized, as attorney-in-fact for such Unit Owner or other person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such other action, in the name of such Unit Owner or other person, and such document or action shall be binding on such Unit Owner or other person.

If the Board of Managers, any Unit Owner or other person subject to the terms of the Declaration, the By-Laws and the Rules and Regulations, fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board of Managers, such Unit Owner or person is required to execute, acknowledge and deliver or to take pursuant to the Declaration, the By-Laws and the Rules and Regulations, at the request of the Sponsor, then the Sponsor is hereby authorized, as attorney-in-fact for the Board of Managers, such Unit Owner or other person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner or other person, and such document or action shall be binding on the Board of Managers, such Unit Owner or other person, as the case may be.

ARTICLE 17 WITHDRAWAL

If withdrawal of the property from the provisions of the Condominium Act is authorized by at least eighty per cent in number and in Common Interest of the Units, then the property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit.

ARTICLE 18 SUCCESSORS AND ASSIGNS

The rights and obligations of Sponsor as set forth herein and in the By-Laws shall inure to the benefit of and be binding upon any successor, assign or designee of Sponsor or, with Sponsor's consent any transferee of all their Unsold Units. Subject to the foregoing, Sponsor may at any time assign or transfer its interests herein, whether by merger, consolidation, lease, assignment or otherwise.

**ARTICLE 19
SEVERABILITY**

The invalidity or unenforceability of any of the covenants, limitations or provisions of the Declaration, the By-Laws or the Rules and Regulations shall in no way affect any of the remaining parts thereof, and the same shall continue to be in full force and effect.

**ARTICLE 20
WAIVER**

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

**ARTICLE 21
CAPTIONS**

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

**ARTICLE 22
GENDER**

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular gender shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ____ day of _____, 20__.

Douglass Residence, LLC

By: _____

STATE OF NEW YORK)
) ss.:

COUNTY OF _____)

On the ____ day of _____, in the year _____, before me, the undersigned, a Notary Public in and 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
TO THE DECLARATION OF CONDOMINIUM
OF THE THE 99 DOUGLASS STREET CONDOMINIUM
DESCRIPTION OF THE LAND

(TO BE COMPLETED PRIOR TO RECORDING OF DECLARATION)

SCHEDULE B
TO THE DECLARATION OF CONDOMINIUM
OF THE 99 DOUGLASS STREET CONDOMINIUM

(TO BE COMPLETED PRIOR TO RECORDING OF DECLARATION)

EXHIBIT “H”

BY-LAWS

OF

THE 99 DOUGLASS STREET CONDOMINIUM

Boris Saks, Esq., PLLC
Attorneys for the Sponsor
1732 East 12th Street
Brooklyn, New York 11229

TABLE OF CONTENTS
By-Laws

	Page	
ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP		
Section 1: Condominium Unit Ownership.....	1	
Section 2: By-Laws Applicability	1	
Section 3: Personal Application	1	
ARTICLE II. PLAN OF CONDOMINIUM OWNERSHIP		
Section 1: Nomination and Election.....	1	
Section 2: Powers and Duties	2	
Section 3: Compensation.....	5	
Section 4: Removal.....	5	
Section 5: Managing Agent.....	6	
ARTICLE III. UNIT OWNERS		
Section 1: Meetings	6	
Section 2: Quorum.....	6	
Section 3: Adoption of Binding Decisions.....	6	
ARTICLE IV. ELECTION OF OFFICERS		
Section 1: President	7	
Section 2: Secretary	7	
Section 3. Treasurer	7	
ARTICLE V. OPERATION OF THE PROPERTY		
Section 1: Determination of Common Charges	7	
Section 2: Payment of Common Expenses	8	
Section 3: Managing Agent.....	8	
ARTICLE VI. USE OF THE PROPERTY		
Section 1: Use of the Units.....	8	
Section 2: Use of the Common Elements	8	
Section 3: Maintenance of the Units	9	
Section 4: Alterations to the Units.....	9	
Section 5: Rules and Regulations.....	10	
ARTICLE VII. AMENDMENTS.....		14

TABLE OF CONTENTS
By-Laws

	Page
ARTICLE VIII. SELLING AND LEASING OF UNITS	
Section 1: Right of First Refusal	15
Section 2: Consent of Unit Owners.....	17
Section 3: Release by Board of Mangers	17
Section 4: Certificate of Termination.....	17
Section 5: Financing of Purchase	17
Section 6: Exceptions	18
Section 7: Waiver of Partition Rights.....	18
Section 8: Mortgaging of Unit.....	18
Section 9: Gifts, etc.....	18
Section 10: Leasing Restrictions	18
Section 11: Selling and Leasing of Commercial Unit.....	20
ARTICLE IX. ARBITRATION	
Section 1: Procedure	20
Section 2: Variation by Agreement.....	20
Section 3: Binding Effect	20
Section 4: Costs and Expenses	20
ARTICLE X. INSURANCE AND INSURANCE TRRUSTEE	
Section 1: Insurance to be Carried by the Board.....	21
Section 2: The Insurance Trustee	22
Section 3: Restoration or Reconstruction After Fire or Other Casualty	22
ARTICLE XI. CONDEMNATION.....	23
ARTICLE XII. RIGHTS OF UNIT MORTGAGEES AND GUARANTORS	24

**BY-LAWS OF
THE 99 DOUGLASS STREET CONDOMINIUM**

**ARTICLE I
PLAN OF CONDOMINIUM OWNERSHIP**

Section 1: Condominium Unit Ownership

The property located in the Borough of Brooklyn and County of Kings and City and State of New York, as specifically set forth in the Declaration of Condominium (the "Declaration") executed by DOUGLASS RESIDENCE, LLC (the "Sponsor"), and more commonly known as the 99Douglass 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" as used herein shall include the land and buildings and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof. The term "Building" as hereinafter used shall be defined as the exterior walls, 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 definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise stated.

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. The mere acquisition, occupancy or rental of any of the Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

**ARTICLE II
BOARD OF MANAGERS**

Section 1: Nomination and Election

The first Board of Managers (the "Board") shall consist of three (3) Managers designated by the Sponsor who shall hold office and exercise all powers of the Board until the first annual meeting of the Unit Owners. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter, all Managers other than designees or

nominees of the Sponsor shall be Unit Owners. At the first annual meeting of Unit Owners a maximum of five (5) Managers shall be elected by the Unit Owners. The term of office of each Manager shall be fixed at one (1) year. Separate ballots shall be conducted for each of the five terms of office. Each Unit Owner shall be entitled to cast one vote on each ballot for each Unit he owns. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of one (1) year. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board until two (2) years from the date of conveyance of title to the first Unit or until the unsold Units constitute less than fifty (50%) percent of the common interest. Thereafter the Sponsor shall have the right to designate one (1) member of the Board so long as it continues to own at least one Unit. This Section may not be amended without the written consent of the Sponsor.

Section 2: Powers and Duties

The property and business of the Condominium shall be managed by the Board, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by statute or by the Declaration or by these By-Laws directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments (“Common Charges”) to cover the cost of Common Expenses, payable in advance. The Board 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 in accordance with these By-Laws;
2. To collect, use and expend the assessments collected to maintain, care for and preserve the Building, Units and the Common Elements;
3. 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;
4. To enter into and upon the Units, when necessary, with notice to the Unit Owners thereof whenever possible and practical and at as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the Property;
5. To open bank accounts on behalf of the Condominium and to designate the signatories to such accounts;
6. To insure and keep insured the Common Elements and Units in accordance with these By-Laws;

7. To make reasonable rules and regulations as permitted by applicable law, statute, the Declaration or these By-Laws applicable to the Units and Unit Owners, 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;
8. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the Property for violations of the Rules and Regulations;
9. 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 power of manager in connection with the matters hereinabove set forth;
10. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium. The Board, in its discretion, may fund the cost of any such litigation out of the common charge assessments or levy special assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration and these By-Laws and may fund the cost of any such litigation out of the common charge assessments or levy special assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the maintenance and operation of the Common Elements;
11. To purchase or otherwise acquire Units in foreclosure, as a result of abandonment or pursuant to the right of first refusal of the Condominium on behalf of all Unit Owners, and to take any and all steps necessary to repair or renovate any Unit so acquired, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board;
12. To grant utility, cable television or other easements as may, at any time, be required for the benefit of the Condominium and Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owners, the consent of all such affected Unit Owners shall be required in writing before such easement shall be granted);
13. To make additions, alterations, or improvements to the Common Elements, the cost of which addition, alteration or improvement does not exceed \$2,500. The Board may make additions, alteration or improvements to the Common Elements costing in excess of \$2,500 only with the approval of a majority of the Unit Owners. While the Sponsor is in control of the Board, the Board may make additions, alterations or improvements to the Common Elements costing in excess of \$2,500 or enter into service or maintenance contracts the duration of which will extend more than one year after the Sponsor loses control of the Board, only with the approval of a

majority of the Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Unit Owners. In addition, the Sponsor must give its written approval. Notwithstanding the above, nothing in this section shall impair the Board of Managers obligation to make necessary repairs and replacements.

14. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least 66-2/3% in number 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 in excess of \$2,500 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said Unit.
15. To act as an agent for one or more Unit Owners to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessment of their Unit pursuant to Section 339-y(4) of the New York Real Property Law. In such event, the Board could retain counsel on behalf of such Unit Owners and charge such Unit Owner(s) for whom it is acting a pro-rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit. The Board is not obligated to perform such services and it is necessary to obtain the written authorization of the Unit Owner(s) it will perform such service for.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own Units representing twenty-five (25%) percent in number but in no event later than five (5) years from the date of the closing of title to the first Unit, the Board may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the Common Elements or to any Unit, costing cumulatively more than \$2,500, 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, or (iii) hire any employee in addition to the employees referred to in the Offering Plan, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Unit, or (v) borrow money on behalf of the Condominium or (vi) amend the Declaration or these By-Laws. Except as hereinafter provided, all maintenance, painting, repair and replacement of the General Common Elements and Residential Limited Common Elements including but not limited to exterior walls, roof and roof members of the Building, as well as painting, repair and/or maintenance of the exterior surfaces, roof, windows and doors which open from the Building, as well as all maintenance, repairs and replacements of foyers and stairways of the Building, and of any pipes, wires, conduits and utility lines, or any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and utility lines as are located in the General Common Elements or Residential Limited Common Elements but serve one or more Units shall be contracted for by the Board of Managers and the cost thereof shall be a General Common Expense for the General Common Elements and a Residential Common Expense for the Residential Limited Common

Elements except if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of the Unit Owner or the prior alteration of the Unit by the Unit Owner, in which event the cost thereof shall be assessed to and paid by the Unit Owner.

Except as hereinafter provided, all repairs and replacement of windows, irrevocably restricted areas and snow removal from the Common Elements shall be contracted for by the Board and the cost thereof shall be a Common Expense except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Unit owner or prior alteration of a Unit shall be assessed to and paid by the Unit Owner.

The Board shall repair all windows, plumbing stoppages and electrical repairs occurring in the Common Elements.

The Board and its agents, employees and contractors shall have a reasonable 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 of the Condominium. Whenever possible and practical, notice of such access or intent to gain access shall be given to the Unit Owner by the Board.

All repairs, painting or maintenance, whether made by the Unit Owner or the Board of, to the doors, windows, or the exterior surface of the Building 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, unless varied by the Board.

In the event that a Unit Owner fails to make any maintenance or repair, which maintenance or repair is necessary to protect any of the Common Elements, that may affect other portions of the Building or any other Unit, the Board shall have the right to make such maintenance or repair (after the failure of said Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Elements restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the Board shall be entitled to bring suit thereon and, in such event, the Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

Section 3: Compensation

Managers and officers shall receive no compensation for their services as such.

Section 4: Removal

Managers, other than Sponsor designees, may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager, other than a member of the First Board of Managers or a Manager elected or designated by the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner. Such member shall be deemed to

have resigned effective as of the date such ownership ceased. A Manager designated by the Sponsor or its designee may only be removed by the Sponsor or its designee and only they shall have the right to designate a replacement.

Section 5: Managing Agent:

The Board may employ for the Condominium a managing agent or manager under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, all of the delegable duties of the Board. While Sponsor is in control of the Board, it will not enter into contracts which bind the Condominium for a period of more than five (5) years (except Cable Television agreements) after the closing of the first Unit unless the contract provides that it may be canceled by the Condominium upon ninety (90) days notice.

ARTICLE III UNIT OWNERS

Section 1: 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 thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 2: Quorum

So many Unit Owners, present in person or represented by written proxy, as shall represent at least fifty-one (51%) percent of the total authorized votes 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, 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 thereafter present in person or represented by written proxy, shall have power to adjourn the meeting from time to time without notice other than 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 3: Adoption of Binding Decisions

When a quorum is present at any meeting, the vote of a majority 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

ARTICLE IV ELECTION OF OFFICERS

Section 1: President

The Board at its first meeting after each annual Unit Owners' Meeting shall elect a President from among the Board, who shall preside over the meetings of the Board and of the Unit Owners.

Section 2: Secretary

The Board at its first meeting after each annual Unit Owners' Meeting shall elect a Secretary, who shall keep a record wherein actions of the board and of Unit Owners' Meetings shall be recorded.

Section 3: Treasurer

The Board at its first meeting after each annual Unit Owners Meeting shall elect a Treasurer, who shall keep the financial records and books of account.

ARTICLE V OPERATION OF THE PROPERTY

Section 1: Determination of Common Charges

The Board shall from time to time, and at least annually, prepare a budget for the operation of the Common Elements, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Common Elements, and allocate and assess such Common Charges and Expenses among the Unit Owners in proportion to their respective Common Interests.

The Common Charges of the Condominium shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board. The Common Expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Common Elements, including, without limitation an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale.

Section 2: Payment of Common Expenses

The Board shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based to all Unit Owners.

The Sponsor or its designee shall be responsible for the Common Charges assessed against each Unit owned by it until such Unit is sold to a bona fide purchaser.

Section 3: Managing Agent

The Board may employ a managing agent under a term contract or at a compensation established by the Board to perform any and all duties the Board shall authorize. The Board shall have the right to terminate the use of a managing agent as it deems fit.

ARTICLE VI USE OF THE PROPERTY

Section 1: Use of the Units

Owners of a Unit, members of their families, their employees, invitees, guests and their pets, if permitted, shall not use or permit the use of the premises in any manner which would be illegal, immoral, improper or disturbing or a nuisance to other Owners, or in such a way as to be injurious to the reputation of the Condominium. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Notices of violations of laws, order, 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 such portion of the Property.

Section 2: Use of the Common Elements

The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct he is legally responsible.

Section 3: Maintenance of the Units

Every Unit Owner must perform promptly all maintenance and repair work to his Unit which, if omitted would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the Building of which his Unit forms a part, he being expressly responsible for the damages and liabilities that his failure to do so may engender.

All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations shall be at the Unit Owner's expense.

Each Unit Owner shall keep his Unit and its appurtenant irrevocable restricted areas in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

Section 4: Alterations to the Units

A Unit Owner may not make any alterations or modifications, including painting, to the exterior of the Unit, or any part of the Common Elements, without the written consent of the Board of Managers. A Unit Owner shall not make structural or mechanical modifications to the Unit or other alterations which would impair the structural soundness of the Unit or Building without the written consent of the Board of Managers or its designated managing agent. Consent may be requested by mailing a letter, certified mail, return receipt requested to the managing agent, if any or to the President of the Board of Managers, if no managing agent is employed. The Board of Managers shall have the obligation to answer within sixty (60) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alterations. All work done pursuant to this Section must be done in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. All necessary approvals must be obtained and submitted to the Board of Managers upon submission of the written request for consent to do the work to the Board of Managers. Any interior alterations or improvements made to a Unit shall be made in accordance with all applicable rules, regulations and zoning ordinances of any governmental agencies having jurisdiction thereof. This paragraph shall not apply to Sponsor.

The Sponsor or its designees shall have the right, without the consent of the Board of Managers other Unit Owners or their mortgagees, to (i) make alterations, additions or improvements structural and non-structural, ordinary and extraordinary, interior and exterior, in, to, and upon any Units owned by it; (ii) change the layout or number of rooms in the Units; (iii) change the size and/or number of Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units or altering the boundary walls between Units or otherwise; (iv) reapportion among the Units affected by such change their appurtenant interest in the Common Elements; provided, however, that in each instance such alterations or changes do not impair the structural soundness of the Unit or the Building and the Sponsor or its designee complies with all laws ordinances and regulations of all governmental authorities having jurisdiction and shall hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The provisions of this subparagraph (b) may not be amended or modified without the written consent of the Sponsor.

The Board of Managers will 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 the Sponsor or his designee to any Unit, provided, however, that neither the Board of Managers nor the other Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other

document.

Section 5: Rules and Regulations

A. In addition to other provisions of the By-Laws, the following Rules and Regulations together with such additional rules and regulations as may hereafter be adopted by the Board shall govern the Condominium and the conduct of all Unit Owners, residents and/or occupants:

B. No Unit Owner shall post any advertisement or posters of any kind in or on the Condominium except as authorized by the Board of Managers.

C. It is prohibited to hang garments, rugs, etc. from the windows, or from the Building or to string clothes lines on or over the Common Elements or to use any of the Common Elements for storage purposes except for storage areas that may be assigned to a Unit Owner as a Limited Common Element. No storage of flammable liquids or other flammable material or any valuables shall be stored in any storage-areas. All provisions for safety shall be the sole responsibility of the Unit Owner and the Unit Owner should have their own insurance covering the storage area.

D. No Unit Owner shall paint the exterior surfaces of the windows, walls, or doors opening out of his Unit.

E. No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior of the Building without the prior written consent of the Board of Managers.

F. The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member or a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from the Building.

G. No baby carriages, bicycles, scooters, or similar vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

H. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases of the Building, nor shall any fire exit thereof be obstructed in any manner.

I. Nothing shall be hung or shaken from any doors, windows, or placed upon the exterior window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

J. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, or stairways, of the Building, except in designated recreational areas, if any, or

other areas designated as such in the Declaration or by the Board.

K. The Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

L. Nothing shall be done or kept in any Unit or in the Common Areas that will increase the rate of insurance of the Building or the contents thereof, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his family members, agents, servants, employees, licenses, or visitors shall, at any time, bring into or keep in his Unit or Common Areas any inflammable, combustible, or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Common Areas.

M. No Unit owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

N. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in a Unit unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any of the public portions of the Building unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

O. No Unit Owner shall install any planting in the Common Areas without the prior written approval of the Board. It shall be the responsibility of the Unit Owner to maintain all plantings in the Units to prevent any damage to floors and walls. Unit Owners shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

P. In the event that any Unit shall be used for home occupation or professional purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

Q. No window guards or other window decorations shall be used in or about any Unit,

except such as shall have been approved in writing by the Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surface of any windows at the Property be colored or painted.

R. No ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

S. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or By-Laws or shall have been approved in writing by the Board or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

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

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

V. Each Unit Owner shall keep his Unit and its appurtenant irrevocably restricted areas in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

W. The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room in a Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

X. The Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his Unit at any time when any entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board or the Managing Agent, then the Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by

reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

Y. Complaints regarding the service of the Condominium shall be made in writing to the Board or to the Managing Agent.

Upon receipt by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the Board, or in his absence, the Vice President together with a minimum of two (2) other members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. Any Unit Owner accused of a violation of the provisions of the By-Laws shall be entitled to receive written notice by registered mail of such accusation. The written notice shall contain the following statements:

- i) A copy of the rule or regulation the Unit Owner has allegedly violated and a description of a manner in which the Unit Owner allegedly violated the rule or regulation.
- ii) A time and place at which the Unit Owner shall be given the opportunity to present a defense before final action is taken.

If, after said notice and hearing it is determined that the complaint is valid and justified the Managing Agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to \$50.00 upon the violator; such fine is to be considered as an additional Common Charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the violator's Unit as elsewhere provided for in the Declaration of Condominium or By-Laws. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to \$50.00 each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to property classified as Common Area, the Board of Managers shall itself or direct the Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional Common Charge.

The provisions set forth above shall not be applicable to the Sponsor. The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sale offices in and about the Condominium, including any model Units located within the Building, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the Common Elements, and, without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to renovate and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of

the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. The last two paragraphs of this Article may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one or more unsold Units.

ARTICLE VII AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit Owners' meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty six and two-thirds (66-2/3%) percent of the Unit Owners in number and common interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interest of holders of a mortgage encumbering a Unit or Units.

Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by the Sponsor or its designee without the consent of the Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Register's office by the Sponsor or such designee as attorney-in-fact of both the Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by the Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by the Sponsor or such designee pursuant to the terms of the Declaration and/or these By-Laws. No such amendment, modification, addition, or deletion shall be effective unless and until such instrument shall be duly recorded in the Register's Office.

Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, including the Rules and Regulations, will be effective in any respect against the Sponsor or its designee, or the holder of any present or future mortgage, pledge, lien or security agreement covering any Unsold Unit unless and until the Sponsor, such designee, and/or such mortgagee(s) (as the case may be) consents thereto in writing.

ARTICLE VIII SELLING AND LEASING OF UNITS

Section I: Right of First Refusal

No Unit Owner, other than Sponsor or its designee, may sell or lease his Unit except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer to (a) purchase his Unit together with (i) the undivided interest in the Common Elements appurtenant thereto, and (ii) the interest of such Unit

Owner in any Unit theretofore acquired by the Board of Managers or its designee on behalf of all Unit Owners, or his interest in the proceeds of sale or resale of such Unit, if any, or (b) lease his Unit (such an offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called the "Offeree Unit Owner"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of the receipt of such Outside Offer. Said notice shall state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require. The giving of such notice to the Board of Managers shall constitute an offer by such Unit Owner to sell his Unit or Lease his Unit to the Board of Managers its designee, corporate or otherwise on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a warranty and representation by the Offeree Unit Owner who has received such Outside Offer to the Board of Managers, on behalf of all Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board of Managers may reasonably request. Not later than twenty (20) days after the later of the receipt of such notice or such further information as may have been requested by the Board of Managers, the Board of Managers may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by certified or registered mail, return receipt requested, to purchase such Unit or to lease such Unit, as the case may be, or to cause the same to be purchased or leased by its designee (corporate or otherwise), on behalf of all Unit Owners on the same terms and conditions as contained in the Outside Offer and stated in the notice from the Offeree Unit Owner.

In the event the Board of Managers shall timely elect to purchase any such Unit or to Lease such Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of the Outside Offer, within forty-five (45) day after the giving of notice by the Board of Managers of its election to accept such offer. If, pursuant to such Outside Offer to purchase such Unit, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board of Managers may purchase the Unit and assume to take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit is to be sold, shall convey the same 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 of the Real Property Law of the State of New York, with all tax and other documents and/or documentary stamps affixed at the expense of such Unit Owner, who shall also pay all the taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interests, if any and the Common Charges shall be apportioned between the Offeree Unit owner and the Board of Managers, or its designee (corporate or otherwise), as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board of Managers, or to its designee (corporate or otherwise), a lease between the Offeree Unit Owner, as Landlord, and the Board of Managers, or its designee (corporate or otherwise), as Tenant, covering such Unit for the rental and terms contained in such Outside Offer.

In the event the Board of Managers or its designee shall fail to accept such offer within twenty (20) days after receipt of such notice, as aforesaid, or in the event the Board of Managers

shall, prior thereto, waive such right of first refusal in accordance with Section 4 of this Article, the Offeree Unit Owner shall be free to accept the Outside Offer within a sixty (60) day period after (i) notice of refusal is sent or (ii) the expiration of the period in which the Board of Managers or its designee might have accepted such offer, as the case may be.

Any 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.

Any lease executed in connection with the acceptance of an Outside Offer shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended, or assigned without the prior written consent of the Board of Managers; the tenant shall not assign his interest in such Lease or sublet the demised premises or any part thereof without the prior written consent of the Board of Managers; and the Board of Managers shall have the power to terminate such lease and/or to bring summary proceedings in the event of a default by the tenant to (i) perform its obligations under such lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

Except as hereinabove set forth, the form of any such lease executed by the Board of Managers, or an Outside Offeror, shall be the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain such other modifications as shall be approved in writing by the Board of Managers. Any lease executed by the Board of Managers as tenant, shall provide that the Board may enter into a sublease of the premises without the consent of the landlord.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers and, if the Board of Managers shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to commence legal proceedings to evict the purported tenant (in the case of an unauthorized leasing) in the name of the said Unit Owner as the purported landlord. Said Unit Owner shall reimburse the Board of Managers for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

The foregoing restrictions of Section 1 of this Article shall not apply to Sponsor-owned Units or any mortgagee acquiring title to a Unit, in a foreclosure or otherwise. The Sponsor or its designee shall have the right to freely sell their Unit or to freely lease all or any part thereof without first having to offer the same for sale or lease to the Board of Managers.

Section 2: Consent of Unit Owners

The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners present and voting in a meeting at which a quorum is present.

Section 3: Release by Board of Managers

The right of first refusal contained in Section 1 of this Article may be released or waived by the Board of Managers only in the manner provided in Section 4 of this Article. In the event the Board of Managers shall release or waive its right of first refusal as to any Unit, such Unit may be sold, conveyed or leased free and clear of the provisions of said Section 1 and all other restrictions, except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until all unpaid Common Charges assessed against his Unit shall have been paid to the Board of Managers. However, such unpaid Common Charges can be paid out of the proceeds from the sale of a Unit or by the grantee. Further, a Unit Owner may convey his Unit and his Common Interest appurtenant thereto to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners, and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 4: Certificate of Termination

A certificate executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article have been met by a Unit Owner or stating that the Right of First Refusal contained therein has been duly released or waived by the Board of Managers, and that as a result thereof the rights of the Board of Managers thereunder shall terminate, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely upon such certificate in good faith. The Board of Managers shall furnish, without charge, such certificate upon request to any Unit owner with respect to whom the provisions of such section have, in fact, terminated.

Section 5: Financing of Purchase of Unit by Board of Managers

The purchase of a Unit by the Board of Managers or its designee, on behalf of all Unit Owners, may be made from funds deposited in the capital and or expense account of the Condominium. If the funds in such accounts are insufficient to effectuate any such purchase, the Board of Managers may levy an assessment against each Unit owner, in proportion to his interest in the Common Elements, as a Common Charge, and/or the Board of Managers may in its discretion finance the acquisition of the Unit; provided, however, that no such financing may be secured by an encumbrance, or a hypothecation of any portion of the Property other than the Unit to be purchased.

Section 6: Exceptions

The provisions of Section 1 of this Article shall not apply with respect to any lease, sale or conveyance of a Unit by (a) the Unit Owner thereof to his spouse, adult children, parents, parents-in-law, adult siblings or any one or more of them, (b) the Sponsor or its designee, (c) the Board of Managers, or (d) any proper officer conducting the sale of the Unit in connection with the foreclosure of a mortgage or other lien covering such Unit, or delivering a deed in lieu of such foreclosure; provided, however, that the new Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article.

Section 7: Waiver of Partition Rights

The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 8: Mortgaging of Unit

No Unit Owner shall mortgage his Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, mortgage company, life insurance company, union pension fund, agency of the United States Government or agency of the State of New York or a purchase money mortgage loan granted by the Seller or in participation with one of the above institutions.

Section 9: Gifts, etc.

Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass the same by intestacy, without restriction.

Section 10: Leasing Restrictions

(a) Except as noted in Section 10(c), every lease on every Unit in the Condominium is subject to the following rules and regulations, regardless of whether in the lease:

- (i) the lease must be in writing;
- (ii) the lease must be for the entire Unit;
- (iii) the lease must be for a minimum period of not less than 12 months.
- (iv) the use of the premises is subject to the Declaration, the By-Laws and the Rules and Regulations of the Condominium;
- (v) within 30 days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the management company or to an officer or manager of the Condominium;
- (vi) the Unit cannot be used as a motel or hotel or otherwise for transient tenants;
- (vii) if any Unit Owner ("Landlord") or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including Rules and Regulations, subject to the 30 day notice to cure as set forth below, the Board of Managers on behalf of the Condominium may bring an action in its own name or in the name of the Landlord, or both, to have the tenant evicted or to recover damages, or both. If the court finds that the tenant is or has violated any of the provisions of the Declaration, the By-Laws of the Condominium or the Rules and Regulations, the court may find the tenant guilty of forcible detainer despite the

facts that the Landlord is not a party to the action and/or that the tenant is not otherwise in violation of tenant's lease or other rental agreements with the Landlord. For purposes of granting the forcible detainer against the tenant, the court may consider the Landlord a person in whose name a contract (the lease or rental agreement) was made for the benefit of another (the Condominium). The remedy provided by this subsection is not exclusive, and is in addition to any other remedy or remedies available to the Condominium. If permitted by present or future law, the Condominium may recover all of its cost, including court costs and reasonable attorneys' fees, and these costs shall be a continuing lien on the Unit that shall bind the Unit in the hands of the then Unit Owner and the Unit Owner's successors and assigns. The Condominium shall give the tenant and the Unit Owner written notice of the nature of the violation of the rules, and 30 days from the mailing of the notice in which to cure the violation before the Condominium may file for eviction.

(b) By becoming a tenant, each tenant agrees to be bound by the Declaration, the By-Laws and other Rules and Regulations of the Condominium, and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the other Rules and Regulations of the Condominium.

(c) Only subsections (iv) and (v) of Section 10(a) apply to a first mortgage lender who has title to the Unit through (a) foreclosure of its first mortgage on the Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Unit. Any subsequent purchaser from the first mortgage lender is subject to all of the provisions of this Article.

(d) The provisions of this Section do not apply to the Sponsor.

ARTICLE IX ARBITRATION

Section 1: Procedure

Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 2: Variation by Agreement

The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any

manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3: Binding Effect

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4: Costs and Expenses

The fees costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

ARTICLE X INSURANCE AND INSURANCE TRUSTEE

Section 1: Insurance to be Carried by the Board

The Board of Managers shall obtain and maintain to the extent obtainable the following insurance: fire insurance with extended coverage water damage, vandalism and malicious mischief endorsements, insuring all of the Units in the Building in the Condominium and the bathrooms and kitchens fixtures initially installed therein by the Sponsor (but not including wall, ceiling or floor decorations or coverings furniture, furnishings, fixtures or other personal property supplied or installed by Unit Owners), together with all 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 interests may appear, in an amount equal to the replacement value of the Building (exclusive of the cost of excavations, footings and foundation). 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 to be necessary. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$25,000 or less, shall be payable to the Board of Managers, and if more than \$25,000, shall be payable to the Insurance Trustee to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. The Board of Managers is hereby irrevocably appointed agent for each Unit Owner and for each owner of a mortgage or other lien

upon a Unit and for each owner of any other interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims.

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 insureds 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 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 ten (10) days prior to expiration of the then current policies. The Board of Managers shall review the limits of each insurance policy, as well as the amount of any deductible thereunder, prior to obtaining a renewal of any policy of insurance. In the event a Unit Owner shall dispute the amount of coverage purchased by the Board of Managers, the Board shall duly consider an appraisal obtained by and at the expense of the Unit Owner 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 casualty insurance to be effected pursuant to this Section. The decision of the Board thereon shall be deemed conclusive for all purposes.

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, except arising out of occurrences within his own Unit, each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that 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: The Insurance Trustee

The Insurance Trustee shall be a bank or trust company located in the State of New York and designated by the Board of Managers. All fees and disbursements of 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, fails to qualify, or is replaced by the Board of Managers, 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.

Section 3: Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Building as a result of fire or other casualty (unless (i) seventy-five (75%) percent or more of the Units are destroyed or substantially damaged, and (ii) seventy-five (75%) percent 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 kitchen or bathroom fixtures initially installed therein by the Sponsor, 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 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 progress 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 the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent 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, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration) then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

In the event that the damage resulting from a casualty loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the Owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the Owner of a Unit so affected thereby, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

ARTICLE XI CONDEMNATION

In the event 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 \$25,000 and to the Board of Managers if the award is \$25,000 or less, to be distributed in accordance with Section 3 of Article IX 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 Interests 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 Arbitration Statutes of the State of New York.

If a portion of irrevocably restricted Common Elements is taken in condemnation or eminent domain proceedings as aforesaid, the Common Interest appurtenant to the Unit thereby affected shall be adjusted accordingly and reflected in an Amendment to the Declaration duly executed and acknowledged by the Condominium Board and the Unit Owners together with the holders of record of all liens.

ARTICLE XII RIGHTS OF UNIT MORTGAGEES AND GUARANTORS

A. Any action to terminate the legal status of the project after substantial destruction or condemnation occurs or for any other reason must be agreed to by mortgagees that represent at least fifty-one percent (51%) of the votes of the unit estates that are subject to mortgages.

B. Unpaid Dues – Any first mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six months of the unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the unit by the mortgagee. If the condominium association's lien priority includes costs of collecting unpaid dues, the lender will be liable for any fees or costs related to the collection of unpaid dues."

ARTICLE XIII MORTGAGES

A. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

B. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

C. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

D. Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

E. Any mortgagee shall be entitled to timely written notice of:

1. Any condemnation of casualty loss that affects either a material portion of the project or the unit security its mortgage.
2. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
3. A lapse, cancellation, or material modification of any insurance policy Maintained by the Homeowner's Association.
4. Any proposed action that requires the consent of a specified percentage of mortgages.

F. Notwithstanding anything to this contrary set forth in any portion of these By-Laws, any first mortgages who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of such unit's unpaid regularly scheduled budgeted dues or common charges accrued before acquisition of title to the unit by the mortgagee, together with any fees or costs related to the collection of such unpaid dues.

G. Notwithstanding anything to the contrary set forth elsewhere in these By-Laws, no amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the consent of the mortgagee.

H. When a mortgagee fails to submit a response to any written notification made pursuant to these By-Laws within sixty (60) days after such notice is delivered by certified or registered mail, return receipt requested, said mortgages will be conclusively presumed to have consented to the action set forth in said notice.

777-A - Housing merchant implied warranty.

Universal Citation: [NY Gen Bus L § 777-A \(2015\)](#)

777-a. Housing merchant implied warranty. 1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title.

A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warrant claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth, or
- (d) did not have knowledge concerning the representation or statement made.

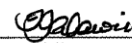
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

DOUGLASS RESIDENCE LLC
Sponsor

By: 
ERAN TOURGEMAN

Principal of Sponsor: 
ERAN TOURGEMAN

Affirmed to before me this
5th day of July, 2019


Notary Public

TARAMATI JAHAWIR
Notary Public - State of New York
No. 01JA6352717
Qualified in Queens County
My Commission Expires January 3, 2021

COMPASS

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

Re: The Douglass Street Condominium
99 Douglass Street
Brooklyn, NY

Dear Sir/Madam

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation. My experience in this field includes being licensed real estate broker and salesman for over 20 years, and have managed about 12 properties for 5 years. I am familiar with prices, practices, and procedures in the area of the condominium.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to schedule B and B-1.

I have reviewed the Schedules B and B-1 and investigated the facts set forth in the schedule and, the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projection in schedule B and B-1 appear reasonable and adequate under existing circumstances and the projected income appears to be sufficient to meet the anticipated operating expenses to the projected first year of condominium operation

I certify that the Schedules

- (i) Set forth in detail the projected income and expenses for the first year of condominium operation.
- (ii) Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operations

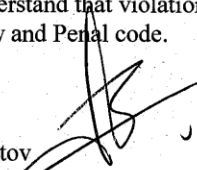
COMPASS

- (iii) Do not omit any material fact:
- (iv) Do not contain any untrue statement of a material fact.
- (v) Do not contain any fraud, deception, concealment, or suppression
- (vi) Do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances
- (vii) Do not contain any representation or statement which is false where I:

- (a) Knew the truth:
- (b) With reasonable effort could have known the truth:
- (c) Made no reasonable effort to ascertain the truth or
- (d) Did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the 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 code.

By: Dan Bentov 
Licenced Real Estate Salesperson.

Subscribed and sworn to before me
this 9th day of January, 2020.

Notary Public 

TARAMATI JAHAWIR
Notary Public - State of New York
No. 01JA6352717
Qualified in Queens County
My Commission Expires January 3, 2021



**146-02 Hillside Avenue,
Jamaica, NY 11435
Tel: (718) 883-1555
Fax: (718) 883-1666
Email: Mpiroozs@Aol.com**

September 4th, 2020

**CERTIFICATION BY SPONSOR'S ENGINEER
PURSUANT TO PART 20.4 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

Department of Law of
The State of New York
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: 99 Douglass Street,
Brooklyn, NY 11231

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership has retained our firm to prepare a report describing the construction and/or renovation of the property (hereinafter "the Report"). I examined the building plans and specifications, prepared by Jan Perez and approved by NYC DOB on 08/26/2020 and prepared the report dated 09/04/2020, a copy of which is intended to be incorporated into the Offering Plan, so that the prospective purchasers may rely thereupon. I am a licensed Engineer, registered in the State in which the property is located.

I understand that I am responsible for complying with article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to this "Report".

I have read the entire report and investigated the facts set forth therein and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made. I certify that the Report does:

- (i) Set forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications which I examined.
- (ii) In our professional opinion, afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction provided that construction is in accord with the plans and specifications which I examined.
- (iii) Not omit any material fact;
- (iv) Not contain any untrue statement of a material fact;

- (v) Not contain any fraud, deception, concealment, or suppression;
- (vi) Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.
- (vii) Not contain any statement or representation 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 statements made.

I further certify that I am not owned or controlled by, and have no beneficial interest, in the Sponsors, and that my compensation for preparing the Report is not contingent on the conversion of the property to condominium ownership, 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.


Pirooz Soltanizadeh



Sworn before me this
4th Day of Sep, 2020



MILAD GHAFFARI
Notary Public, State of New York
Registration No. 01GH6377506
Qualified in Queens County
Commission Expires July 2, 2022