
CONDOMINIUM OFFERING PLAN FOR
THE 101 CONDOMINIUM

101 East 2nd Street
New York, NY 10009
NEW YORK COUNTY

Residential Units	22	\$35,015,000.00
Commercial Unit	1	\$ 8,400,000.00
Total Amount of Offering		\$43,415,000.00

SPONSOR & SELLING AGENT:

24 1st Avenue Project LLC
1817 Emmons Avenue, 2nd fl., Suite 1
Brooklyn, NY 11235
(718) 758-5333

DATE OF ACCEPTANCE FOR FILING IS _____.
**THIS PLAN MAY NOT BE USED FOR MORE THAN TWELVE (12) MONTHS FROM
SUCH DATE UNLESS EXTENDED BY A DULY FILED AMENDMENT.**

SEE PAGE 3 FOR SPECIAL RISKS TO PURCHASERS

**SPONSOR IS RESERVING THE RIGHT TO RENT. BECAUSE SPONSOR IS
RETAINING THE RIGHT TO RENT RATHER THAN SELL UNITS AFTER PLAN
CONSUMMATION, 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 RISK SECTION OF THE PLAN.)**

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

TABLE OF CONTENTS

	PAGE
PART I	1
SPECIAL RISKS	3
INTRODUCTION	21
DEFINITIONS	27
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	29
LOCATION AND AREA INFORMATION	36
OFFERING PRICES AND RELATED INFORMATION (SCHEDULE A)	37
FOOTNOTES TO SCHEDULE A	40
BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION (SCHEDULE B)	44
FOOTNOTES TO SCHEDULE B	46
BUDGET FOR INDIVIDUAL ENERGY COSTS FOR FIRST YEAR OF CONDOMINIUM OPERATION (SCHEDULE B-1)	52
COMPLIANCE WITH SECTION 339-I OF SECTION 339-I OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK COMMERCIAL UNIT	53
CHANGES IN PRICES AND UNITS	55
INTERIM LEASE	57
PROCEDURE TO PURCHASE	59
ASSIGNMENT OF PURCHASE AGREEMENTS	61
EFFECTIVE DATE	61
TERMS OF SALE	73
UNIT CLOSING COSTS AND ADJUSTMENTS	74
RIGHTS AND OBLIGATIONS OF SPONSOR	76
CONTROL BY SPONSOR	80
BOARD OF MANAGERS	85
RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANAGERS	92
REAL ESTATE TAXES	94
INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM	100
OPINION OF COUNSEL	111
WORKING CAPITAL FUND	118
RESERVE FUND	120
MANAGEMENT AGREEMENT	125
IDENTITY OF PARTIES	126
REPORTS TO UNIT OWNERS	128
DOCUMENTS ON FILE	130
GENERAL	137
RESERVATION OF AIR AND DEVELOPMENT RIGHTS	137
SPONSOR'S STATEMENT OF SPECIFICATIONS	138

PART II	141
DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITION	143
FLOOR PLANS	180
FORM OF PURCHASE AGREEMENT	203
INSPECTION STATEMENT	230
FORM OF INTERIM LEASE	231
FORM OF POWER OF ATTORNEY	234
FORM OF RESIDENTIAL UNIT DEED	237
FORM OF COMMERCIAL UNIT DEED	242
DECLARATION OF CONDOMINIUM	247
BY-LAWS OF CONDOMINIUM	265
RULES AND REGULATIONS OF CONDOMINIUM	296
SECTION 339-KK OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK	300
TAX ESCROW AGREEMENT	301
CERTIFICATIONS	
SPONSOR AND PRINCIPALS	303
SPONSOR'S ARCHITECT	306
SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET	308
SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE OWNERS OF THE COMMERCIAL UNIT	310

PART I

SPECIAL RISKS

The following is a summary of certain special risk considerations in connection with the Plan but is not intended to summarize all major features of the Plan. Prospective Purchasers are urged to read the following special risk factors in conjunction with the Plan for a discussion of these and other important aspects of this condominium offering.

1. Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers. However, in the event that values of the Residential Units are decreased by at least 25% from the offering prices listed in Schedule A, Sponsor reserves the right to rent, rather than sell, the Residential Units, after filing the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Plan following a declaration of effectiveness by Sponsor and acceptance of the amendment by the Department of Law confirming or declaring the Plan effective, until there is an improvement of the market. Sponsor's good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities. Sponsor will disclose in an amendment to the Plan if it opts to rent, rather than sell the Residential Units. In the event Sponsor decides to rent Residential Units in accordance with the terms of the Plan, Sponsor is obligated to attempt to sell the remaining Residential Units once there is an improvement of the market.

If Sponsor opts to rent, rather than sell, the Residential Units, the Plan may not result in the creation of a condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Residential Units necessary to declare the Plan effective, i.e. four (4) Residential Units, and owner-occupants may never gain effective control and management of the Condominium.

Sponsor will resume sales where values of the Residential Units increase so that they are within 25% of the offering prices listed in Schedule A.

Sponsor cannot rent Residential Units prior to filing the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Plan following a declaration of effectiveness by Sponsor and acceptance of the amendment by the Department of Law confirming or declaring the Plan effective. Please see "Introduction" and "Rights and Obligations of Sponsor" Sections of the Plan.

2. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor has not sold a substantial percentage of the units in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of

10% or more. It also may be difficult for a purchaser to resell a unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

3. Sponsor has obtained the acquisition loan in the amount of \$9,000,000.00 and the building loan in the amount of \$9,000,000.00 (collectively the "Loan") from Bank Hapoalim B.M., having an address at 1120 Avenue of the Americas, New York, NY 10036, (hereinafter called "Hapoalim").

Pursuant to the Loan documents, upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of Hapoalim's mortgages immediately upon receipt of payment equal to ninety two percent (92%) of the gross proceeds of sale of the Unit.

Except for a required payment per sale stated above, Hapoalim did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did Hapoalim impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Loan may only be paid down to the extent Sponsor sells the Units and thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Loan. Please see "Introduction", "Terms of Sale" and "Rights and Obligations of Sponsor" Sections of the Plan.

4. The Property is located in Flood Zone X on FEMA Map Number 3604970201F, effective on September 5, 2007. The Property is designated as an area of minimal flood hazard on the currently effective FEMA's Flood Insurance Rate Map. There is no mandatory flood insurance requirement for Flood Zone X. Please see "Description of Property and Improvements" Section of the Plan.

5. Each Residential Unit will be equipped with a domestic electric washer and ventless dryer, refrigerator, oven, cooktop and dishwasher. Please see "Description of Property and Improvements" Section of the Plan.

6. The finished floor of the living, dining, kitchen and bedroom area of each Residential Unit will be a hardwood. Wood floors should be maintained in accordance with the requirements of National Wood Flooring Association available on its website at:

<https://www.woodfloors.org/maintenance.aspx>

Please see "Description of Property and Improvements" Section of the Plan.

7. Residential Units 2C, 2D, 3C, 3D, 4C, 4D, 5C, 5D, 6C and 6D, will have lot line windows along the south and north elevation, which may be blocked in the future by a building constructed at the adjoining properties. However, none of the light and air requirements will be provided through the lot line windows, and a blocking of the lot line windows will not change the legal use of the room of each Unit having the lot line window. If the neighboring properties

are developed there may be an obligation to seal the lot line windows, which will be an additional expense for Purchasers at an approximately \$1,500.00 per window. Under the applicable building code in the City of New York, lot line windows must meet certain requirements including being built of a shatter-resistant type of glass and being provided with a protective sprinkler head. All lot line windows will be built in full compliance with all applicable building codes and other regulations.

The spaces where the lot line windows are located are not allowed to be habitable spaces, as they do not have required light and ventilation, and that these spaces may not be enclosed with partitions.

Please see “Description of Property and Improvements” Section of the Plan.

8. There is no elevator access to the roof. The Limited Common Element roof terraces for Residential Units PH1 and PH2 are therefore not ADA accessible. The main roof terraces will be unfinished. The Installation of pavers is recommended and Unit Owners will be required to install pavers if they intend to use the roof terraces as passive recreation. Pavers manufactured by the Tile Tech System Paver System are recommended for daily foot traffic. Please see “Description of Property and Improvements” Section of the Plan.

9. Sponsor is not providing “No Dollar Limit Manufactures Warrantee” (NDL) for the new roof. The absence of NDL manufacturer’s warranty may indicate that the roof membrane and appurtenance 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. Please see “Description of Property and Improvements” Section of the Plan.

10. New York City Local Law 11/98 "Facade Inspection Safety Program" is applicable to the Condominium. It requires that owners of buildings with six or more stories above grade have their exterior walls and appurtenances thereof inspected by a registered architect or professional engineer every five (5) years. On the fifth anniversary of an initial temporary or final certificate of occupancy issued for the Building and every five (5) years thereafter, the Board of Managers will retain a registered architect or professional engineer who will inspect the exterior walls of the Building and appurtenances thereof, prepare a report of an inspection and file a report with the Commissioner of the New York City Department of Buildings. Each inspection by a registered architect or professional engineer to comply with New York City Local Law 11/98 will cost the Condominium the sum of \$750.00. Please see “Description of Property and Improvements” Section of the Plan.

11. The Property has an E-designation for Air Quality. There is no hazardous component to the E-designation (E-216). Natural gas will not be used in the condominium, as per E-designation requirements. To satisfy the requirements of E-216, this project has been designed to use electricity as the only fuel for the HVAC systems.

There is no requirement for an environmental easement at the Property.

There is no remaining contamination.

There is no (hazardous material) remediation required by the Air Quality E-designation.

There is no remediation requirement for the Property.

When the construction of the Building is completed, Sponsor will have to submit an installation report in to OER that will yield a notice of satisfaction from OER. Once this has been obtained, a certificate of occupancy will be issued, provided all other requirements have been met.

Neither Unit Owners nor the Condominium will be will be required to reimburse Sponsor for expenses related to the Property's E-Designation status as there is no remediation requirement for the Property.

The OER file numbers for the Property are 18TMP1028M and 18EAIR350M. A link to the OER website is <https://www1.nyc.gov/site/oer/index.page>.

No monitoring is required for the Property.

No reports are required for this E-designation for Air Quality.

No remediation or remediation systems are required as a result of the E-designation for Air Quality.

There are no costs or liabilities to Unit Owners as a result of the E-designation for Air Quality.

There are no requirements for the Property to have and maintain a Site Management Plan.

The Short Form Air Quality Remedial Action Plan will be available at sales office to all Purchasers for review prior to Purchase Agreement signing.

There is no ongoing remediation or management as a result of the E-designation.

The only restriction is that Lot 8 is not allowed to use fuel oil and Lot 12 can use either natural gas or fuel oil but if fuel oil is used, the boiler stack must be 20 feet from the lot line on First Avenue.

There are no obligations or liabilities passed onto Unit Owners as a result of the E-designation.

Please see "Description of Property and Improvements" Section of the Plan.

12. The approximate floor area of each Residential Unit and Commercial Unit is measured from the outside face of the masonry work at the exterior walls of the Building to the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical space).

The approximate measurements are within reasonable tolerances.

The above measurements are not based from interior surfaces of interior walls. Therefore, the actual area comprising each Residential Unit and Commercial Unit is significantly less than the area listed in Schedule A.

The above measurements of each Residential Unit and Commercial Unit significantly exceed the actual usable floor area of the Residential Unit and Commercial Unit. Please see "Description of Property and Improvements" and "Footnotes to Schedule A" Sections of the Plan.

13. The cellar, sub-cellar, and the Limited Common Elements of the Units such as the balconies and terraces are uninhabitable spaces. They may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Their use as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation. Please see "Description of Property and Improvements", "Footnotes to Schedule A" and "Rights and Obligations of the Unit Owners and the Board of Managers" Sections of the Plan.

14. The cellar has less light and air than ordinary living space and it is more susceptible to dampness. Please see "Description of Property and Improvements" and "Footnotes to Schedule A" Sections of the Plan.

15. *Sponsor is not obligated to obtain a final certificate of occupancy before the first closing.*

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy, (hereinafter called "FCO"), covering the entire building but with only a temporary certificate of occupancy, (hereinafter called "TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are general governed by Section 301 of the Multiple Dwelling Law of the State of New York and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings, (hereinafter called "DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirement of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell

units. In New York City, it is common for sponsors to comment unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario to occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire Building. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within two years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of a FCO. **NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATE TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT.** Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Furthermore, because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at:

http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

Please see "Description of Property and Improvements" and "Rights and Obligations of Sponsor" Sections of the Plan.

16. No real estate tax abatement benefits will be available to the Units.

IN THE EVENT THERE ARE INCREASES IN THE REAL ESTATE TAX RATE OR THE UNIT'S ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN SET FORTH IN THE PLAN FOR THE FIRST YEAR OF OPERATION OF THE CONDOMINIUM AND IN FUTURE YEARS. HENCE, INDIVIDUAL CARRYING COSTS FOR THE UNITS WILL ALSO BE HIGHER.

Please see "Footnotes to Schedule A" and "Real Estate Taxes" Sections of the Plan.

17. 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. Purchasers should not rely on any representations in this Plan addressing taxes without first consulting a tax expert. Please see "Footnotes to Schedule A" Section of the Plan. Please also see "Counsel Tax Opinion Letter".

18. Repairs to the Common Elements of the Condominium will be performed by outside construction companies hired by either the Board of Managers of the Condominium or Managing Agent after Sponsor control period. The costs for the repairs are not a line item in the budget. In such a case, special assessments may be imposed to pay for these costs. Please see "Footnotes to Schedule B" Section of the Plan.

19. The Condominium will not be eligible to qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code. As a result, the Condominium will be subject to Federal corporate income tax pursuant to Section 277 of the Internal Revenue Code. The current tax rate is 21% of the Condominium's taxable income, which is equal to a difference between [i] annual assessments collected from unit owners and other income generated by the Condominium and [ii] operating expenses of the Condominium for a year in question, including assessments for the Reserve Fund. (See Rev. Rul. 75-370, 1972-2 C.B. 25 [special assessments collected by a nonexempt condominium management corporation from its unit owner-stockholders and accumulated in a separate bank account for replacement of the roof and elevators in the condominium were held not to be includible in the corporation's gross income]). Please see "Real Estate Taxes" Section of the Plan.

It is anticipated that all assessments collected from the Unit Owners during the first year of the Condominium operation will be spent for expenses set forth in Schedule B. Thus, no corporate income taxes will be due.

However, if the sum of \$2,000.00 allocated to Contingency in Schedule B is not spent, the Condominium will be required to pay \$420.00 in corporate income tax. Please see "Footnotes to Schedule B" Section of the Plan.

20. The Commercial Unit Owners have the right to subdivide the Unit, without prior consent of the board of managers, Sponsor or Residential Unit Owners. Please see "Commercial Unit" Section of the Plan.

21. The Commercial Unit will not have a HVAC system. Sponsor will install electric baseboard heaters to keep the sprinkler system from freezing, but all fit out work will be done by the Commercial Unit Owners. Please see "Commercial Unit" Section of the Plan.

22. The Commercial Unit may be used for any legal use permitted by the certificate of occupancy of the Building, the Zoning Resolution of the City of New York or other applicable laws, including, without limitation, as restaurant, offices and retail spaces. Please see "Commercial Unit" Section of the Plan.

23. The unfinished nature of the Commercial Unit will not impact the procurement of a permanent certificate of occupancy, ("PCO"), for the Residential Units.

If Sponsor decides to sell the Commercial Unit as "white space" unit, Sponsor will (i) ascertain and disclose what minimal work is needed to complete such unit in order for the Department of Buildings to issue a PCO covering all Residential Units, and (ii) disclose whether Sponsor will undertake that work. Sponsor will obtain a written assurance from the Purchaser of

the “white space” unit that obligates the “white space” Purchaser to perform whatever work that may be necessary to its unit in order for the Department of Buildings to issue a PCO. If the Purchaser of the “white space” unit enters into an alteration agreement with Sponsor, Sponsor will disclose a copy of that agreement as an exhibit in the Plan. If Sponsor does not obtain such an agreement from the Purchaser, Sponsor will disclose that fact as a special risk in the Plan. The above notwithstanding, Sponsor remains fully obligated to procure the PCO for the Condominium. Please see “Introduction” and “Commercial Unit” Sections of the Plan.

24. With regard to the size of a Unit, a decrease in a Unit’s area of five percent (5%) or less will not affect Purchaser’s obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit’s size that is diminished by five percent (5%) or less is not material. A change of five percent (5%) or less may not affect Purchaser’s right to consent to a decrease in a Unit’s area. Please see “Changes in Prices and Units” Section of the Plan.

25. Sponsor does not intend to rent Units to Purchasers before the consummation of the Plan but reserves the right to do so in accordance with the terms set forth “Interim Lease” Section of the Plan.

Purchaser does not have the right to take possession of the Unit prior to the closing without the prior written consent of Sponsor, which consent may be withheld for any reason or for no reason. Sponsor’s refusal to consent to a pre-closing possession will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor.

An uncured default under the Purchase Agreement will be a default under the Interim Lease. An uncured default under the Interim Lease will be a default under the Purchase Agreement. Please see “Interim Lease” Section of the Plan.

26. Any deposits made for upgrades, extras, special or custom work shall be initially deposited into the Escrow Account, (hereinafter defined). However, such funds may be released from the Escrow Account in accordance with the terms of the Purchase Agreement as long as Sponsor uses the funds for such upgrades, extras, special or custom work. In the event Purchaser is entitled to a rescission, other than in the event of an abandonment of the Plan by Sponsor, Purchaser will not receive a refund of any funds used for any upgrades, extras, special or custom work in the Unit ordered by Purchaser if such funds have been expended for such upgrades, extras, special or custom work. In the event the Plan is abandoned, the deposit and all funds paid by Purchaser for any upgrades, extras, special or custom work in the Unit ordered by Purchaser shall be refunded to Purchaser within five (5) days of abandonment. Please see “Procedure to Purchase” Section of the Plan.

27. The Federal Deposit Insurance Corporation, (hereinafter called “FDIC”), is an independent agency of the United States government that protects the funds depositors place in banks and savings associations. The standard insurance amount is \$250,000.00 per depositor, per insured bank, for each account ownership category.

The escrow account of TSYNGAUZ & ASSOCIATES, P.C. is with Capital One, N.A., having an address at 6521 18th Avenue, Brooklyn, NY 11204.

Capital One, N.A. is a FDIC-insured depository institution. Should Capital One, N.A. suffer a bank failure, when asserting a claim for a loss covered by FDIC insurance, the account holder, TSYNGAUZ & ASSOCIATES, P.C., will be deemed a nominal account holder and Purchasers will be deemed the depositors to whom the standard insurance limit apply. In such a case, Purchasers' funds in excess of the limit may not be insured.

If Purchaser has accounts at the same bank as the Sponsor's account that holds escrowed funds, Purchaser's funds at the escrow bank factor into the \$250,000.00 FDIC insurance limit. Please see "Procedure to Purchase" Section of the Plan.

28. **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the balance of the purchase price and to pay, perform or comply with Purchaser's other obligations under the Purchase Agreement. Upon the occurrence of an Event of Default defined in the Purchase Agreement, Sponsor, in its sole discretion, may elect by notice to Purchaser to cancel the Purchase Agreement. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the written notice of cancellation to cure the specified default.

If the default is not cured within such thirty (30) days, **TIME BEING OF THE ESSENCE**, then the Purchase Agreement will be deemed cancelled, and Sponsor will have the right to retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages. Upon the cancellation of the Purchase Agreement, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

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

TIME IS OF THE ESSENCE means that Purchasers must perform their obligations under the Purchase Agreement at the time certain regardless of whether they are sick, disabled, or cannot attend the closing for any other reason.

Provided Sponsor is ready, willing and able to close title in accordance with the Purchaser Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled closing:

- (a) the closing apportionments described in the Purchase Agreement will be made as of the midnight of the day preceding the originally scheduled closing, regardless of when the actual closing occurs, and
- (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in

addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the purchase price for each day starting from and including the originally scheduled closing to and including the day before the actual closing. The interest rate charged will not exceed maximum legal usury limits.

Please see “Procedure to Purchase” Section of the Plan.

29. Purchaser shall also be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing Sponsor's rights or Purchaser's obligations under the Purchase Agreement if Sponsor is deemed the prevailing party in any such dispute. Please see “Procedure to Purchase” and “Unit Closing Costs and Adjustments” Sections of the Plan.

30. After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice to each Purchaser stating the date of the first closing and setting such Purchaser's closing date no less than thirty (30) days before the date set for the closing of the Units. Please see “Procedure to Purchase” and “Unit Closing Costs and Adjustments” Sections of the Plan.

31. Sponsor anticipates that the first closing of a Residential Unit will occur by October 1, 2021. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Residential Unit; or (ii) the projected date of closing of title to the first Residential Unit occurs later than September 30, 2022, twelve (12) months after the projected date for the first Residential Unit closing. If the Plan is amended to provide for a later projected date for the first Residential Unit closing, Purchasers will be entitled to an offer of rescission if the first Residential Unit closing occurs more than twelve (12) months beyond that amended, later day. Purchasers who enter into a Purchase Agreement after the Plan has been amended to provide for a later date would be entitled to an offer of rescission if the first Unit closing occurs more than twelve (12) months beyond that amended, later day.

However, if the first Residential Unit closing occurs before September 30, 2022, Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, 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 within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

Purchasers should note that even if the first Residential Unit closing occurs on or before October 1, 2021, (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of

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

In the event however, Sponsor cannot convey title to the Unit on or before twenty four (24) months from the date of the Purchase Agreement, affected Purchasers will be afforded the right of rescission. Please see "Procedure to Purchase" Section of the Plan.

32. Prior to the first closing, the entire Building will be insured by Sponsor. After the first closing, the entire Building will be insured by the Condominium.

A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured.

Risk of loss from fire or other casualty remains with Sponsor until legal title to the Unit has been conveyed to Purchaser, unless Purchaser, with the prior written consent of Sponsor, takes possession of the Unit before the closing pursuant to an interim lease, if any. In such a case, Purchaser will assume risk of loss not covered by insurance.

Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit, Sponsor shall notify Purchaser within sixty (60) days of the damage to the Unit and repair the damage within ninety (90) days of the notice. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and all monies paid on account of the purchase price shall be returned to Purchaser within thirty (30) business days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages. Please see "Procedure to Purchase" Section of the Plan.

33. Purchaser's obligation to purchase a Unit is contingent upon issuance, on or before forty five (45) days after a fully executed copy of the Purchase Agreement is given to Purchaser or Purchaser's attorney, (hereinafter called the "Commitment Date"), of a written commitment from:

Popular Mortgage

150 East 42nd Street, 31st fl.
New York, NY 10004
Attn.: Phillip J. Robles
Tel: (917) 405-4536
Fax: (212) 417-6874
Email: Probles@popular.com

(hereinafter called the "Preferred Lender").

PURCHASER UNDERSTANDS THAT PURCHASER IS FREE TO SEEK FINANCING DIRECTLY FROM OTHER LENDERS, EITHER SOLELY OR PARALLEL WITH THE APPLICATION TO THE PREFERRED LENDER, BUT THE CONTINGENCY SHALL ONLY APPLY IF AN APPLICATION IS MADE IN GOOD FAITH TO THE PREFERRED LENDER AND IS DILIGENTLY PURSUED. THEREFORE, REFUSAL BY ANY LENDER TO MAKE A COMMITMENT TO PURCHASER WILL NOT ENTITLE PURCHASER TO CANCEL THIS AGREEMENT OR RECEIVE A REFUND OF THE DEPOSIT.

Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Therefore, if the purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise such right.

Purchaser shall (i) make prompt application to the Preferred Lender, for such mortgage loan within five (5) days after the fully executed copy of the Purchase Agreement is given to Purchaser or Purchaser's attorney in the manner set forth in Section 25 or 29(j) of the Purchase Agreement, (ii) furnish to the Preferred Lender accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with the Preferred Lender. **IF PURCHASER FAILS TO COMPLY WITH THESE OBLIGATIONS, PURCHASER SHALL BE DEEMED TO HAVE WAIVED PURCHASER'S RIGHT TO CANCEL THE PURCHASE AGREEMENT AND TO RECEIVE A REFUND OF THE DEPOSIT BY REASON OF THE CONTINGENCY.**

If the Preferred Lender denies Purchaser's application in writing prior to the Commitment Date or if no Commitment is issued by the Preferred Lender on or before the Commitment Date, then, provided that Purchaser has complied with all his obligations set forth in the preceding paragraph, Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the deposit

by reason of the contingency.

If a Commitment was issued but it lapsed or expired prior to the closing, Purchaser will make a good faith effort to extend the Commitment and pay all required costs, fees and expenses to extend the Commitment up to the closing. In no event whatsoever will Sponsor be liable for any costs, fees or expenses relating to the extension of the Commitment, even if the lapse or expiration of the Commitment resulted from a delay in the closing caused by Sponsor.

However, if a Commitment was issued but it lapsed or expired prior to the closing, and Purchaser has made a good faith effort to extend the Commitment, but the Preferred Lender nevertheless refused or failed to extend the Commitment, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Preferred Lender of its failure or refusal to extend the Commitment. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the deposit by reason of the contingency.

If Purchaser acts in good faith and the Preferred Lender revokes a Commitment after the Commitment Date, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Preferred Lender of its revocation of the Commitment. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the deposit by reason of the contingency.

If a Commitment was issued but its terms were not materially and adversely changed prior to the closing, Purchaser shall nevertheless be required to purchase a Unit. Please see Section 29 of the Purchase Agreement in Part II of the Plan.

If Purchaser does not want financing contingency, Purchaser may delete Section 29 of the Purchase Agreement at the time of its execution. If Purchaser deletes the financing contingency, any prospective Purchaser who executes a Purchase Agreement may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price.

The condominium complies with the Preferred Lender's requirements applicable to condominiums, including, without limitation, the amount of the reserve fund and the by-laws. The Preferred Lender requires that at least 15% of the Residential Units be sold and 51% of the Residential Units be owner-occupied before it will close a loan. If the Preferred Lender does not close a Purchaser's loan for this reason, Sponsor shall grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right.

Please see "Procedure to Purchase" Section of the Plan.

34. The United States Financial Crimes Enforcement Network ("FinCEN") issued the Geographic Targeting Order ("GTO"), which requires title insurance companies to collect and 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, or through a trust;
- (2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island;
- (3) the purchase price is \$300,000.00 or more;
- (4) such purchase is made without a bank loan or other similar form of external financing; and
- (5) such 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.

The GTO defines "legal entity" as a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state or of the United States or a foreign jurisdiction.

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. Please see "Terms of Sale" Section of the Plan.

35. Although Sponsor has a statutory obligation to pay the New York City and New York State real property transfer taxes, Sponsor is transferring said obligation to Purchasers. Purchasers will be required to the New York City real property transfer tax to the Department of Finance of the City of New York. The tax is 1.00% of the consideration for the Residential Unit of \$500,000.00 or less and 1.425% of the consideration for the Residential Unit of more than \$500,000.00. The tax is 1.425% of the consideration for the Commercial Unit of \$500,000.00 or less and 2.625% of the consideration for the Commercial Unit of more than \$500,000.00.

Purchasers will also be required pay the New York State real property transfer tax to the Department of Finance of the City of New York. The tax is 0.4% of the consideration for the Residential Unit of less than \$3,000,000.00 and 0.65% of the consideration for the Residential Unit of \$3,000,000.00 or more. The tax is 0.4% of the consideration for the Commercial Unit of less than \$2,000,000.00 and 0.65% of the consideration for the Commercial Unit of \$2,000,000.00 or more.

The consideration is the purchase price of the Unit plus the New York City and New York State real property transfer taxes calculated on the amount of the purchase price.

Purchaser will be the required to pay the fee of \$2,500.00 to Sponsor as partial reimbursement for the cost of preparing the Plan.

Purchaser will be required to pay the fee of \$2,950.00 to TSYNGAUZ & ASSOCIATES, P.C. for services rendered in connection with the preparation of the closing documents and the conduct of the closing. Purchaser will also be required to pay \$250.00 if the closing takes place outside the office of Sponsor's counsel at Purchaser's request and an additional \$250.00 if Purchaser fails to close on the date set forth in the notice of closing. Please see "Unit Closing Costs and Adjustments" Section of the Plan.

36. The Housing Merchant Implied Warranty (Article 36-B of the General Business Law of the State of New York), does not apply to this offering because the Building consists of more than five (5) stories. Thus, Sponsor will not provide the warranty required by that Article.

NO DISCLAIMER OR LIMITATION OF LIABILITY ON SPONSOR'S PART SHALL APPLY TO SPONSOR'S OBLIGATIONS UNDER ALL APPLICABLE STATUTES, LAWS AND REGULATIONS.

The Sponsor's obligation, regardless of any limitations in the warranty or in the Plan, is to construct the Building and the Units in accordance with all applicable codes and plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the Building and the Units in accordance with all applicable codes and plans and specifications shall be resolved in favor of the latter.

At or prior to the closing of the 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 roof, equipment and appliances installed in the Common Elements to the Board of Managers. Please see "Rights and Obligations of Sponsor" Section of the Plan.

37. No bond or other security has been posted to secure Sponsor's obligations under the Plan. Please see "Rights and Obligations of Sponsor" Section of the Plan.

38. Sponsor or Sponsor-designee will retain voting control of the Board of Managers for one (1) year after the closing of title to the first Unit or whenever the Unsold Units constitute, less than 50% of the Common Interests, whichever is sooner.

Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers, which would, by the election of such individual, give Sponsor voting control of the Board. So long as Sponsor or Sponsor-designee will continue to own Unsold Units Sponsor or Sponsor-designee will have the right to elect one (1) member of the Board of Managers. Please see "Control by Sponsor" Section of the Plan.

39. [i] For a period of five (5) years following the closing date of the first Unit, or [ii] so long as Sponsor or any Sponsor-designee, separately, will continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than 25%, whichever is earlier, the Board of Managers may not, without Sponsor's or Sponsor-designee's prior written consent, as the case may be:

- (a) increase the number, or change the type, of employees provided for in Schedule B,
- (b) make any addition, alteration or improvement to the Common Elements or to any Unit or
- (c) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Plan for the Property to the extent that the aggregate amount of such fund does not exceed 10% of the budgeted expenses of the Condominium or
- (d) borrow money on behalf of the Condominium (except where necessary to perform work required by applicable law or regulations, or remedy violations or a mortgagee's work order(s) to the extent that existing reserves are insufficient).

Sponsor and Sponsor-designee are entitled to the rights described herein collectively. If both Sponsor and Sponsor-designee, collectively, continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than 25%, they are both entitled to veto power.

However, notwithstanding the above restrictions, Sponsor or Sponsor-designee may not exercise veto power over expenses described in Schedule B, or over expenses required:

- (a) to comply with applicable laws or regulations;
- (b) to remedy any notice of violation;
- (c) to remedy any work order by an insurer; or
- (d) to preserve the safety of the Building or the safety and health of its occupants.

Please see "Control by Sponsor" Section of the Plan.

40. The Common Elements and the Limited Common Elements may not be used as a dwelling space, and for kindling, building, maintaining or using an open fire, including, without limitation, charcoal, piped natural gas, LPG fired or electrical barbeques. The use of roof terraces as contemplated in the Plan will comply with the requirements set forth in the New York City Department of Building's Buildings Bulletin 2018-002. Please see "Rights and Obligations of the Unit Owners and the Board of Managers" Section of the Plan.

41. No smoking will be permitted in front of the Building and anywhere in the Limited Common Elements and Common Elements. This prohibition is included in Rule 28 of the Rules and Regulations of the Condominium. Smoking will be permitted in the Residential Units and Commercial Unit. Please see "Rights and Obligations of the Unit Owners and the Board of Managers" Section of the Plan. Please also see Rule 28 of the Rules and Regulations of the Condominium in Part II of the Plan.

42. While Sponsor is in control of the Board of Managers of the Condominium, the reserve fund or working capital fund may not be used to reduce the projected Common Charges in the Plan. At the time of the closing of title to the Units from Sponsor or Sponsor-designee to a bona fide Purchaser, Purchaser will be required to pay into the Working Capital Fund the sum equal to two (2) months' Common Charges then applicable to each Unit being purchased. Sponsor will not contribute to the Working Capital Fund. Please see "Working Capital Fund" and "Reserve Fund" Sections of the Plan.

43. The Purchase Agreement contains a provision that Purchase represents that Purchaser has not dealt with any broker in connection with this transaction other than the broker, if any, named in the Purchase Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this provision shall survive the Closing. Please see "Procedure to Purchase" Section of the Plan. Please also see Section 22 of the Purchase Agreement in Part II of the Plan.

44. The Purchase Agreement contains a provision that except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, the Purchase Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived. Please see "Procedure to Purchase" Section of the Plan. Please also see Section 34 of the Purchase Agreement in Part II of the Plan.

45. Pursuant to the By-Laws of the Condominium, any matter arising out of the Condominium Documents, except for an action to foreclose a lien for unpaid common charges by the Board of Managers or an action seeking injunctive relief, shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Board of Managers, one arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction. There is no right of appeal from the arbitrator's decision. The decision, however, may be vacated if the court finds that the rights of the party were prejudiced by:

- (i) corruption, fraud or misconduct in procuring the decision; or
- (ii) partiality of the arbitrator appointed as a neutral; or
- (iii) the arbitrator exceeded his power or so imperfectly executed it that a final and definite decision upon the subject matter submitted was not made.

The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. All costs and expenses paid or incurred by the Board of Managers in connection with any arbitration held, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses. Please see Article XIV of the By-Laws in Part II of the Plan.

Options for appeal are limited for matters submitted to arbitration.

The arbitration provision does not relate to Purchase Agreements.

Please see “Rights and Obligations of the Unit Owners and the Board of Managers” Section of the Plan.

46. Each Residential Unit Owner shall notify the Board of Managers or Managing Agent of the Condominium, if any, in writing when a child, or children, under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Residential Unit Owner shall install, at such Unit Owner’s expense, the required window guards (or safety “stops” in lieu of window guards, designated specifically to prevent a child from falling out of a window) in all windows of the Residential Unit in compliance with all applicable New York City Administrative Code requirements. The Residential Unit Owner should maintain all window guards (or stops) installed in the Unit and shall not remove same until permitted by applicable law and in any event, without prior written notice to the Managing Agent. Please see “Rights and Obligations of the Unit Owners and the Board of Managers” Section of the Plan. Please also see “Rules and Regulations” Section of Part II of the Plan..

47. Refuse should not be placed on the sidewalk except on days of collection. Placing refuse on the sidewalk on days other than days of collection may result in a fine or penalty being levied against the Building. In turn, the Board of Managers will seek compensation for said fine or penalty from the Unit Owner, who caused said fine or penalty. Please see “Rights and Obligations of the Unit Owners and the Board of Managers” Section of the Plan. Please also see “Rules and Regulations” Section of Part II of the Plan.

INTRODUCTION

Sponsor is offering for sale twenty two (22) residential units, (hereinafter called the “Residential Units” or “Residential Unit”), and one (1) commercial unit, (hereinafter called the “Commercial Unit”), in the Building at the Property, located at 101 East 2nd Street, New York, NY 10009 as a Condominium to be known as “The 101 Condominium”, (hereinafter called the “Condominium”). The following pertinent information is set forth with respect thereto:

1. Sponsor may not, under law, offer for sale Condominium Units unless and until a Condominium Offering Plan, (hereinafter called the “Plan”), has been accepted for filing by the Department of Law of the State of New York, (hereinafter called the “Department of Law”). The purpose of the Plan is to set forth all the material terms of the offer to sell the Units in the Condominium. The Plan may be amended from time to time when an amendment is filed with the Department of Law. Such an amendment shall be served on:

- i. Purchasers who have executed and delivered Purchase Agreements to Sponsor or Selling Agent and whose Purchase Agreements are in effect,
- ii. Unit Owners, and
- iii. any other person entitled to service pursuant to 13 NYCRR §20.1(d).

2. The Condominium is subject to and complies with Article 9-B of the Real Property Law of the State of New York, as amended, (hereinafter called the “Condominium Act”).

3. Sponsor is 24 1st Avenue Project LLC, having an address at 1817 Emmons Avenue, 2nd fl., Suite 1, Brooklyn, NY 11235. The Property consists of two (2) parcels, identified as Lots 8 and 12 in Block 429 in the County of New York and State of New York. Sponsor acquired it on March 14, 2018. The Property was a commercial property at the time of the acquisition.

4. Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers. However, in the event that values of the Residential Units are decreased by at least 25% from the offering prices listed in Schedule A, Sponsor reserves the right to rent, rather than sell, the Residential Units, after filing the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Plan following a declaration of effectiveness by Sponsor and acceptance of the amendment by the Department of Law confirming or declaring the Plan effective, until there is an improvement of the market. Sponsor’s good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities. Sponsor will disclose in an amendment to the Plan if it opts to rent, rather than sell the Residential Units. In the event Sponsor decides to rent Residential Units in accordance with the terms of the Plan, Sponsor is obligated to attempt to sell the remaining Residential Units once there is an improvement of the market.

If Sponsor opts to rent, rather than sell, the Residential Units, the Plan may not result in the creation of a condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Residential Units necessary to declare the Plan effective, i.e. four (4) Residential Units, and owner-occupants may never gain effective control and management of the Condominium.

Sponsor will resume sales where values of the Residential Units increase so that they are within 25% of the offering prices listed in Schedule A.

Sponsor cannot rent Residential Units prior to filing the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Plan following a declaration of effectiveness by Sponsor and acceptance of the amendment by the Department of Law confirming or declaring the Plan effective.

If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor will be bound by sponsor's representations regarding its commitment to sell the Units.

For purposes of this Paragraph, "bulk sale" shall mean a sale of at least four (4) Units to one Purchaser, which are not purchased for occupancy by the owner or one or more members of his or her immediate family.

There are no obligations imposed on Sponsor by Bank Hapoalim B.M. with regard to selling or renting the Units except for a required payment per sale set forth in Paragraph 5 below.

5. Sponsor has obtained the acquisition loan in the amount of \$9,000,000.00 and the building loan in the amount of \$9,000,000.00 (collectively the "Loan") from Bank Hapoalim B.M., having an address at 1120 Avenue of the Americas, New York, NY 10036, (hereinafter called "Hapoalim").

Pursuant to the Loan documents, upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of Hapoalim's mortgages immediately upon receipt of payment equal to ninety two percent (92%) of the gross proceeds of sale of the Unit.

Except for a required payment per sale stated above, Hapoalim did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did Hapoalim impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Loan may only be paid down to the extent Sponsor sells the Units and thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Loan.

6. The unfinished nature of the Commercial Unit will not impact the procurement of a permanent certificate of occupancy, ("PCO"), for the Residential Units.

If Sponsor decides to sell the Commercial Unit as “white space” unit, Sponsor will (i) ascertain and disclose what minimal work is needed to complete such unit in order for the Department of Buildings to issue a PCO covering all Residential Units, and (ii) disclose whether Sponsor will undertake that work. Sponsor will obtain a written assurance from the Purchaser of the “white space” unit that obligates the “white space” Purchaser to perform whatever work that may be necessary to its unit in order for the Department of Buildings to issue a PCO. If the Purchaser of the “white space” unit enters into an alteration agreement with Sponsor, Sponsor will disclose a copy of that agreement as an exhibit in the Plan. If Sponsor does not obtain such an agreement from the Purchaser, Sponsor will disclose that fact as a special risk in the Plan. The above notwithstanding, Sponsor remains fully obligated to procure the PCO for the Condominium.

7. All equipment and fixtures described in the Plan are included in the offering prices of the Residential Units, which are not included in the offering prices of the Residential Units, and will not be provided by Sponsor. Each Residential Unit will be equipped with a domestic electric washer and vent-less dryer, refrigerator, oven, cooktop and dishwasher.

The cellar has less light and air than ordinary living space and it is more susceptible to dampness.

8. The basic aspects of condominium ownership are these.

Each Purchaser will own his or her Unit in a manner similar in many respects to the ownership of a private home. In addition to outright ownership of his or her Unit, Purchaser will be entitled to exclusive possession of that Unit together with an interest in and right to use the Common Elements, and exclusive right to use the Limited Common Elements, if applicable.

The Common Elements are those areas of the Condominium, which are owned by all Unit Owners in common.

The Limited Common Elements are those areas of the Condominium, the use of which is restricted to a particular Unit, but which are not owned by the Owner of such Unit. Please see Schedule A for more details.

Each Unit Owner will have to pay Common Charges in accordance with the Condominium Act, Sections 339(i) and (m) of the Real Property Law of the State of New York, or applicable state and local law.

Each Unit Owner will be obligated to comply with the Declaration, the By-Laws and Rules and Regulations of the Condominium and any other requirements of the Board of Managers of the Condominium.

Each Residential Unit Owner will have the right to use his or her Unit only for a private residence.

Each Commercial Unit Owner will have the right to use his or her Unit for any legal use permitted by the certificate of occupancy of the Building, the Zoning Resolution of the City of New York or other applicable laws, including, without limitation, as offices and retail spaces.

Each Unit Owner will have the right to sell or lease his or her Unit, subject to the following restriction. No Unit Owner will be permitted to sell or lease his or her Unit unless and until the Unit Owner will have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against the Unit and until he will have satisfied all unpaid liens against the Unit.

Each Unit Owner will have the right to mortgage his or her Unit subject to the following restriction. No Unit Owner will be permitted to mortgage his or her Unit unless and until the Unit Owner will have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against the Unit and until he will have satisfied all unpaid liens against the Unit.

The affairs of the Condominium will be governed by the Board of Managers in accordance with the By-Laws.

The number of Managers, which will constitute the whole Board of Managers, will be three (3).

The Managers will be elected by ballot of the Unit Owners at their annual meetings.

Each Unit will be separately taxed for real estate tax purposes and may be separately mortgaged. The Unit will not be affected by any other Unit's separate obligation for real estate taxes and mortgage.

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

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

Maintenance, repair and replacements in or to the Limited Common Elements will be performed:

- (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or
- (b) the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or railings and/or means of terrace or balcony access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

The Board of Managers will be required to obtain and maintain insurances specified in the Plan and the Declaration of the Condominium.

Unit Owners will not be prohibited from carrying other insurance for their own benefit, provided that all such policies will contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers will not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies will be so endorsed so as to state that they will in no way conflict with any insurance carried by the Board of Managers.

9. The prices for the Units set forth in Schedule A are not subject to approval by the Department of Law or any other government agency. Please see Schedule A for more details.

10. The Plan delivered to prospective Purchasers contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection at no cost and for copying at 25 cents per page to prospective Purchasers and their attorneys at the office of Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an office at 894 6th Avenue, 3rd fl., New York, NY 10001 for six (6) years from the date of first closing. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection at no cost and for copying at a reasonable fee at the Department of Law, having an office at 28 Liberty Street, New York, NY 10005.

11. The Units will be offered only to individuals over the age of 18 years, corporations, partnerships, associations, trustees or other legal entities that may legally own real property in the State of New York.

Neither Sponsor nor Selling Agent will discriminate in the sale or lease of Units on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

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

12. Sponsor reserves the right, for itself, its successors and assigns, to sell and transfer floor area, as defined in the Zoning Resolution of the City of New York, (hereinafter called the "Zoning Resolution"), and development rights to other buildings and to retain the entire consideration for such transfer. The term "development rights" shall mean any right under the present or any applicable future zoning law to use such floor area to increase the size of the Building and any rights appurtenant thereto.

Neither any Unit Owner nor the Board shall have any right, title or interest in such floor area and development rights. Neither any Unit Owner nor the Board shall be deemed to be a "party in interest," as defined in Section 12-10 of the Zoning Resolution of the City of New York, for the purpose of any such transfer, and should not be listed in a Certification of Parties in Interest thereto. Neither a Unit Owner nor the Board shall be a party to any documents for the purpose of any such transfer, including, without limitation, Purchase and Sale of Development Rights Agreement, Zoning Lot Development and Easement Agreement, Declaration of Zoning Lot Restrictions, Waiver of Declaration of Zoning Lot Restrictions, Light and Air Easement.

The Building being constructed cannot be expanded. There are currently no development rights available to be transferred to adjoining properties. Please see "Footnotes to Schedule A" and "Reservation of Air and Development Rights" Sections of the Plan.

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

DEFINITIONS

The definitions set forth herein are for informational purposes and should be read in conjunction with technical definitions appearing in the Condominium Act and the Declaration and By-Laws of the Condominium, which appear in Part II of the Plan.

1. “Board of Managers” is the governing body of the Condominium, which will conduct the Condominium affairs and supervise the operation of the Property.

2. “Building” is the building, which contains the Units and portions of the Common Elements and Limited Common Elements.

3. “Common Charges” means each Unit’s proportionate share of the Common Expenses in accordance with its Common Interest.

4. “Common Elements” means and includes:

- (a) The Land on which the Building is located;
- (b) The foundations, columns, girders, beams, supports, chutes, bearing walls, those portions of the exterior walls and insulation beyond the interior exposed face of the exterior wall, those portions of the walls and partitions dividing the Units from corridors, lobbies, stairs, and other mechanical spaces located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the subfloor and framing joists including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkhead; skylights (other than those located in the Unit), if any; roofs, halls, vestibules, corridors, lobbies, stairways, fire escapes, and entrances and exits of the Building;
- (c) The basements, cellars, gardens, utility rooms, mechanical rooms, compactor rooms, pump rooms, meter rooms, sprinkler rooms, boiler rooms, hot water heater rooms, recreation and storage areas outside the Units;
- (d) The premises for the lodging or use of janitors and other persons employed for the operation of the Property;
- (e) The central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning;
- (f) The garbage compactors, elevators, escalators, tanks, pumps, motors, fans compressors, water storage tanks, vents, trash chutes, detention tanks, ducts and in general all apparatus and installations existing for common use;
- (g) The sewer pipes and drainage pipes;
- (h) The water meter and electrical meters;
- (i) The condensing units, cooling towers, boiler plants; and
- (j) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

5. "Common Expenses" mean and include:
 - (a) Expenses of operation of the Property; and
 - (b) All sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws of the Condominium.
6. "Common Interest" means the proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration.
7. "Common Profits" mean the excess of all receipts of the rents, profits and revenues from the Common Elements remaining after the deduction of the Common Expenses.
8. "Declaration" means the instrument by which the Property is submitted to the provisions of the Condominium Act, and as such instrument as from time to time amended, consistent with the provisions of the Condominium Act and of the By-Laws.
9. "Equal to or Better Quality" means comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.
10. "Limited Common Elements" mean and include the balconies and terraces appurtenant to the Units in the Building.
11. "Operation of the Property" means and includes the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
12. "Person" means a natural person, corporation, partnership, association, trustee or other legal entity.
13. "Property" means and includes the land, the Building and all other improvements thereon, located at 101 East 2nd Street, New York, NY 10009 and owned in fee simple absolute.
14. "Preferred Lender" means Popular Mortgage, 85 Broad Street, 12th fl., New York, NY 10004, Attn.: Phillip J. Robles, Tel: (917) 405-4536, Fax: (212) 417-6874, Email: Probles@popular.com
15. "Sponsor-designee" means a successor-Sponsor, which in the event of the dissolution or liquidation of Sponsor or transfer of at least twenty percent (20%) of the Units, assumes all the rights and obligations of Sponsor under the Plan and all applicable laws or regulations with respect to the Unsold Units so owned by said Sponsor-designee.
16. "Unit" means a part of the Property designated as a Residential Unit and Commercial Unit.
17. "Unit Owner" means the Person or Persons owning a Unit in fee simple absolute.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

This Section is intended to outline the contemplated character of the Property and Building, but shall not be interpreted as enlarging in any manner, directly or indirectly, the obligation or liability of Sponsor as set forth in this Plan. A more detailed description and approximate two-dimensional floor plans are set forth in “Description of Property and Specifications” Section of Part II of the Plan.

The Property and Building

Sponsor is constructing the new Building on the Property pursuant to Application No. 123419782 filed with the Department of Buildings of the City of New York.

The Property is located in R7A/C2-5 Zoning District, which permits residential use as of right.

The Property is located in Flood Zone X on FEMA Map Number 3604970201F, effective on September 5, 2007. The Property is designated as an area of minimal flood hazard on the currently effective FEMA’s Flood Insurance Rate Map. There is no mandatory flood insurance requirement for Flood Zone X.

The Building will consist of seven (7) floors, a cellar and a sub-cellar.

The Building will have three entrances. One entrance, located at East Second Street, will lead to the lobby with access to all Residential Units, and two other entrances, located at 1st Avenue and East 2nd Street, respectively will lead to the Commercial Unit.

The Building will have three elevators. One elevator will serve all levels of the Building from the cellar to the roof, and two other elevators will serve the Commercial Unit.

The Department of Environmental Protection will provide water and sewer service to the Building, the Residential Units and Commercial Unit. The Building will have a single common meter and will be billed for water consumption and sewer disposal. The cost for water consumption and sewer disposal will be the Common Expense of the Residential Unit Owners. The Commercial Unit is not responsible for the costs of common water charges and sewer rents. The Commercial Unit will be billed separately by the Board of Managers for water charges and sewer rents based on actual amount used. The Commercial Unit Owner will be required to install and maintain a water sub-meter and shall be responsible for the payment of all water charges and sewer rents actually used as per sub-meter reading. The Board of Managers shall bill and collect payment from the Commercial Unit for all water charges and sewer rents as levied by the Department of Environmental Protection.

Consolidated Edison Company of New York, Inc. will supply electricity to the Common Elements of the Building and to all Units. The Building will have twenty four (24) electric meters: one (1) for each Residential Unit, one for the Commercial Unit and one (1) for the Common Elements. The cost for electricity consumption by each Residential Unit and

Commercial Unit will be separately billed to and paid by each Residential Unit and Commercial Unit. The cost for electricity consumption by the Common Elements will be the Common Expense.

The Building will not have a gas service.

The street lighting will be provided by the City of New York.

Telephone, cable and internet service will be supplied by a company chosen by each Unit Owner. The cost for said service will be separately billed to and paid by each Unit Owner.

Each Residential Unit will be equipped with a domestic electric washer and vent-less dryer, refrigerator, oven, cooktop and dishwasher.

The finished floor of the living, dining, kitchen and bedroom area of each Residential Unit will be a hardwood. Wood floors should be maintained in accordance with the requirements of National Wood Flooring Association available on its website at:

<https://www.woodfloors.org/maintenance.aspx>

There is no elevator access to the roof. The Limited Common Element roof terraces for Residential Units PH1 and PH2 are therefore not ADA accessible. The main roof terraces will be unfinished. The Installation of pavers is recommended and Unit Owners will be required to install pavers if they intend to use the roof terraces as passive recreation. Pavers manufactured by the Tile Tech System Paver System are recommended for daily foot traffic.

Sponsor is not providing “No Dollar Limit Manufactures Warrantee” (NDL) for the new roof. The absence of NDL manufacturer’s warranty may indicate that the roof membrane and appurtenance 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.

The Lot Line Windows

Residential Units 2C, 2D, 3C, 3D, 4C, 4D, 5C, 5D, 6C and 6D, will have lot line windows along the south and north elevation, which may be blocked in the future by a building constructed at the adjoining properties. However, none of the light and air requirements will be provided through the lot line windows, and a blocking of the lot line windows will not change the legal use of the room of each Unit having the lot line window. If the neighboring properties are developed there may be an obligation to seal the lot line windows, which will be an additional expense for Purchasers at an approximately \$1,500.00 per window. Under the applicable building code in the City of New York, lot line windows must meet certain requirements including being built of a shatter-resistant type of glass and being provided with a protective sprinkler head. All lot line windows will be built in full compliance with all applicable building codes and other regulations.

The spaces where the lot line windows are located are not allowed to be habitable spaces, as they do not have required light and ventilation, and that these spaces may not be enclosed with partitions.

The Local Law

New York City Local Law 11/98 "Facade Inspection Safety Program" is applicable to the Condominium. It requires that owners of buildings with six or more stories above grade have their exterior walls and appurtenances thereof inspected by a registered architect or professional engineer every five (5) years. On the fifth anniversary of an initial temporary or final certificate of occupancy issued for the Building and every five (5) years thereafter, the Board of Managers will retain a registered architect or professional engineer who will inspect the exterior walls of the Building and appurtenances thereof, prepare a report of an inspection and file a report with the Commissioner of the New York City Department of Buildings. Each inspection by a registered architect or professional engineer to comply with New York City Local Law 11/98 will cost the Condominium the sum of \$750.00.

The E-Designation for Air Quality

The Property has an E-designation for Air Quality. There is no hazardous component to the E-designation (E-216). Natural gas will not be used in the condominium, as per E-designation requirements. To satisfy the requirements of E-216, this project has been designed to use electricity as the only fuel for the HVAC systems.

There is no requirement for an environmental easement at the Property.

There is no remaining contamination.

There is no (hazardous material) remediation required by the Air Quality E-designation.

There is no remediation requirement for the Property.

When the construction of the Building is completed, Sponsor will have to submit an installation report in to OER that will yield a notice of satisfaction from OER. Once this has been obtained, a certificate of occupancy will be issued, provided all other requirements have been met.

Neither Unit Owners nor the Condominium will be required to reimburse Sponsor for expenses related to the Property's E-Designation status as there is no remediation requirement for the Property.

The OER file numbers for the Property are 18TMP1028M and 18EAIR350M. A link to the OER website is <https://www1.nyc.gov/site/oer/index.page>.

No monitoring is required for the Property.

No reports are required for this E-designation for Air Quality.

No remediation or remediation systems are required as a result of the E-designation for Air Quality.

There are no costs or liabilities to Unit Owners as a result of the E-designation for Air Quality.

There are no requirements for the Property to have and maintain a Site Management Plan.

The Short Form Air Quality Remedial Action Plan will be available at sales office to all Purchasers for review prior to Purchase Agreement signing.

There is no ongoing remediation or management as a result of the E-designation.

The only restriction is that Lot 8 is not allowed to use fuel oil and Lot 12 can use either natural gas or fuel oil but if fuel oil is used, the boiler stack must be 20 feet from the lot line on First Avenue.

There are no obligations or liabilities passed onto Unit Owners as a result of the E-designation.

The Residential and Commercial Unit

The Building will contain twenty two (22) Residential Units, i.e. Residential Units 2A, 2B, 2C, 2D, located at the second floor; Residential Units 3A, 3B, 3C, 3D, located at the third floor; Residential Units 4A, 4B, 4C, 4D, located at the fourth floor; Residential Units 5A, 5B, 5C, 5D, located at the fifth floor; Residential Units 6A, 6B, 6C, 6D, located at the sixth floor; and Residential Units PH1 and PH2, located at the seventh floor.

The Building will also contain one (1) Commercial Unit, Unit C1, located in the cellar and the first floor of the Building.

The cellar has less light and air than ordinary living space and it is more susceptible to dampness.

The cellar may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Their use as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

The dimensions of each Unit and the Limited Common Elements appurtenant to each Unit are specified in Schedule A.

The horizontal physical dimensions of each Residential Unit and Commercial Unit consist of the floor area enclosed by the outside face of the masonry work at the exterior walls of the Building and the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical space).

The vertical physical dimensions of each Residential Unit and Commercial Unit will consist of the area enclosed vertically from the centerline of the floor slab to the centerline of the ceiling slab.

The Limited Common Elements are not included in the dimensions.

Any Common Elements located within a Unit shall not be considered as part of that Unit.

The approximate measurements are within reasonable tolerances.

The above measurements are not based from interior surfaces of interior walls. Therefore, the actual area comprising each Residential Unit and Commercial Unit is significantly less than the area listed in Schedule A.

The above measurements of each Residential Unit and Commercial Unit significantly exceed the actual usable floor area of the Residential Unit and Commercial Unit.

The Balconies and Terraces

The Building will have ten (10) balconies, two (2) terraces and two (2) roof terraces. They will be made of reinforced concrete deck. They will have slip resistance surfaces and will be protected at the perimeter with 1/2" tempered glass.

The balconies will be the Limited Common Elements of Residential Units 3B, 3C, 4B, 4C, 5B, 5C, 6B, 6C, PH1 and PH2.

The terraces will be the Limited Common Elements of Residential Units PH1 and PH2.

Please see Schedule A for detailed information.

The balconies and terraces are uninhabitable spaces. They may not be legally used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Their use as a living or sleeping space may result in a building code violation being issued against the Building and the imposition of fines against the Building. The Unit Owner, who caused the violation, will be obligated to remove it and pay all fines associated with the violation.

The Bicycle Parking Space

The Building will have eleven (11) bicycle parking spaces, located at the first floor of the Building. The spaces will be the Common Elements of the Condominium. The spaces may be used by all Unit Owners on a first-come, first-served basis.

The Parking

The Condominium will not contain any parking spaces.

The Completion of Construction and Compliance with Law

The Property will be improved and the Units constructed in accordance with all applicable zoning and building laws, regulations, codes and other government requirements as well as in accordance with the plans and specifications filed with the Department of Buildings of the City of New York and identified in the Plan.

The project is governed by the Building Code of the City of New York, the Multiple Dwelling Law of the State of New York, and the Zoning Resolution of the City of New York.

Sponsor anticipates that the construction of the Building will be completed by January 31, 2021. However, Sponsor makes no representation or warranty that the Units will be completed by said date.

Sponsor is not obligated to obtain a final certificate of occupancy before the first closing.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy, (hereinafter called "FCO"), covering the entire building but with only a temporary certificate of occupancy, (hereinafter called "TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are general governed by Section 301 of the Multiple Dwelling Law of the State of New York and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings, (hereinafter called "DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirement of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to comment unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario to occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire Building. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within two years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of a FCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS

PRINCIPALS ARE OBLIGATE TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Furthermore, because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at:

http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf

LOCATION AND AREA INFORMATION

The Property is located in the East Village section of Manhattan.

It is easily accessible by private transportation as well as New York City subway F line, located approximately 0.1 mile from the Property, and New York City bus M15, located approximately 350 from the Property, and bus M21, located approximately 0.1 mile from the Property.

The City of New York provides water, sanitation, snow removal and road maintenance.

The New York Police Department's 9th Precinct, located at 130 Avenue C, New York, NY 10009, patrols the community. The New York Fire Department's Engine 28 Ladder 11, located at 222 East 2nd Street, New York, NY 10009, provides an emergency response in case of fire. Mount Sinai Beth Israel, located at 281 First Avenue, New York, NY 10003, serves medical needs of the neighborhood.

Students living in the Condominium may be eligible to attend The Star Academy - P.S. 63, located at 121 East 3rd Street, New York, NY 10009 and Manhattan School for Career Development, located at 113 East 4th Street, New York, NY 10003.

The Property is located in R7A/C2-5 Zoning District, which permits residential use as of right. There is no landmark designation of the Property.

There are no adjoining undeveloped areas to the Property.

Neither Sponsor, nor any principals of Sponsor, own in whole or in part, or have an optional right to acquire in whole or in part, any other adjacent areas which are not fully developed.

There are no uses currently in existence or proposed in adjacent or nearby buildings or land, which a reasonable prudent purchaser would find offensive.

Sponsor is not involved in any projects within one block radius of the Property. Nor does Sponsor have plans for any development projects that have been approved by the New York City Buildings Department or authority having jurisdiction that will be adjacent to or directly across the street from the Property, and impact the Condominium. Any change in this information that occurs while sales are continuing must be disclosed in an amendment within thirty (30) days after the information becomes known to Sponsor.

SCHEDULE A*
OFFERING PRICES, ALLOCATION OF COMMON INTEREST AND ESTIMATED INDIVIDUAL EXPENSES
FOR FIRST YEAR OF CONDOMINIUM OPERATION
October 1, 2021 - September 30, 2022

101 East 2nd Street, New York, NY 10009

		Approx. Size of Units in sq. ft. (1)		Approx. Size of Limited Common Elements in sq. ft. [uninhabitable] (2)												
Unit No.	Bdrs/ Bths (1)	Approx. Size of Units in sq. ft. [habitable] (1)	Approx. Size of Units in sq. ft. [uninhabitable] (1)	Balcony	Terrace	Roof Terrace	Offering Prices (3)	Shared % of Common Interests (4)	Residential % of Common Interests (4)	Commercial % of Common Interests (4)	Projected Monthly Common Charges (6)	Projected Monthly Real Estate Taxes (6)	Projected Annual Real Estate Taxes (6)	Projected Monthly Carrying Charges		
C1	None	0.00	5,110.00	None	None	None	\$8,400,000	19.35	0.00	100.00	\$2,820.68	\$5,101.25	\$61,215.00	\$7,921.93		
2A	1/1	614.00	0.00	None	None	None	\$1,165,000	2.68	3.32	0.00	\$453.55	\$881.97	\$10,583.66	\$1,335.52		
2B	2/2	993.00	0.00	None	None	None	\$1,915,000	4.40	5.46	0.00	\$744.64	\$1,448.01	\$17,376.15	\$2,192.65		
2C	0/1	450.00	0.00	None	None	None	\$895,000	2.06	2.55	0.00	\$348.63	\$677.93	\$8,135.20	\$1,026.56		
2D	1/1.5	856.00	0.00	None	None	None	\$1,600,000	3.68	4.56	0.00	\$622.79	\$1,211.07	\$14,532.78	\$1,833.85		
3A	1/1	614.00	0.00	None	None	None	\$1,190,000	2.74	3.40	0.00	\$463.71	\$901.72	\$10,820.60	\$1,365.42		
3B	2/2	993.00	0.00	78.00	None	None	\$1,940,000	4.47	5.54	0.00	\$756.49	\$1,471.05	\$17,652.59	\$2,227.54		
3C	0/1	450.00	0.00	55.00	None	None	\$920,000	2.12	2.63	0.00	\$358.78	\$697.68	\$8,372.15	\$1,056.46		
3D	1/1.5	856.00	0.00	None	None	None	\$1,625,000	3.74	4.64	0.00	\$632.94	\$1,230.81	\$14,769.73	\$1,863.75		
4A	1/1	614.00	0.00	None	None	None	\$1,215,000	2.80	3.47	0.00	\$473.86	\$921.46	\$11,057.55	\$1,395.32		
4B	2/2	993.00	0.00	78.00	None	None	\$1,965,000	4.53	5.62	0.00	\$766.64	\$1,490.80	\$17,889.54	\$2,257.44		
4C	0/1	450.00	0.00	55.00	None	None	\$945,000	2.18	2.70	0.00	\$368.93	\$717.42	\$8,609.09	\$1,086.36		
4D	1/1.5	856.00	0.00	None	None	None	\$1,650,000	3.80	4.71	0.00	\$643.10	\$1,250.56	\$15,006.68	\$1,893.65		
5A	1/1	614.00	0.00	None	None	None	\$1,235,000	2.84	3.52	0.00	\$480.63	\$934.63	\$11,215.52	\$1,415.26		

SCHEDULE A*
OFFERING PRICES, ALLOCATION OF COMMON INTEREST AND ESTIMATED INDIVIDUAL EXPENSES
FOR FIRST YEAR OF CONDOMINIUM OPERATION
October 1, 2021 - September 30, 2022

101 East 2nd Street, New York, NY 10009

		Approx. Size of Units in sq. ft. (1)		Approx. Size of Limited Common Elements in sq. ft. [uninhabitable] (2)											
Unit No.	Bdrs/ Bths (1)	Approx. Size of Units in sq. ft. [habitable] (1)	Approx. Size of Units in sq. ft. [uninhabitable] (1)	Balcony	Terrace	Roof Terrace	Offering Prices (3)	Shared % of Common Interests (4)	Residential % of Common Interests (4)	Commercial % of Common Interests (4)	Projected Monthly Common Charges	Projected Monthly Real Estate Taxes (6)	Projected Annual Real Estate Taxes (6)	Projected Monthly Carrying Charges	
5B	2/2	993.00	0.00	78.00	None	None	\$1,980,000	4.56	5.65	0.00	\$771.72	\$1,500.67	\$18,008.01	\$2,272.39	
5C	0/1	450.00	0.00	55.00	None	None	\$965,000	2.22	2.75	0.00	\$375.70	\$730.59	\$8,767.06	\$1,106.29	
5D	1/1.5	856.00	0.00	None	None	None	\$1,675,000	3.86	4.79	0.00	\$653.25	\$1,270.30	\$15,243.63	\$1,923.55	
6A	1/1	614.00	0.00	None	None	None	\$1,255,000	2.89	3.58	0.00	\$489.09	\$951.08	\$11,412.97	\$1,440.17	
6B	2/2	993.00	0.00	78.00	None	None	\$1,995,000	4.60	5.70	0.00	\$778.49	\$1,513.83	\$18,165.98	\$2,292.32	
6C	0/1	450.00	0.00	55.00	None	None	\$980,000	2.26	2.80	0.00	\$382.47	\$743.75	\$8,925.02	\$1,126.23	
6D	1/1.5	856.00	0.00	None	None	None	\$1,695,000	3.90	4.84	0.00	\$660.02	\$1,283.47	\$15,401.59	\$1,943.49	
PH1	3/2	1,373.00	0.00	78.00	265.00	1,005.00	\$3,295,000	7.60	9.42	0.00	\$1,286.20	\$2,501.11	\$30,013.36	\$3,787.31	
PH2	2/2	1,214.00	0.00	55.00	102.00	874.00	\$2,915,000	6.72	8.33	0.00	\$1,137.27	\$2,211.51	\$26,538.13	\$3,348.78	
TOTALS:		17,152.00					\$43,415,000.00	100.00	100.00	100.00	\$16,469.58	\$31,642.67	\$379,712.00	\$48,112.25	

C1 = Commercial Unit.

*Notes are on page 39

Notes:

1. The balconies and terraces are uninhabitable spaces. They may not be legally used as a bedroom. Their use as bedroom or living room may result in a building code violation being issued for the Building.
2. Real estate taxes calculations for the Residential Units are based on their assessed value estimated by MGNY Consulting Corp. to be \$2,525,349.00. The resulting annual taxes for the Residential Units will be \$318,497.00 as per the opinion of MGNY Consulting Corp. Real estate taxes calculations for the Commercial Unit is based on their assessed value estimated by MGNY Consulting Corp. to be \$582,220.00. The resulting annual taxes for the Commercial Unit will be \$61,215.00 as per the opinion of MGNY Consulting Corp. Please see Footnote 6 To Schedule A and "Real Estate Taxes" Section of the Plan.
3. Projected monthly carrying charges are composed of projected monthly Common Charges and real estate taxes imposed against each Unit.
4. The above figures are rounded off to the nearest cent.
5. Although Sponsor has a statutory obligation to pay the New York City and New York State real property transfer taxes, Sponsor is transferring said obligation to Purchasers. Purchasers will be obligated to pay the New York City real property transfer tax to the Department of Finance of the City of New York. The tax is 1.00% of the consideration for the Residential Unit of \$500,000.00 or less and 1.425% of the consideration for the Residential Unit of more than \$500,000.00. The tax is 1.425% of the consideration for the Commercial Unit of \$500,000.00 or less and 2.625% of the consideration for the Commercial Unit of more than \$500,000.00. Purchasers will also be obligated to pay the New York State real property transfer tax to the Department of Finance of the City of New York. The tax is 0.4% of the consideration for the Residential Unit of less than \$3,000,000.00 and 0.65% of the consideration for the Residential Unit of \$3,000,000.00 or more. The tax is 0.4% of the consideration for the Commercial Unit of less than \$2,000,000.00 and 0.65% of the consideration for the Commercial Unit of \$2,000,000.00 or more. The consideration is the purchase price of the Unit plus the New York City and New York State real property transfer taxes calculated on the amount of the purchase price. Please see "Unit Closing Costs and Adjustments" Section of the Plan.

FOOTNOTES TO SCHEDULE A

1. The number of bedrooms in the Residential Units is computed in accordance with the Multiple Dwelling Law of the State of New York and the Administrative Code of the City of New York. A bedroom is a room used for sleeping purposes. Dining bays and dinettes fifty (50) square feet or less in floor area, foyers, water-closet compartments, bathrooms, cooking spaces less than eighty (80) square feet in area, and halls, corridors and passageways entirely within the Residential Unit is not a bedroom.

The measurements in Schedule A, Column (3), pertaining to the Residential Units, are measurements of habitable spaces only.

The estimate floor area of each Unit is based on the floor plans included in Part II of the Plan.

The horizontal physical dimensions of each Residential Unit and Commercial Unit consist of the floor area enclosed by the outside face of the masonry work at the exterior walls of the Building and the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical space).

The vertical physical dimensions of each Residential Unit and Commercial Unit will consist of the area enclosed vertically from the centerline of the floor slab to the centerline of the ceiling slab.

The Limited Common Elements are not included in the dimensions.

Any Common Elements located within a Unit shall not be considered as part of that Unit.

The approximate measurements are within reasonable tolerances.

The above measurements are not based from interior surfaces of interior walls. Therefore, the actual area comprising each Residential Unit and Commercial Unit is significantly less than the area listed in Schedule A.

The above measurements of each Residential Unit and Commercial Unit significantly exceed the actual usable floor area of the Residential Unit and Commercial Unit.

The Building will have ten (10) balconies and four (4) terraces. The balconies will be the Limited Common Elements of Residential Units 3B, 3C, 4B, 4C, 5B, 5C, 6B, 6C, PH1 and PH2. The terraces will be the Limited Common Elements of Residential Units PH1 and PH2. Please see Schedule A, Columns (5) - (7) for detailed information.

Sponsor reserves the right, for itself, its successors and assigns, to sell and transfer floor area, as defined in the Zoning Resolution of the City of New York, (hereinafter called the "Zoning Resolution"), and development rights to other buildings and to retain the entire consideration for such transfer. The term "development rights" shall mean any right under the

present or any applicable future zoning law to use such floor area to increase the size of the Building and any rights appurtenant thereto.

Neither any Unit Owner nor the Board shall have any right, title or interest in such floor area and development rights. Neither any Unit Owner nor the Board shall be deemed to be a “party in interest,” as defined in Section 12-10 of the Zoning Resolution of the City of New York, for the purpose of any such transfer, and should not be listed in a Certification of Parties in Interest thereto. Neither a Unit Owner nor the Board shall be a party to any documents for the purpose of any such transfer, including, without limitation, Purchase and Sale of Development Rights Agreement, Zoning Lot Development and Easement Agreement, Declaration of Zoning Lot Restrictions, Waiver of Declaration of Zoning Lot Restrictions, Light and Air Easement.

Sponsor does not intend to add additional units, which will become part of the Condominium.

2. THE CELLAR, SUB-CELLAR, AND THE LIMITED COMMON ELEMENTS OF THE UNITS SUCH AS THE BALCONIES AND TERRACES ARE UNINHABITABLE SPACES. THEY MAY NOT BE LEGALLY USED FOR ANY RESIDENTIAL USES INCLUDING BEDROOM, DINING ROOM, OR ANY OTHER USE CONSIDERED TO BE A HABITABLE SPACE AS DEFINED BY THE NEW YORK CITY BUILDING CODE. THEIR USE AS A LIVING OR SLEEPING SPACE MAY RESULT IN A BUILDING CODE VIOLATION BEING ISSUED AGAINST THE BUILDING AND THE IMPOSITION OF FINES AGAINST THE BUILDING. THE UNIT OWNER, WHO CAUSED THE VIOLATION, WILL BE OBLIGATED TO REMOVE IT AND PAY ALL FINES ASSOCIATED WITH THE VIOLATION.

3. Prices and terms of sale, such as an assignment of the Purchase Agreement in Section 23 of the Purchase Agreement and an extension of a closing without incurring any penalties in Section 6 of the Purchase Agreement, are negotiable. Sponsor may enter into a Purchase 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.

The offering prices set forth in Schedule A must be changed by a filed amendment to the Plan when:

- (a) the change in price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or
- (b) the change in price is to be advertised, or
- (c) the change in price is a price increase for an individual Purchaser.

Please review “Changes in Prices and Units” Section of the Plan for a detailed discussion.

Please also review “Unit Closing Costs and Adjustments” Section of the Plan, which discloses and explains the additional closing costs and adjustments that Purchaser may have to pay in connection with the purchase of a Unit.

4. Each Unit will have appurtenant thereto a Common Interest as expressed in the Declaration. In accordance with Section 339-i(1)(iv) of the Real Property Law of the State of New York, the Common Interest has been allocated to each Unit 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.

The Shared Percentages of Common Interests of the Commercial Unit are 19.35%. The Shared Percentages of Common Interests of the Residential Units are 80.65%.

5. Sponsor is not offering or procuring mortgage financing. If Purchaser obtains financing, Purchaser's debt service will be an additional expense. Projected carrying charges do not include costs such as repairs to the interior of the Unit, separately metered electricity, cable television service and telephone service.

Electricity consumption by each Residential Unit for the air-conditioning, heating, lighting and appliances are not included in the projected monthly carrying charges. Please review Schedule B-1 for approximate electricity charges for each Residential Unit.

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

Sponsor anticipates that the construction will be completed by January 31, 2021. The anticipated date of reassessment after completion of the construction is January 5, 2022.

It is anticipated that Units will be separately assessed for the 2021/2022 tax year.

No real estate tax abatement benefits will be available to the Units.

Properties in New York City are divided into different classes, each treated differently under the law. The type of property one owns determines class and how property value is assessed. Tax classes each pay a different share of property tax in New York City. Tax Class 2 includes residential properties with more than three (3) units, including cooperatives and condominiums. Tax Class 4 includes commercial properties.

Upon an estimate provided by MGNY Consulting Corp., in the post-construction year of 2021/2022, the Property will be assessed at \$3,107,569.00. \$2,525,349.00 out of said \$3,107,569.00 will be attributable to the Residential Units and \$582,220.00 to the Commercial Unit.

The projected real estate taxes in Schedule A for the Residential Units are calculated based on the Residential Units being in Tax Class 2, the estimated tax rate of 12.612% of the assessed value of the Residential Units, and the assessed value of the Residential Units estimated by MGNY Consulting Corp. to be \$2,525,349.00 for the post-construction year of 2021/2022.

The real estate taxes payable in Schedule A by the Residential Units are determined by applying said data to calculate real estate taxes against the Residential Units and then allocating the amount due in conformity with the allocation of the Residential Percentages of Common Interests as set forth in Schedule A.

The projected real estate taxes in Schedule A for the Commercial Unit are calculated based on the Commercial Unit being in Tax Class 4, the estimated tax rate of 10.514% of the assessed value of the Commercial Unit, and the assessed value of the Commercial Unit estimated by MGNY Consulting Corp. to be \$582,220.00 for the post-construction year of 2021/2022.

The letter of MGNY Consulting Corp., dated March 8, 2019, is located on pages 115-117 of Part I of the Plan.

IN THE EVENT THERE ARE INCREASES IN THE REAL ESTATE TAX RATE OR THE UNIT'S ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN SET FORTH IN THE PLAN FOR THE FIRST YEAR OF OPERATION OF THE CONDOMINIUM AND IN FUTURE YEARS. HENCE, INDIVIDUAL CARRYING COSTS FOR THE UNITS WILL ALSO BE HIGHER.

The City of New York is not bound by the allocation of the Common Interests, and may allocate on a different basis. Nor is the City bound by the estimate of the market value of the Property. All figures are estimates.

Please see "Real Estate Taxes" Section of the Plan.

7. 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. Purchasers should not rely on any representations in this Plan addressing taxes without first consulting a tax expert.

Unit Owners who itemize their deductions should, for Federal income tax purposes, be entitled to a deduction for mortgage interest on a principal of up to \$750,000.00 and real estate taxes up to \$10,000.00 in the year paid, or accrued, under Section 11043 and 11042 of the Internal Revenue Code. The \$10,000.00 limit includes other state and local taxes besides real estate taxes. The projected tax deductions may vary in future years due to changes in the interest rate on the Unit Owner's mortgage, if any, or from changes in the allocation of constant debt service payments to interest and principal, or from changes in the assessed value, the tax rate or the method of assessing real property.

THE FOREGOING SCHEDULE A IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL CARRYING CHARGES OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH THEREIN OR THAT SUCH CARRYING CHARGES OR EXPENSES WILL NOT VARY FROM THE AMOUNTS SHOWN IN SCHEDULE A.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

October 1, 2021 – September 30, 2022

Projected Income (1)

Common Charges – Residential Units Share (2)	\$163,786.82
Common Charges – Commercial Unit Share (3)	<u>\$33,848.18</u>
TOTAL (1)	\$197,635.00

Projected Expenses

Labor (4)	\$81,945.00
Gas (5)	\$0.00
Electricity (6)	\$12,923.00
Water charges and sewer rents (7)	\$22,709.00
Repairs and supplies (8)	\$7,500.00
Service contracts (9)	\$8,500.00
Insurance (10)	\$18,000.00
Management fee (11)	\$17,160.00
Legal fees and audit fees (12)	\$3,400.00
Inspections, permits and miscellaneous (13)	\$3,735.00
Contingency (14)	\$2,000.00
Corporate income tax (14)	\$0.00
Yearly reserve fund (16)	<u>\$19,763.00</u>
TOTAL	\$197,635.00

Note: All figures are rounded to the nearest dollar.

IF THE ACTUAL OR PROJECTED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATIONS IS DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED IN THE PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING AMENDED PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS WITHIN FIFTEEN (15) DAYS AFTER THE DATE OF PRESENTATION, WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. SPONSOR WILL RETURN ANY DEPOSIT OR DOWNPAYMENT TO PURCHASERS WITHIN TEN (10) DAYS AFTER RECEIPT OF WRITTEN NOTICE OF RESCISSION. IN ADDITION, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS IF (I) THE ACTUAL DATE OF CLOSING OF TITLE TO THE FIRST RESIDENTIAL UNIT; OR (II) THE PROJECTED DATE OF CLOSING OF TITLE TO THE FIRST RESIDENTIAL UNIT OCCURS LATER THAN SEPTEMBER 30, 2022, TWELVE (12) MONTHS AFTER THE PROJECTED DATE FOR THE FIRST CLOSING. 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. IN THE EVENT HOWEVER, SPONSOR CANNOT CONVEY TITLE TO THE UNIT ON OR BEFORE TWENTY FOUR (24) MONTHS FROM THE DATE OF THE PURCHASE AGREEMENT, AFFECTED PURCHASERS WILL BE AFFORDED THE RIGHT OF RESCISSION.

ALLOCATION OF COMMON CHARGES BETWEEN UNITS

<u>Common Charges</u>	<u>Total Expenses</u>	<u>Residential Units Share</u>	<u>Commercial Unit Share</u>
Labor	\$81,945.00	\$66,088.64	\$15,856.36
Gas	\$0.00	\$0.00	\$0.00
Electricity	\$12,923.00	\$10,422.40	\$2,500.60
Water charges and sewer rents	\$22,709.00	\$22,709.00	\$0.00
Repairs and supplies	\$7,500.00	\$6,048.75	\$1,451.25
Service contracts	\$8,500.00	\$6,855.25	\$1,644.75
Insurance	\$18,000.00	\$14,517.00	\$3,483.00
Management fee	\$17,160.00	\$13,839.54	\$3,320.46
Legal fees and audit fees	\$3,400.00	\$2,742.10	\$657.90
Inspections, permits and miscellaneous	\$3,735.00	\$3,012.28	\$722.72
Contingency	\$2,000.00	\$1,613.00	\$387.00
Corporate income tax	\$0.00	\$0.00	\$0.00
Yearly reserve fund	<u>\$19,763.00</u>	<u>\$15,938.86</u>	<u>\$3,824.14</u>
	\$197,635.00	\$163,786.82	\$33,848.18

FOOTNOTES TO SCHEDULE B

1. Common Charges – In General. The expenses for the projected first year of the Condominium operation were allocated among the Residential Units and the Commercial Unit based on the Shared Percentages of Common Interests as set forth in Schedule A, except as otherwise indicated below.

The Shared Percentages of Common Interests of the Commercial Unit are 19.35%. The Shared Percentages of Common Interests of the Residential Units are 80.65%.

2. Common Charges - Residential Units.

The expenses for the projected first year of the Condominium operation allocated to the Residential Units were apportioned among the Residential Units based on the Residential Percentage of Common Interests allocated to each as set forth in Schedule A.

3. Common Charges - Commercial Unit. The Commercial Unit shares the Common Expenses, except for the costs of common water charges and sewer rents.

The Commercial Unit is not responsible for the costs of common water charges and sewer rents.

The Commercial Unit will be billed separately by the Board of Managers for water charges and sewer rents based on actual amount used. The Commercial Unit Owner will be required to install and maintain a water sub-meter prior to conveyance of the Commercial Unit to the Commercial Unit Owner and shall be responsible for the payment of all water charges and sewer rents actually used as per sub-meter reading. The Board of Managers shall bill and collect payment from the Commercial Unit for all water charges and sewer rents as levied by the Department of Environmental Protection.

If Sponsor decides to rent the Commercial Unit, Sponsor will install a sub-meter prior to entering into a lease for the Commercial Unit.

4. Labor. Due to the size of the Building, the Condominium will employ one (1) full-time superintendent, who resides within two hundred (200) feet of the Building, in accordance with Section 27-2053 of the Administrative Code of the City of New York. The superintendent will be required to provide the following services:

- (a) cleaning and maintenance of the Common Elements of the Condominium, including the making of minor exterior repairs of the Common Elements;
- (b) the removal of garbage, refuse, ashes and wastes from the Building and placement on the street (curbside) for pickup; and
- (c) the removal of snow, ice, dirt and other matter from the sidewalk and gutter.

The Condominium will also employ one (1) full-time doorman.

The budgeted figure assumes that the superintendent will work Monday thru Friday, forty (40) hours per week at a rate of \$17.50 per hour and the doorman will work Monday thru Friday, forty (40) hours per week at a rate of \$17.00 per hour. The hourly rates exceed a mean hourly rate of \$15.10 for superintendent, \$15.11 for concierge and \$13.98 for protective service worker as published by the United States Department of Labor, Occupational Employment Statistics.

The projected level of staffing for the Building complies with all applicable housing and labor laws.

The projected figure is based upon the superintendent not being a member of any labor union.

<u>Position</u>	<u>Yearly Base Wage Rate</u>
Full-Time Superintendent	\$36,400.00
Full-Time Doorman	\$35,360.00
FICA – Social Security @ 6.2% of Base Wages	\$4,449.00
FICA – Medicare @ 1.45% of Base Wages	\$1,041.00
State Unemployment Insurance @ 2.5% of first \$8,500.00 of Base Wages	\$425.00
Federal Unemployment Insurance @ 8% of first \$7,000.00 of Base Wages	\$840.00
NYS Disability @ \$60 per employee	\$120.00
Worker's Compensation @ 4.46% of Base Wages	\$3,200.00
Family Leave Benefits Contribution @ 0.153% of Base Wages	<u>\$110.00</u>
Total Wages, Taxes and Benefits	\$81,945.00

Repairs to the Common Elements of the Condominium will be performed by outside construction companies hired by either the Board of Managers of the Condominium or Managing Agent after Sponsor control period. The costs for the repairs are not a line item in the budget. In such a case, special assessments may be imposed to pay for these costs.

5. Gas. The Building will not have a gas service.

6. Electricity. The budgeted figure is based upon the estimate provided by FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232. It is based on an estimated annual electrical consumption of 48,000.00 kWh for the common area lighting, hot water heating, fixtures, equipment and other appliances and heating, the tariff of \$0.2342 per kWh, the inflation adjustment of 10% and the tax of 4.5%.

The cost for electricity consumption by the Residential Units for the air-conditioning, heating, lighting and appliances will be separately billed to and paid by each Residential Unit. Please review Schedule B-1 for approximate electricity charges for each Residential Unit.

The common hallway and mechanical rooms will be heated.

7. Water charges and sewer rents. The budgeted figure is based upon the estimate provided by FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232. It is based on an estimated annual consumption of 2,248.40 HCF (1 HCF = 100 cubic feet of water or 748 gallons of water) by the Residential Units, and the water charges and sewer rents of \$10.10 per HCF. This cost is for the water charges and sewer rents projection for the Residential Units only.

8. Repairs and Supplies. The Building is being newly constructed and no historical costs for repairs and maintenance are available. No amounts have been allocated for the repair of Building systems (mechanical, electrical, water, heating, air-conditioning and other systems), envelope or for other capital expenditures. The budgeted figure is the projected cost of minor interior repairs of the Common Elements and minor exterior repairs of the Common Elements (including walls, windows, doors and locks), and administrative expenses such as virtual doorman fees, telephone lines, internet service, office supplies and decor, office equipment, postage, special communications and mailings to the Unit Owners, annual meetings, and general expenses.

It is based upon the estimate provided by FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232. The budgeted figure is based on the prior experience of FIDY Management Inc. in managing similar size properties over the last five years.

9. Service Contracts. The budgeted figure represents the estimated costs for the initial year of building operations for service contracts. It should be noted that no service contracts have been entered into as of the date of the Plan. However it is anticipated that service contracts will be entered into prior to the initial year of building operating or service contracts for the building systems shall be included from the contractors who installed them. Purchasers are advised that the projections are only estimates and include reasonable allowances for increases in costs that may arise prior to the initial year of building operations. It is anticipated that maintenance and service contracts will include:

<u>Service Provider</u>	<u>Projected Annual Cost</u>
Elevator Maintenance	\$3,000.00
Sprinkler Maintenance	\$1,600.00
Exterminating	\$1,200.00
Fire Alarm Monitoring	<u>\$2,700.00</u>
Total	\$8,500.00

The budgeted figure is based upon the estimate provided by FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232.

10. Insurance. The projected figure is the projected cost of insurance for the Property. It is not based upon existing coverages for the Property. It is based upon coverages suggested and premiums estimated by Advanced Specialty Group, Inc., having an address at 1400 Avenue Z, Suite 402, Brooklyn, NY 11235, (hereinafter called the "Insurance Agent"). Although the projection is considered to be reasonable, there can be no guarantee that the

estimate premium will not escalate or that such coverage will continue to be available. The insurance proposal provides for the following coverages:

Property	
Building/Boiler and Machinery	\$8,000,000.00
Cause of Loss Special Form	Included
Value/Replacement Cost	Agreed Amount
Deductible	\$10,000.00
Income/Extra Expense	Actual Loss Sustained up to 12 months
Flood	\$1,000,000.00
(Deductible: \$25,000.00)	
Earthquake	\$1,000,000.00
(Deductible: \$100,000.00)	
General Liability	
Each Occurrence (Bodily Injury/Property Damage)	\$1,000,000.00
General Aggregate	\$2,000,000.00
Personal Injury	\$1,000,000.00
Water Damage Legal Liability	\$1,000,000.00
Directors & Officers Liability	
Liability	\$1,000,000.00
(Deductible: \$5,000.00)	
Managing Rider Agents	Included
Umbrella	\$10,000,000.00
Workers Compensation	Statutory Limit
Disability	Statutory Limit

The projected figure includes public liability insurance, which is required prior the closing of the first Unit.

Sponsor, at the sole cost and expense of the Condominium, will cause to be delivered to the Condominium on the closing date of the first Unit, the fire, casualty and general liability policies providing the insurance described above or binders thereof, on the terms that provide:

- (1) that each Unit Owner will be an additional insured party;
- (2) that there will be no cancellation without notice to the Board of Managers;
- (3) a waiver of subrogation;
- (4) a waiver of invalidity because of the acts of the insured and Unit Owners;
and
- (5) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

In the opinion of the Insurance Agent, the amount of fire insurance is adequate, and the inclusion by the insurance company of the Agreed Amount clause avoids a co-insurance penalty.

In the opinion of the Insurance Agent, the amount of insurance is adequate to repair or replace the Building if it were totally destroyed. However, the policy does not guarantee the replacement of individual fixtures, and improvements installed by individual Unit Owners.

The policy does not include flood coverage, which can be provided at extra cost.

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

11. Management fees. The budgeted figure is based upon the estimated annual cost for management services. At or prior to the first closing, Sponsor expects the Board of Managers to enter into a written agreement with FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232, (hereinafter called "FIDY"), a real estate management firm. FIDY will receive an annual fee for the initial year of operations of \$17,160.00 payable in advanced in equal monthly installments. The management fee for the initial year of building operations is based on prevailing rates for similar services for similar types of buildings.

Managing Agent and Sponsor are not affiliated.

12. Legal fees and audit fees. Based upon the quote from Boytan & Associates, CPAs, having an address at 1022 Avenue P, 2nd fl., Brooklyn, NY 11223, \$2,400.00 of the budgeted item will be used for preparation of certified financial statements of the Condominium for the first year of operation, which will be audited to comply with regulations. The balance of the budgeted figure, \$1,000.00, anticipates legal services during the first year of operation, but would be insufficient to cover any substantial litigation. Said legal services will include the drafting of board meeting minutes and general advice to members of the board in connection with affairs of the Condominium. Legal fees are based upon the quote from Tsingauz & Associates, P.C., having an address at 894 6th Avenue, 3rd fl., New York, NY 10001. The Board of Managers of the Condominium will decide in the future which attorney to hire.

13. Inspections, Permits and Miscellaneous. The budgeted figure represents the estimated costs for the city inspections, fire extinguisher inspections, elevator tests, permits and fees and other costs of compliance with Local Laws. It is based upon the estimate provided by FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232.

14. Contingency. The budgeted figure is to provide a fund for unanticipated operating expenses during the initial year of building operations. Contingency is different from a reserve fund, which will be used only for capital expenditures.

15. Corporate Income Tax. The Condominium will not be eligible to qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code. As a result, the Condominium will be subject to Federal corporate income tax pursuant to Section 277 of the Internal Revenue Code. The current tax rate is 21% of the Condominium's taxable income, which is equal to a difference between [i] annual assessments collected from unit owners and other income generated by the Condominium and [ii] operating expenses of the Condominium for a year in question, including assessments for the Reserve Fund. (See Rev. Rul. 75-370, 1972-2 C.B. 25 [special assessments collected by a nonexempt condominium management corporation from its unit owner-stockholders and accumulated in a separate bank account for replacement of the roof and elevators in the condominium were held not to be includible in the corporation's gross income]). Please see "Real Estate Taxes" Section of the Plan.

It is anticipated that all assessments collected from the Unit Owners during the first year of the Condominium operation will be spent for expenses set forth in Schedule B. Thus, no corporate income taxes will be due.

However, if the sum of \$2,000.00 allocated to Contingency in Schedule B is not spent, the Condominium will be required to pay \$420.00 in corporate income tax.

16. Yearly Reserve Fund. The Condominium will have a reserve fund for capital expenditures only. It will be equal to 10% of the projected annual budget of the Condominium. The yearly reserve fund will be sufficient to pay for major capital repairs or replacement items likely to be needed within the first five years of operation following the first closing under the Plan. When established, the Reserve Fund will not have any funds.

Sponsor will not make an initial contribution to the reserve fund, and the reserve fund will be funded by common charges. Please see "Reserve Fund" Section of the Plan.

SCHEDULE B-1

**BUDGET FOR INDIVIDUAL ENERGY COSTS FOR
FIRST YEAR OF CONDOMINIUM OPERATION**

October 1, 2021 – September 30, 2022

Below are projected costs for electricity consumption by each Residential Unit for the air-conditioning, heating, lighting and appliances, which will be separately billed to and paid by each Residential Unit. They are based upon estimates provided by FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232.

Unit No.	kWh/yr	Cost @ \$0.2342 per kWh	Inflation @10%	Tax @ 4.5%	Total Costs
2A	8,556.00	\$2,003.82	\$200.38	\$99.19	\$2,303.39
2B	13,289.00	\$3,112.28	\$311.23	\$154.06	\$3,577.57
2C	6,175.00	\$1,446.19	\$144.62	\$71.59	\$1,662.39
2D	11,675.00	\$2,734.29	\$273.43	\$135.35	\$3,143.06
3A	8,556.00	\$2,003.82	\$200.38	\$99.19	\$2,303.39
3B	13,289.00	\$3,112.28	\$311.23	\$154.06	\$3,577.57
3C	6,175.00	\$1,446.19	\$144.62	\$71.59	\$1,662.39
3D	11,675.00	\$2,734.29	\$273.43	\$135.35	\$3,143.06
4A	8,556.00	\$2,003.82	\$200.38	\$99.19	\$2,303.39
4B	13,289.00	\$3,112.28	\$311.23	\$154.06	\$3,577.57
4C	6,175.00	\$1,446.19	\$144.62	\$71.59	\$1,662.39
4D	11,675.00	\$2,734.29	\$273.43	\$135.35	\$3,143.06
5A	8,556.00	\$2,003.82	\$200.38	\$99.19	\$2,303.39
5B	13,289.00	\$3,112.28	\$311.23	\$154.06	\$3,577.57
5C	6,175.00	\$1,446.19	\$144.62	\$71.59	\$1,662.39
5D	11,675.00	\$2,734.29	\$273.43	\$135.35	\$3,143.06
6A	8,556.00	\$2,003.82	\$200.38	\$99.19	\$2,303.39
6B	13,289.00	\$3,112.28	\$311.23	\$154.06	\$3,577.57
6C	6,175.00	\$1,446.19	\$144.62	\$71.59	\$1,662.39
6D	11,675.00	\$2,734.29	\$273.43	\$135.35	\$3,143.06
PH1	18,648.00	\$4,367.36	\$436.74	\$216.18	\$5,020.28
PH2	16,540.00	\$3,873.67	\$387.37	\$191.75	\$4,452.78

The Building will not have a gas service.

Tsyngauz

& Associates, P.C.

894 6th Avenue, 3rd Floor
New York, New York 10001

(212) 337 - 9770 telephone

(212) 337 - 9773 facsimile

Yevgeny Tsyngauz, Esq.
Mikhail Litt, Esq.
Matthew Schwartz, Esq.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

August 16, 2019

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

Re: The 101 Condominium
101 East 2nd Street
New York, NY 10009

Dear Sir/Madam:

I am the attorney for the sponsor and I have had over 10 years of experience in preparing contracts of sale and closing title to condominium units and as such have requisite experience to prepare this opinion letter. I am not the selling agent or managing agent for the above-referenced property.

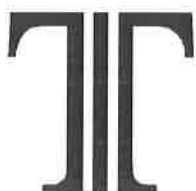
I have reviewed the pertinent data with respect to the fair value of the units and other pertinent information with respect to the units. Based on these factors, and the annexed letter of Yana Izmaylov, the allocation of shared common interest is being made pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York, which provides that such interest shall be:

“(iv) 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.”

I certify that I am not owned or controlled by and have no beneficial interest in the sponsor.

Very Truly Yours,

Yevgeny Tsyngauz





COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

July 18, 2019

Sergey Rybak
24 1st Avenue Project LLC
1817 Emmons Avenue, 2nd fl., Suite 1
Brooklyn, NY 11235

Re: The 101 Condominium
101 East 2nd Street
New York, NY 10009

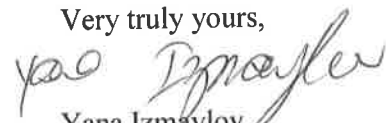
Dear Mr. Rybak:

You have requested an opinion from me with regards to your allocation of common interest to units in the above-referenced condominium pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York. You have informed me that the factual basis of calculating the percentage of shared common interest allocated to each Unit consists of the floor space, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Based on my review of the foregoing factors, I have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-i(1)(iv) of the Real Property Law of the State of New York.

I am the principal of FIDY Management Inc. FIDY Management Inc. is a management company. FIDY Management Inc. has managed five (5) residential and mixed-use buildings in Brooklyn since its formation in 2015. I am not, in any way, associated with you or any other participants in this project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to me in such reasonable inquiries as to the validity thereof as I deemed appropriate under the circumstances; and is not intended as a guarantee of the actual value of any individual unit. I consent to the inclusion of this letter in your offering plan.

Very truly yours,



Yana Izmaylov

COMMERCIAL UNIT

There is one (1) Commercial Unit offered for sale under this Plan.

Common Charges payable by the Commercial Unit have been calculated by allocating to the Commercial Unit 19.35% of the Common Expenses, except for the costs of common water charges and sewer rents.

The costs of common water charges and sewer rents are not borne at all by the Commercial Unit because said costs are not consumed by the Commercial Unit.

The Commercial Unit will be billed separately by the Board of Managers for water charges and sewer rents based on actual amount used. The Commercial Unit Owner will be required to install and maintain a water sub-meter prior to conveyance of the Commercial Unit to the Commercial Unit Owner and shall be responsible for the payment of all water charges and sewer rents actually used as per sub-meter reading. The Board of Managers shall bill and collect payment from the Commercial Unit for all water charges and sewer rents as levied by the Department of Environmental Protection.

If Sponsor decides to rent the Commercial Unit, Sponsor will install a sub-meter prior to entering into a lease for the Commercial Unit.

Common Charges have been estimated by Sponsor based on the estimated operating budget annexed as Schedule B to this Plan.

Common Charges payable by the Commercial Unit Owners are sufficient to cover the expenses fairly attributable to the Commercial Unit.

The Commercial Unit Owners have rights and obligations, which differ from those of the Residential Unit Owners.

Each Residential Unit may be used as a residence only.

The Commercial Unit may be used for any legal use permitted by the certificate of occupancy of the Building, the Zoning Resolution of the City of New York or other applicable laws, including, without limitation, as restaurant, offices and retail spaces.

In addition, no portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto, may be rented. Portions of the Commercial Unit may be rented to the same or different persons or entities.

The Commercial Unit Owners have the right to subdivide the Unit, without prior consent of the board of managers, Sponsor or Residential Unit Owners.

Moreover, the Commercial Unit Owners have the right to make alterations, additions, improvements or repairs to the Unit without the approval of the Board of Managers and without

paying any cost or charge to the Board of Managers provided, however, that all such work must comply with all applicable codes, rules and regulations.

Finally, the Commercial Unit Owners and any tenant or tenants of such Unit or Units pursuant to the terms of any lease pertaining thereto, have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to install, repair and maintain either within or in the immediate location of such particular Unit at the facade of the front of the Building a sign or signs, which may be illuminated, for advertising or identification purposes.

Such rights and obligations will not have a material adverse impact upon the Condominium.

All Profits are charged and distributed to all Units, including the Commercial Unit, in accordance with the allocation of the Shared Percentages of Common Interests as set forth in Schedule A.

The Commercial Unit will not have a HVAC system. Sponsor will install electric baseboard heaters to keep the sprinkler system from freezing, but all fit out work will be done by the Commercial Unit Owners.

The unfinished nature of the Commercial Unit will not impact the procurement of a permanent certificate of occupancy, ("PCO"), for the Residential Units.

If Sponsor decides to sell the Commercial Unit as "white space" unit, Sponsor will (i) ascertain and disclose what minimal work is needed to complete such unit in order for the Department of Buildings to issue a PCO covering all Residential Units, and (ii) disclose whether Sponsor will undertake that work. Sponsor will obtain a written assurance from the Purchaser of the "white space" unit that obligates the "white space" Purchaser to perform whatever work that may be necessary to its unit in order for the Department of Buildings to issue a PCO. If the Purchaser of the "white space" unit enters into an alteration agreement with Sponsor, Sponsor will disclose a copy of that agreement as an exhibit in the Plan. If Sponsor does not obtain such an agreement from the Purchaser, Sponsor will disclose that fact as a special risk in the Plan. The above notwithstanding, Sponsor remains fully obligated to procure the PCO for the Condominium.

CHANGES IN PRICES AND UNITS

Changes in Prices

The offering prices set forth in Schedule A must be changed by a filed amendment to the Plan when:

- (a) the change in price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or
- (b) the change in price is to be advertised, or
- (c) the change in price is a price increase for an individual Purchaser.

Prices and specified terms of sale are negotiable and Sponsor may enter into a Purchase 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.

Changes in Units

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 Sponsor for that Unit and the Purchaser is not in default.

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

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

For purposes of this Section, with regard to the size of a Unit, a decrease in a Unit's area of five percent (5%) or less will not affect Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a Unit's size that is diminished by five percent (5%) or less is not material. A change of five percent (5%) or less may not affect Purchaser's right to consent to a decrease in a Unit's area.

For any Unit owned by Sponsor or Sponsor-designees, if not prohibited by the Condominium Act, Sponsor or Sponsor-designees shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to:

- (a) make alterations, additions, or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon the Unit;
- (b) change the layout or number of rooms in the Unit;
- (c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision

- or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and
- (d) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that Sponsor or Sponsor-designees shall comply with all rules, 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. If Sponsor reapportions the Common Elements to be included in the Unsold Units, Sponsor must obtain consent from the affected Unit Owners.

Sponsor's rights are subject to the above restrictions.

INTERIM LEASE

Sponsor does not intend to rent Units to Purchasers before the consummation of the Plan but reserves the right to do so in accordance with the terms set forth in this Section.

Purchaser does not have the right to take possession of the Unit prior to the closing without the prior written consent of Sponsor, which consent may be withheld for any reason or for no reason. Sponsor's refusal to consent to a pre-closing possession will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor.

If Sponsor permits Purchaser to take a pre-closing possession of the Unit, the parties will execute the Interim Lease in the form set forth on pages 231-233 in Part II of the Plan.

No smoking will be permitted in front of the Building and anywhere in the Limited Common Elements and Common Elements. This prohibition is included in Rule 28 of the Rules and Regulations of the Condominium. Smoking will be permitted in the Residential Units and Commercial Unit.

The Interim Lease will not establish a landlord-tenant relationship between Sponsor and Purchaser.

Pursuant to the Interim Lease, Purchaser will be required to pay to Sponsor a monthly fee commencing on the possession date, through and including the date of the closing, which fee will be determined by Sponsor and Purchaser before the execution of the Agreement. Purchaser will also be responsible for all utilities as of the date of possession until the closing or return of possession to Sponsor.

Once Purchaser takes possession of the Unit, Purchaser will assume risk of loss from fire or other casualty not covered by insurance.

A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured. A person who takes possession prior to the closing assumes the risk of losses not covered by insurance.

An uncured default under the Purchase Agreement will be a default under the Interim Lease. An uncured default under the Interim Lease will be a default under the Purchase Agreement.

Purchaser will have thirty (30) days to vacate the Unit after a default under the Purchase Agreement or rescission of the Purchase Agreement by Purchaser.

Before Sponsor can utilize a default under the Interim Lease to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against Purchaser unless Purchaser has vacated the Unit.

No rent protections laws are applicable to the Interim Lease.

Sponsor represents that 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.

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

PROCEDURE TO PURCHASE

When a prospective Purchaser has decided to purchase a Unit, Purchaser will execute the Purchase Agreement substantially in the form set forth in Part II of the Plan and return four (4) copies thereof with the deposit check to Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an address at 894 6th Avenue, 3rd fl., New York, NY 10001. Purchaser will be afforded at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement. The Purchase Agreement will not be binding on Sponsor until a fully executed counterpart hereof has been sent out to Purchaser or Purchaser's attorney.

Among the important provisions of the Purchase Agreement are the following:

1. Deposit.

The required deposit will be 10% of the purchase price. However, such deposit may be increased for any upgrades, extras, special or custom work in the Unit ordered by Purchaser and itemized in the Purchase Agreement. Such deposit may also be decreased as an accommodation to Purchaser, but in no case will deposit be less than \$5,000.00.

Within thirty (30) days after delivery by Purchaser of an executed Purchase Agreement, together with the required deposit, Sponsor will either:

- (a) accept the Purchase Agreement and cause to be returned to Purchaser the fully executed counterpart thereof, or
- (b) reject the Purchase Agreement offer and refund the deposit tendered.

If Sponsor takes no action within said thirty (30) day period, the Purchase Agreement shall be deemed null and void.

Any deposits made for upgrades, extras, special or custom work shall be initially deposited into the Escrow Account, (hereinafter defined). However, such funds may be released from the Escrow Account in accordance with the terms of the Purchase Agreement as long as Sponsor uses the funds for such upgrades, extras, special or custom work. In the event Purchaser is entitled to a rescission, other than in the event of an abandonment of the Plan by Sponsor, Purchaser will not receive a refund of any funds used for any upgrades, extras, special or custom work in the Unit ordered by Purchaser if such funds have been expended for such upgrades, extras, special or custom work. In the event the Plan is abandoned, the deposit and all funds paid by Purchaser for any upgrades, extras, special or custom work in the Unit ordered by Purchaser shall be refunded to Purchaser within five (5) days of abandonment.

2. Escrow.

Sponsor shall comply with the escrow and trust requirements of Sections 352-e(2-b) and 352-h of the General Business Law of the State of New York.

All deposits, down payments, or advances made by Purchasers prior to the closing of each individual transaction shall be held pursuant to a Purchase Agreement.

Escrow Agent:

The law firm of TSYNGAUZ & ASSOCIATES, P.C., having an address at 894 6th Avenue, 3rd fl., New York, NY 10001 and telephone number (212) 337-9770, shall serve as escrow agent, (hereinafter called "Escrow Agent"), for Sponsor and Purchaser. Escrow Agent has designated Yevgeny Tsyngauz and Mikhail Litt to serve as signatories. All designated signatories are admitted to practice law in the State of New York. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent or any principal thereof, or has any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at Capital One, N.A., having an address at 6521 18th Avenue, Brooklyn, NY 11204, a bank authorized to do business in the State of New York. The escrow account is entitled "TSYNGAUZ & ASSOCIATES, P.C., Escrow Account, IOLA", (hereinafter called the "Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit. Any deposit in excess of \$250,000.00 will not be insured. If Purchaser has accounts at the same bank as the Sponsor's account that holds escrowed funds, Purchaser's funds at the escrow bank factor into the \$250,000.00 FDIC insurance limit.

The Escrow Account is a non-interest bearing account established pursuant to Section 497(4)(a) of the Judiciary Law of the State of New York. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

All deposits received from Purchaser prior to the closing shall be in the form of checks and shall be made payable directly to the order of "TSYNGAUZ & ASSOCIATES, P.C., as Escrow Agent". Any check payable to, or endorsed other than as required hereby, and which cannot be deposited in the Escrow Account shall be returned to Purchaser promptly, but in no event more than five (5) business days following receipt of such check by the Escrow Agent. In the event of such return of the deposit, the check shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of the Purchase Agreement.

The Purchase Agreement:

The Purchase Agreement is set forth in Part II of the Plan. The relevant escrow provisions are included in Section 5 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

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

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

Release of Funds:

All deposits, except for advances made for upgrades, extras, special or custom work received in connection with the Purchase Agreement, are and shall continue to be Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per Section 352-h of the General Business Law of the State of New York. Advances for upgrades cease to be Purchaser's money when the funds are used in commission of the upgraded work.

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

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 Escrow Agent is not directed to release the deposit pursuant to paragraphs (a) through (c) above, and Escrow Agent receives a request by either party to release the deposit, then the Escrow Agent must give both Purchaser and Sponsor prior written notice of not fewer than thirty

(30) days before releasing the deposit. If Escrow Agent has not received notice of objection to the release of the deposit prior to the expiration of the thirty (30) day period, the deposit shall be released and Escrow Agent shall provide further written notice to both parties informing them of said release. If Escrow Agent receives a written notice from either party objecting to the release of the deposit within said thirty (30) day period, Escrow Agent shall continue to hold the deposit until otherwise directed pursuant to paragraphs (a) through (c) 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 New York County and shall give written notice to both parties of such deposit.

Sponsor shall not object to the release of the deposit to:

- (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 of the Purchase Agreement or separate agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any deposit in trust is absolutely void. The provisions of applicable regulations of the Department of Law and Sections 352-e(2-b) and 352-h of the General Business Law of the State of New York concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

General:

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

Escrow Agent shall have the right to represent Sponsor in any lawsuit arising out of the Plan and the Purchase Agreement. Sponsor will compensate Escrow Agent for acting as Sponsor's attorney.

Escrow Agent shall have the right to represent Sponsor in any lawsuit arising out of the Plan and the Purchase Agreement. Sponsor will compensate Escrow Agent for acting as Sponsor's attorney. Escrow Agent owes a fiduciary duty to the Purchaser as the depositor of the funds.

Escrow Agent shall maintain all records concerning the Escrow Account for seven (7) years after release of the Deposit.

Upon 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 Department of Law of such transfer.

Before the funds are transferred to a new escrow account, or if Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided.

Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to Section 352-h of the General Business Law of the State of New York to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the plan does not relieve Sponsor of its obligations pursuant to Section 352-h of the General Business Law of the State of New York. Funds from the escrow account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

3. Compliance with Section of 71-a(3) of the Lien Law of the State of New York.

The Plan and the Purchase Agreement comply with Section of 71-a(3) of the Lien Law of the State of New York and any other applicable provisions of law.

4. Default of Purchaser.

TIME IS OF THE ESSENCE with respect to Purchaser's obligations to pay the balance of the purchase price and to pay, perform or comply with Purchaser's other obligations under the Purchase Agreement. Upon the occurrence of an Event of Default defined in the Purchase Agreement, Sponsor, in its sole discretion, may elect by notice to Purchaser to cancel the Purchase Agreement. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the written notice of cancellation to cure the specified default.

If the default is not cured within such thirty (30) days, **TIME BEING OF THE ESSENCE**, then the Purchase Agreement will be deemed cancelled, and Sponsor will have the right to retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages. Upon the cancellation of the Purchase Agreement, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all

obligations and liability under the Purchase Agreement and the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

Sponsor shall not seek the remedy of specific performance in connection with the Purchase Agreement.

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

TIME IS OF THE ESSENCE means that Purchasers must perform their obligations under the Purchase Agreement at the time certain regardless of whether they are sick, disabled, or cannot attend the closing for any other reason.

After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice to each Purchaser stating the date of the first closing and setting such Purchaser's closing date no less than thirty (30) days before the date set for the closing of the Units.

Provided Sponsor is ready, willing and able to close title in accordance with the Purchaser Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled closing:

- (a) the closing apportionments described in the Purchase Agreement will be made as of the midnight of the day preceding the originally scheduled closing, regardless of when the actual closing occurs, and
- (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the purchase price for each day starting from and including the originally scheduled closing to and including the day before the actual closing. The interest rate charged will not exceed maximum legal usury limits.

Purchaser shall also be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing Purchaser's obligations hereunder if Sponsor prevails in any such dispute.

5. Financing Contingency.

Purchaser's obligation to purchase a Unit is contingent upon issuance, on or before forty five (45) days after a fully executed copy of the Purchase Agreement is given to Purchaser or Purchaser's attorney, (hereinafter called the "Commitment Date"), of a written commitment from:

Popular Mortgage
 85 Broad Street, 12th fl.
 New York, NY 10004
 Attn.: Phillip J. Robles
 Tel: (917) 405-4536
 Fax: (212) 417-6874
 Email: Probles@popular.com

(hereinafter called the "Preferred Lender").

PURCHASER UNDERSTANDS THAT PURCHASER IS FREE TO SEEK FINANCING DIRECTLY FROM OTHER LENDERS, EITHER SOLELY OR PARALLEL WITH THE APPLICATION TO THE PREFERRED LENDER, BUT THE CONTINGENCY SHALL ONLY APPLY IF AN APPLICATION IS MADE IN GOOD FAITH TO THE PREFERRED LENDER AND IS DILIGENTLY PURSUED. THEREFORE, REFUSAL BY ANY LENDER TO MAKE A COMMITMENT TO PURCHASER WILL NOT ENTITLE PURCHASER TO CANCEL THIS AGREEMENT OR RECEIVE A REFUND OF THE DEPOSIT.

Under New York law, when a mortgage commitment is not fulfilled through no fault of a purchaser, performance is excused. Therefore, if the purchaser acts in good faith and the lender revokes the loan commitment after the contingency period expires, performance is excused, and the sponsor must grant to such purchaser a right of rescission and a reasonable period of time to exercise such right.

Purchaser shall (i) make prompt application to the Preferred Lender, for such mortgage loan within five (5) days after the fully executed copy of the Purchase Agreement is given to Purchaser or Purchaser's attorney in the manner set forth in Section 25 or 29(j) of the Purchase Agreement, (ii) furnish to the Preferred Lender accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with the Preferred Lender. **IF PURCHASER FAILS TO COMPLY WITH THESE OBLIGATIONS, PURCHASER SHALL BE DEEMED TO HAVE WAIVED PURCHASER'S RIGHT TO CANCEL THE PURCHASE AGREEMENT AND TO RECEIVE A REFUND OF THE DEPOSIT BY REASON OF THE CONTINGENCY.**

If the Preferred Lender denies Purchaser's application in writing prior to the Commitment Date or if no Commitment is issued by the Preferred Lender on or before the Commitment Date, then, provided that Purchaser has complied with all his obligations set forth in the preceding paragraph, Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have

waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the deposit by reason of the contingency.

If a Commitment was issued but it lapsed or expired prior to the closing, Purchaser will make a good faith effort to extend the Commitment and pay all required costs, fees and expenses to extend the Commitment up to the closing. In no event whatsoever will Sponsor be liable for any costs, fees or expenses relating to the extension of the Commitment, even if the lapse or expiration of the Commitment resulted from a delay in the closing caused by Sponsor.

However, if a Commitment was issued but it lapsed or expired prior to the closing, and Purchaser has made a good faith effort to extend the Commitment, but the Preferred Lender nevertheless refused or failed to extend the Commitment, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Preferred Lender of its failure or refusal to extend the Commitment. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the deposit by reason of the contingency.

If Purchaser acts in good faith and the Preferred Lender revokes a Commitment after the Commitment Date, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Preferred Lender of its revocation of the Commitment. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the deposit by reason of the contingency.

If a Commitment was issued but its terms were not materially and adversely changed prior to the closing, Purchaser shall nevertheless be required to purchase a Unit.

Purchasers are directed to Section 29 of the Purchase Agreement for a detailed explanation of the terms of the contingency.

If Purchaser does not want financing contingency, Purchaser may delete Section 29 of the Purchase Agreement at the time of its execution. If Purchaser deletes the financing contingency, any prospective Purchaser who executes a Purchase Agreement may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price.

The condominium complies with the Preferred Lender's requirements applicable to condominiums, including, without limitation, the amount of the reserve fund and the by-laws. The Preferred Lender requires that at least 15% of the Residential Units be sold and 51% of the Residential Units be owner-occupied before it will close a loan. If the Preferred Lender does not

close a Purchaser's loan for this reason, Sponsor shall grant to such Purchaser a right of rescission and a reasonable period of time to exercise such right.

6. Closing of Title.

After the Plan has been declared effective 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. The closing date will be no earlier than thirty (30) days after the giving of the notice. However, Purchaser may waive this thirty (30) day requirement in the Purchase Agreement if a firm closing date is set forth in the Purchase Agreement, and such date is within thirty (30) days of the execution of the Purchase Agreement.

Sponsor anticipates that the first closing of a Residential Unit will occur by October 1, 2021. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Residential Unit; or (ii) the projected date of closing of title to the first Residential Unit occurs later than September 30, 2022, twelve (12) months after the projected date for the first Residential Unit closing. If the Plan is amended to provide for a later projected date for the first Residential Unit closing, Purchasers will be entitled to an offer of rescission if the first Residential Unit closing occurs more than twelve (12) months beyond that amended, later day. Purchasers who enter into a Purchase Agreement after the Plan has been amended to provide for a later date would be entitled to an offer of rescission if the first Unit closing occurs more than twelve (12) months beyond that amended, later day.

However, if the first Residential Unit closing occurs before September 30, 2022, Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, 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 within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

Purchasers should note that even if the first Residential Unit closing occurs on or before October 1, 2021, (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a 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 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. **PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.**

In the event however, Sponsor cannot convey title to the Unit on or before twenty four (24) months from the date of the Purchase Agreement, affected Purchasers will be afforded the right of rescission.

7. Rescission of the Purchase Agreement.

If (i) the actual date of closing of title to the first Residential Unit, or (ii) the projected date of closing of title to the first Residential Unit occurs later than September 30, 2022, twelve (12) months after the projected date for the first Residential Unit closing, Sponsor will offer all Purchasers a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. If the Plan is amended to provide for a later projected date for the first closing, and the first Residential Unit closing occurs more than twelve (12) months beyond that amended, later date, Sponsor will also offer all Purchasers a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day.

If the actual or projected date of the commencement of the first year condominium operations is delayed by more than six (6) months from the budget year projected in the Plan, Sponsor will amend the Plan to include a revised budget disclosing amended projections. If such amended projections exceed the original projections by 25% or more, Sponsor will offer all Purchasers a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day.

Purchaser have also a right to rescind the Purchase Agreement if financing contingency contained in Section 29 thereof is not satisfied. Purchasers are directed to Section 29 of the Purchase Agreement for a detailed explanation of the terms of the contingency.

Purchaser shall have also a right to rescind the Purchase Agreement if a mortgage commitment is not fulfilled through no fault of Purchaser. Purchasers are directed to Paragraph 9 "Financing Contingency" below and Section 29 of the Purchase Agreement for a detailed explanation of the terms of the contingency.

In the event however, Sponsor cannot convey title to the Unit on or before twenty four (24) months from the date of the Purchase Agreement, affected Purchasers will be afforded the right of rescission.

8. Power of Attorney.

At the closing of his or her Unit, Purchaser will execute and deliver to the Selling Agent or Sponsor a power of attorney to the Board of Managers in the form set forth in Part II of the

Plan. The power of attorney will be executed and acknowledged by Purchaser in proper statutory form for recording. If Purchaser refuses to execute the power of attorney to the Board of Managers and deliver it to the Selling Agent or Sponsor at the closing of his or her Unit, Purchaser will be in a default under the Purchase Agreement and Sponsor will have the right to retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

9. Risk of Loss.

Prior to the first closing, the entire Building will be insured by Sponsor. After the first closing, the entire Building will be insured by the Condominium.

A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured.

Risk of loss from fire or other casualty remains with Sponsor until legal title to the Unit has been conveyed to Purchaser, unless Purchaser, with the prior written consent of Sponsor, takes possession of the Unit before the closing pursuant to an interim lease, if any. In such a case, Purchaser will assume risk of loss not covered by insurance.

Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit, Sponsor shall notify Purchaser within sixty (60) days of the damage to the Unit and repair the damage within ninety (90) days of the notice. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and all monies paid on account of the purchase price shall be returned to Purchaser within thirty (30) business days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

An interim lessee should confer with an insurance adviser regarding property and liability insurance.

10. Conflicts.

In the event of any inconsistency or conflict between the provisions of the Purchase Agreement and the Plan, the provisions of the Plan will govern and be binding.

11. Modification of the Purchase Agreement. The Purchase Agreement may not contain or be modified to contain a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law of the State of New York.

12. Broker. The Purchase Agreement contains a provision that Purchase represents that Purchaser has not dealt with any broker in connection with this transaction other than the broker, if any, named in the Purchase Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this provision shall survive the Closing. Please see Section 22 of the Purchase Agreement in Part II of the Plan.

13. Waiver of Jury Trial. The Purchase Agreement contains a provision that except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, the Purchase Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived. Please see Section 34 of the Purchase Agreement in Part II of the Plan.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, which consent may be withheld for any reason. Any purported assignment by Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor and be deemed a default of Purchaser. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor.

Sponsor may not withhold permission for the assignment of the Purchase Agreement based upon race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

EFFECTIVE DATE

Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods described in the Plan. In declaring the Plan effective, the following will govern:

1. The Plan may be declared effective by:
 - (i) an amendment to the Plan or by
 - (ii) personal service or by commencement of service by mail in the manner required by 13 NYCRR §20.1(d) of a notice on each Purchaser stating that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective and a list of the Units being counted to meet the minimum percentage under the terms of the Plan to declare it effective. Sponsor shall then submit an amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date.

The closing of the first Unit will not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

Sponsor must comply with the requirements of 13 NYCRR §20.5(e) when submitting a post-closing amendment.

2. The Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15% of the Residential Units offered under the Plan, which is equal to four (4) Residential Units. Four (4) Residential Units meet the 15% threshold but constitutes 18.18% of the Residential Units.

3. The Plan will not be declared effective based on the Purchase Agreements:
 - (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or
 - (b) if Purchaser was not afforded at least three (3) business days to review the Plan and all filed amendments prior to executing the Purchase Agreement; or
 - (c) with any Purchaser who is Sponsor, the Selling Agent, or the managing agent or is a principal of Sponsor, the Selling Agent or the managing agent or is related to Sponsor, the Selling Agent, or the managing agent or to any principal of 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 Purchaser other than Sponsor or a principal of Sponsor may be included if Sponsor has submitted proof satisfactory to the Department of Law establishing that Purchaser is bona fide.

The first Unit closing for purposes of tolling a 12-month period for commencement of the condominium operations must be for a Residential Unit.

4. The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for 80% or more of the Residential Units offered under the Plan, which is equal to eighteen (18) Residential Units. Eighteen (18) Residential Units meet the 80% threshold but constitutes 81.82% of the Residential Units.

5. If Sponsor, at its option, abandons the Plan before the Plan is declared effective, within five (5) days of the acceptance of the abandonment amendment, all monies paid by Purchasers will be refunded to them in full. Sponsor will promptly file an amendment together with the form RS-3 as promulgated by the Department of Law.

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

- (a) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of 1% of the total offering amount;
- (b) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of 1% of the total offering amount;
- (c) the taking of any material portion of the Property by condemnation or eminent domain.

Said sum will 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 Sponsor or are a matter of public record.

7. Sponsor will re-declare the Plan effective if all Purchase Agreements counted towards effectiveness are either rescinded or terminated prior to the date of the first unit closing, regardless of whether the Condominium Declaration has been recorded.

TERMS OF SALE

The term "closing of title", "closing date", "closing" or words of similar import, whenever used herein, is intended to signify the passage of title to a particular Unit or Units from Sponsor to Purchasers thereof.

1. At the closing, Sponsor will deliver to Purchaser a bargain and sale deed with covenants against grantor's acts substantially in the form set forth in Part II of the Plan conveying to Purchaser title to the Unit free and clear of liens, encumbrances and title exceptions other than those described in the proposed Unit deed and set forth below. The deed will be executed and acknowledged by Sponsor and Purchaser in proper statutory form for recording.

2. Prior to the first closing, the entire Building will be insured by Sponsor. After the first closing, the entire Building will be insured by the Condominium.

A person in possession who is not an owner cannot insure the unit since he or she has no ownership interest, and the unit cannot be doubly insured.

If between the date of the Purchase Agreement and the closing of title the Unit is damaged by fire or other casualty, the following will apply.

Risk of loss from fire or other casualty remains with Sponsor until legal title to the Unit has been conveyed to Purchaser, unless Purchaser, with the prior written consent of Sponsor, takes possession of the Unit before the closing pursuant to an interim lease, if any. In such a case, Purchaser will assume risk of loss not covered by insurance.

Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election will be in its sole discretion and made within sixty (60) days of the damage to the Unit), the Purchase Agreement will continue in full force and effect, Purchaser will not have the right to reject title or receive a credit against, or abatement in, the purchase price, and Sponsor will repair the damage within ninety (90) days of the notice that Sponsor elects to repair or restore the Unit. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will, subject to the rights of the Board of Managers and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser will promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence will survive the closing of title.

In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and all monies paid on account of the purchase price shall be returned to Purchaser within thirty (30) business days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights,

obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

3. A closing will take place only concurrently with the issuance of a temporary or final certificate of occupancy for the entire project or, issuance of a partial, temporary or final certificate of occupancy for the Unit closed or the Building in which the Unit is located.

4. Title to each Unit and its Appurtenant Interest in the Common Elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other those described in the proposed Unit deed and set forth below:

- (a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.
- (b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.
- (c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.
- (d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.
- (e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.
- (f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.
- (g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.
- (h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.
- (i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.

- (j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.
- (k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.
- (l) Zoning Lot Description as recorded in CRFN 2018000173492.
- (m) Zoning Lot Certificate as recorded in CRFN 2018000173493.

In Zoning Lot Description, Sponsor certified that the zoning lot was the same as the Property. In Zoning Lot Certification, Chelsea Title Agency, LLC, a title insurance agency authorized to issue title insurance policies in the State of New York, certified that Sponsor was the owner of the Property. Both documents were necessary for the Department of Buildings of the City of New York to issue a building permit for the construction of the Building.

5. 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 Sponsor is included in the conveyance unless specifically excepted in the Plan.

6. The Declaration, By-Laws and Floor Plans for the Condominium and such other documents, as required by law, will be recorded with the Office of the Register of the City of New York, the County of New York, prior to the first conveyance of title to a Unit in accordance with the Condominium Act.

7. At the time of conveyance of the first Unit, each mortgagee will either:

- (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to the Unsold Units;
- (b) subordinate the lien of its mortgage to the Declaration of the Condominium; or
- (c) release its lien on the Unit being conveyed and its interest in the Common Elements.

8. The United States Financial Crimes Enforcement Network ("FinCEN") issued the Geographic Targeting Order ("GTO"), which requires title insurance companies to collect and 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, or through a trust;
- (2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island;
- (3) the purchase price is \$300,000.00 or more;
- (4) such purchase is made without a bank loan or other similar form of external financing; and

- (5) such 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.

The GTO defines "legal entity" as a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state or of the United States or a foreign jurisdiction.

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.

9. Sponsor has obtained the acquisition loan in the amount of \$9,000,000.00 and the building loan in the amount of \$9,000,000.00 (collectively the "Loan") from Bank Hapoalim B.M., having an address at 1120 Avenue of the Americas, New York, NY 10036, (hereinafter called "Hapoalim").

Pursuant to the Loan documents, upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of Hapoalim's mortgages immediately upon receipt of payment equal to ninety two percent (92%) of the gross proceeds of sale of the Unit.

Except for a required payment per sale stated above, Hapoalim did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did Hapoalim impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Loan may only be paid down to the extent Sponsor sells the Units and thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Loan.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. Closing Costs

At the closing of title, each Purchaser of a Unit will be required to pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing adjustments described below. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notice or amendment.

i. Owner's title insurance. If Purchaser elects to obtain owner's title insurance, Purchaser will be required to pay a premium therefor to a title insurance company. According to Title Insurance Rate Service Association, (hereinafter "TIRSA"), the owner's policy rates, after deducting 15% of the standard rates, are:

First \$35,000 or less		\$402.00
Each Additional \$1,000.00 (or fraction thereof)		
From	To	
\$35,001.00	\$50,000.00	\$6.67
\$50,001.00	\$100,000.00	\$5.43
\$100,001.00	\$500,000.00	\$4.36
\$500,001.00	\$1,000,000.00	\$3.98

Purchasers are free to use title insurance companies of their own choice without incurring a penalty or additional fees.

ii. Loan title insurance. If Purchaser elects to obtain financing secured by his or her Unit, Purchaser will be required to pay a premium for loan title insurance to a title insurance company. According to TIRSA, the loan policy rates are:

First \$35,000 or less		\$344.00
Each Additional \$1,000.00 (or fraction thereof)		
From	To	
\$35,001.00	\$50,000.00	\$5.55
\$50,001.00	\$100,000.00	\$4.54
\$100,001.00	\$500,000.00	\$3.64
\$500,001.00	\$1,000,000.00	\$3.31

If Purchaser elects to obtain an owner's title insurance and financing secured by his or her Unit, the loan policy rate will be calculated at 30% of the standard loan rate.

Purchaser will also pay for various title insurance endorsements, including without limitation, TIRSA Condominium (Endorsement 4), TIRSA Residential Mortgage Endorsement, TIRSA Waiver of Arbitration Endorsement, ALTA Endorsement 6 (Variable Rate Mortgage). The endorsements will vary depending upon a lender. A fee for each endorsement is \$25.00.

iii. Abstract search. If Purchaser elects to obtain owner's title insurance or financing secured by his or her Unit, Purchaser will be required to pay a fee to a title insurance company for conducting an abstract search of the Property and the Unit, which fee will vary depending upon a title insurance company. The fee may be between \$400.00 and \$600.00.

Purchasers may utilize the title insurance company of their choice without incurring any additional fees from Sponsor.

iv. Recording. Purchaser will be required to pay a fee to the title insurance company for recording the deed, power of attorney and mortgage, which fee will vary depending upon a title insurance company. The fee may be between \$300.00 and \$400.00.

v. Financing. If Purchaser elects to obtain financing secured by his or her Unit, Purchaser will be required to pay the mortgage recording tax to the Department of Finance of the City of New York. The tax is 1.80% of the loan amount of less than \$500,000.00 and 1.925% of the loan amount of \$500,000.00 or more for the Residential Unit. The tax is 2.05% of the loan amount of less than \$500,000.00 and 2.80% of the loan amount of \$500,000.00 or more for the Commercial Unit.

In addition, Purchaser will be required to pay lender's closing costs, including without limitation, loan origination fees, commitment fees, application fees, appraisal fees, credit reports fees, lender attorney fees, tax service fees, underwriting fees, messenger fees, bank document preparation fees and escrow reserve for the payment of annual real estate taxes and PMI premiums. The costs will vary depending upon a lender. **SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO SUCH LENDER'S CLOSING COSTS OR AS TO THE AVAILABILITY OF SUCH FINANCING.**

vi. Transfer taxes. Although Sponsor has a statutory obligation to pay the New York City and New York State real property transfer taxes, Sponsor is transferring said obligation to Purchasers. Purchasers will be required to pay the New York City real property transfer tax to the Department of Finance of the City of New York. The tax is 1.00% of the consideration for the Residential Unit of \$500,000.00 or less and 1.425% of the consideration for the Residential Unit of more than \$500,000.00. The tax is 1.425% of the consideration for the Commercial Unit of \$500,000.00 or less and 2.625% of the consideration for the Commercial Unit of more than \$500,000.00.

Purchasers will also be required pay the New York State real property transfer tax to the Department of Finance of the City of New York. The tax is 0.4% of the consideration for the Residential Unit of less than \$3,000,000.00 and 0.65% of the consideration for the Residential Unit of \$3,000,000.00 or more. The tax is 0.4% of the consideration for the Commercial Unit of

less than \$2,000,000.00 and 0.65% of the consideration for the Commercial Unit of \$2,000,000.00 or more.

If the consideration for the Residential Unit is equal to or more than \$1,000,000.00, Purchaser will also be required to pay “Mansion” and new supplemental tax New York State real property transfer taxes to the Department of Finance of the City of New York. The tax rates are as follows:

<u>Consideration</u>	<u>Total Tax Rate</u> ("Mansion" and New Supplemental)
\$1,000,000.00 to \$1,999,999.99	1.00%
\$2,000,000.00 to \$2,999,999.99	1.25%
\$3,000,000.00 to \$4,999,999.99	1.50%
\$5,000,000.00 to \$9,999,999.99	2.25%
\$10,000,000.00 to \$19,999,999.99	3.25%
\$20,000,000.00 to \$24,999,999.99	3.75%
\$25,000,000.00 or more	3.9%

The consideration is the purchase price of the Unit plus the New York City and New York State real property transfer taxes calculated on the amount of the purchase price.

vii. Document preparation fee. Purchaser will be required to pay the fee of \$2,950.00 to TSYNGAUZ & ASSOCIATES, P.C. for services rendered in connection with the preparation of the closing documents and the conduct of the closing. Purchaser will also be required to pay an additional fee \$250.00 to TSYNGAUZ & ASSOCIATES, P.C. if the closing takes place outside the office of Sponsor's counsel at Purchaser's request. Purchaser will also be required to pay an additional \$250.00 to TSYNGAUZ & ASSOCIATES, P.C. if Purchaser fails to close on the date set forth in the notice of closing.

viii. Reimbursement fee. Purchaser will be required to pay the fee of \$2,500.00 to Sponsor as partial reimbursement for the cost of preparing the Plan.

ix. Working capital fund contribution. Purchaser will be required to deposit the sum equal to two (2) months' Common Charges then applicable to each Unit being purchased with the Board of Managers for the initial contribution to the working capital fund.

The above closing costs are cumulative to the extent applicable to an individual Unit.

2. Mortgage Tax Credit

Section 339-ee(2) of the Real Property Law of the State of New York provides as follows:

“In the event the proceeds of a construction mortgage were applied to construction of a unit of condominium submitted to the provisions of this

article, or in the event that a Unit submitted to the provisions of this act was subject to a blanket mortgage, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage recording taxes that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of Purchaser's pro rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage."

In the event that a mortgage tax credit becomes available, pursuant to the above section, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at the closing of title, each Purchaser obtaining financing secured by his or her Unit will be required to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount.

3. Example of Closing Costs for One of the Units of the Condominium

Residential Unit 4D

\$1,650,000.00 - Purchase Price

\$1,320,000.00 - Loan Amount, if applicable

Owner's title insurance	\$6,543.00
Loan title insurance, if applicable	\$1,351.00
Additional endorsements, if applicable	\$100.00
Abstract search	\$550.00
Recording of deed and power of attorney	\$500.00
Recording of mortgage, if applicable	\$250.00
Mortgage recording tax, if applicable	\$25,380.00
New York City transfer tax	\$23,942.00
New York State transfer tax	\$6,722.00
"Mansion" transfer tax	\$16,802.00
Document preparation fee	\$2,950.00
Reimbursement fee	\$2,500.00
Working capital fund contribution	<u>\$1,287.00</u>
Total:	\$88,377.00

4. Closing Adjustments

At the closing of title to each Unit, the following adjustments shall be made as of the midnight of the day preceding the closing date with respect to the Unit:

- (a) real estate taxes and assessments, if any, on the basis of the period for which assessed;
- (b) Common Charges and assessments for the month in which title closes; and

- (c) if Purchaser is allowed to occupy the Unit prior to the closing, accrued occupancy fees and any other charges pursuant to an interim lease, if any, covering the Unit.

In the event that the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor will place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against them for the six (6) month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. If the Unit has not been separately assessed for real estate taxes as of the closing date for the then current tax period, the adjustment will be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. Installments for tax assessments due after delivery of the deed, if any, will be paid by Purchaser and will not be considered a defect in title.

Sponsor, in its initial post-closing amendment, will disclose whether or not Sponsor pre-paid the real estate taxes and the amount of the funds deposited in escrow for the payment of the real estate taxes.

THE ENTIRE CONTENTS OF THIS SECTION, AS SAME MAY BE REVISED OR AMENDED, WILL BE DEEMED TO BE INCORPORATED IN THE PURCHASE AGREEMENT FOR EACH UNIT.

RIGHTS AND OBLIGATIONS OF SPONSOR

1. Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers. However, in the event that values of the Residential Units are decreased by at least 25% from the offering prices listed in Schedule A, Sponsor reserves the right to rent, rather than sell, the Residential Units, after filing the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Plan following a declaration of effectiveness by Sponsor and acceptance of the amendment by the Department of Law confirming or declaring the Plan effective, until there is an improvement of the market. Sponsor's good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities. Sponsor will disclose in an amendment to the Plan if it opts to rent, rather than sell the Residential Units. In the event Sponsor decides to rent Residential Units in accordance with the terms of the Plan, Sponsor is obligated to attempt to sell the remaining Residential Units once there is an improvement of the market.

If Sponsor opts to rent, rather than sell, the Residential Units, the Plan may not result in the creation of a condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor. Under such circumstances, Sponsor will be under no obligation to sell more than 15% of the Residential Units necessary to declare the Plan effective, i.e. four (4) Residential Units, and owner-occupants may never gain effective control and management of the Condominium.

Sponsor will resume sales where values of the Residential Units increase so that they are within 25% of the offering prices listed in Schedule A.

Sponsor cannot rent Residential Units prior to filing the Declaration of Condominium and the first transfer of title to a Residential Unit to at least one Purchaser under the Plan following a declaration of effectiveness by Sponsor and acceptance of the amendment by the Department of Law confirming or declaring the Plan effective.

There are no obligations imposed on Sponsor by Bank Hapoalim B.M. with regard to selling or renting the Units except for a required payment per sale set forth in Paragraph 9 below.

2. Sponsor will defend any suits or proceedings arising out of Sponsor's acts, omissions or representations and indemnify the Board of Managers and the Unit Owners.

All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action. During the time Sponsor controls the Board of Managers, it is within its sole power to enforce the obligations of Sponsor pertaining to the Common Elements, and therefore, Sponsor agrees that during such period it will in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called

for such purposes. Sponsor has a fiduciary duty to act in the best interest of the Condominium, even during the time it controls the Board of Managers.

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

4. Sponsor will pay all Common Charges, special assessments and real estate taxes with respect to Unsold Units. Sponsor represents that Sponsor has the financial resources to meet its obligations with respect to Unsold Units. Sponsor will fund its financial obligations to the Condominium from its own existing capital. No bond or other security has been posted to secure Sponsor's obligations under the Plan.

5. Sponsor shall have no obligation or liability to repair or restore the Unit damaged by fire or other casualty that occurs before closing of a Purchaser's Unit.

If Sponsor elects to repair or restore the Unit (which election will be in its sole discretion and made within sixty (60) days of the damage to the Unit), the Purchase Agreement will continue in full force and effect, Purchaser will not have the right to reject title or receive a credit against, or abatement in, the purchase price, and Sponsor will be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will, subject to the rights of the Board of Managers and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser will promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence will survive the closing of title.

In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and all monies paid on account of the purchase price shall be returned to Purchaser within thirty (30) business days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain the deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

6. Sponsor will 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.

7. In the event of the dissolution or liquidation of Sponsor or the transfer of 20% or more of the total number of the Units, i.e. five (5) Units in the Condominium, the principal of

Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under the Plan, applicable law or regulations.

8. Sponsor does not intend to make a bulk sale of all or some of its Unsold Units. However, if Sponsor does make a bulk sale of all or some of its Unsold Units, the transferee will be bound by Sponsor's representations regarding its commitment to sell Units.

If Sponsor makes a bulk sale, the transferee will not only be bound by Sponsor's representation to regarding its commitment to sell Units, but also the obligations under this Plan with respect to those Units.

For purposes of this Paragraph, "bulk sale" shall mean a sale of at least four (4) Units to one Purchaser, which are not purchased for occupancy by the owner or one or more members of his or her immediate family.

9. Sponsor has obtained the acquisition loan in the amount of \$9,000,000.00 and the building loan in the amount of \$9,000,000.00 (collectively the "Loan") from Bank Hapoalim B.M., having an address at 1120 Avenue of the Americas, New York, NY 10036, (hereinafter called "Hapoalim").

Pursuant to the Loan documents, upon the sale of a Unit, Sponsor shall be entitled to a release of the Unit from the lien of Hapoalim's mortgages immediately upon receipt of payment equal to ninety two percent (92%) of the gross proceeds of sale of the Unit.

Except for a required payment per sale stated above, Hapoalim did not establish any terms pertaining to Sponsor's obligation to market the Units for sale, including any minimum number or percentage of Units which must be under contract before the Plan can be declared effective. Nor did Hapoalim impose limits or requirements for Sponsor to rent rather than sell the Units under specified market conditions.

The Loan may only be paid down to the extent Sponsor sells the Units and thus, Sponsor's decision to rent rather than sell the Units will delay the discharge of the Loan.

10. Sponsor will complete construction of the Building in accordance with the building plans and specifications identified in the Plan. Sponsor has the right to substitute equipment or materials and make modifications of layout or design of the Units, provided however, that Sponsor may not:

- (a) substitute equipment or materials of lesser quality or design; or
- (b) change the size or location of the Building or the Units other improvements or Common Elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners consent in writing to such change and all affected contract vendees are given the right to rescind their

Purchase Agreements and receive a refund of any deposit or downpayment thereunder.

Substitutions will be made as long as such substitutions are for "equal or better quality", which shall be defined here and in "Definition" Section of the Plan:

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

11. Prior to the closing the first Unit, Sponsor will obtain a final certificate of occupancy for the Building or, alternatively, obtain a temporary or partial certificate of occupancy for the Building. Sponsor and its principals will obtain a final certificate of occupancy for the Building within two (2) years of closing the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

If the first closing takes place prior to the issuance of a final certificate of occupancy for the Property, Sponsor will continue to hold all Purchasers' deposits in escrow account required by Section 352-e(2-b) of the General Business Law of the State of New York, or a lesser amount if so certified by Sponsor's architect or engineer as sufficient to complete the work necessary to obtain the final certificate of occupancy, in which case the sum exceeding the amount so certified by Sponsor's architect or engineer may be released from the escrow account. The amount retained in escrow pending the delivery of the final certificate of occupancy and the architect's or engineer's certification certifying such amount will be included in each post-closing amendments to the Plan until the final certificate of occupancy is obtained.

12. *Sponsor is not obligated to obtain a final certificate of occupancy before the first closing.*

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy, (hereinafter called "FCO"), covering the entire building but with only a temporary certificate of occupancy, (hereinafter called "TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are general governed by Section 301 of the Multiple Dwelling Law of the State of New York and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings, (hereinafter called "DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirement of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to comment unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario to occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire Building.

However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within two years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of a FCO. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATE TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Furthermore, because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at:

http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

In the event, Sponsor cannot convey title to the Unit on or before twenty four (24) months from the date of the Purchase Agreement, affected Purchasers will be afforded the right of rescission.

13. The Housing Merchant Implied Warranty (Article 36-B of the General Business Law of the State of New York), does not apply to this offering because the Building consists of more than five (5) stories. Thus, Sponsor will not provide the warranty required by that Article.

NO DISCLAIMER OR LIMITATION OF LIABILITY ON SPONSOR'S PART SHALL APPLY TO SPONSOR'S OBLIGATIONS UNDER ALL APPLICABLE STATUTES, LAWS AND REGULATIONS.

The Sponsor's obligation, regardless of any limitations in the warranty or in the Plan, is to construct the Building and the Units in accordance with all applicable codes and plans and specifications. Any conflict between the disclaimers and the Sponsor's obligation to construct the Building and the Units in accordance with all applicable codes and plans and specifications shall be resolved in favor of the latter.

At or prior to the closing of the 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 roof, equipment and appliances installed in the Common Elements to the Board of Managers.

Neither Sponsor nor its principals, managers, members, agents, designees or affiliates make any representation as to which, if any, of the manufacturer's warranties will continue to remain in force upon the closing. If any warrantor is unable to perform under its warranty due to

inability, unwillingness or any other reason, neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall under any circumstances be considered a successor warrantor. Neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall have any obligations or responsibilities with respect to such warranties, or the work or item warranted, even if the warrantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty. Recourse is only to the warrantor and not to Sponsor, its principals, managers, members, agents, designees or affiliates. Sponsor is not providing representations regarding manufacturers' warranties.

Sponsor will construct the Building in accordance with all plans and specifications identified in the Plan.

14. Sponsor will 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. Sponsor will cause all mechanics liens with respect to such construction to be promptly discharged or bonded.

15. Sponsor will deliver a set of "as-built" plans to the Board of Managers.

16. No bond or other security has been furnished to secure Sponsor's obligations including Sponsor's obligations to complete construction of the Condominium.

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

Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants will have an easement in, on, over and across the Property for:

- (a) construction, installation and development thereon, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the Property, and
- (b) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and
- (c) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants:

- (a) will have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common

- Elements consistent with the purposes of the Plan, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and
- (b) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility 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 if Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, if any, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for its intended purpose. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units, and provided that affected Purchasers are given at least seven (7) day prior written notice of such access.

All Purchasers, affected by Sponsor's right to access any Unit, will be given at least seven (7) day prior written notice of such access.

Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants will have the responsibility of repairing any damage resulting therefrom.

Moreover, Purchasers will be required to provide Sponsor with reasonable access to their Unit subsequent to the closing in order to complete punch-list work.

18. Disclaimers or limitations of liability on the part of Sponsor or its principals for failure to perform any obligations imposed by applicable statute or regulation may not be included.

19. This Plan does not include any financial limitation on the Sponsor's liability for failure to perform its obligations under the Plan.

CONTROL BY SPONSOR

Title to all Units, which have not been sold, will remain with Sponsor or Sponsor-designee until such Units will thereafter be sold to bona fide Purchasers.

Sponsor or Sponsor-designee will retain voting control of the Board of Managers for one (1) year after the closing of title to the first Unit or whenever the Unsold Units constitute less than 50% of the Common Interests, whichever is sooner.

Sponsor or Sponsor-designee, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers, which would, by the election of such individual, give Sponsor voting control of the Board. So long as Sponsor or Sponsor-designee will continue to own Unsold Units Sponsor or Sponsor-designee will have the right to collectively elect one (1) member of the Board of Managers.

A special meeting of the Unit Owners will be held to elect new members of the Board of Managers unrelated to Sponsor subject to the Sponsor's right to elect one member of the Board, as stated above, within thirty (30) days of the expiration of the control period. Sponsor will call the meeting by mailing a notice of the meeting, at least ten (10) days but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Building or at such other address as such Unit Owner shall have designated by notice in writing to Sponsor.

[i] For a period of five (5) years following the closing date of the first Unit, or [ii] so long as Sponsor or any Sponsor-designee, separately, will continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than 25%, whichever is earlier, the Board of Managers may not, without Sponsor's or Sponsor-designee's prior written consent, as the case may be:

- (a) increase the number, or change the type, of employees provided for in Schedule B,
- (b) make any addition, alteration or improvement to the Common Elements or to any Unit,
- (c) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Plan for the Property to the extent that the aggregate amount of such fund does not exceed 10% of the budgeted expenses of the Condominium,
- (d) borrow money on behalf of the Condominium (except where necessary to perform work required by applicable law or regulations, or remedy violations or a mortgagee's work order(s) to the extent that existing reserves are insufficient).

Sponsor and Sponsor-designee are entitled to the rights described herein collectively. If both Sponsor and Sponsor-designee, collectively, continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than 25%, they are both entitled to veto power.

As long as Sponsor or any Sponsor-designee will continue to own a Unit, the Board of Managers may not, without the prior written consent of Sponsor or Sponsor-designee:

- (a) amend the Declaration, the By-Laws or the Rules and Regulations attached hereto so as to limit in any way or eliminate rights of Sponsor or Sponsor-designee under the Declaration, the By-Laws or the Rules and Regulations attached hereto; or
- (b) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor or Sponsor-designee.

Sponsor or Sponsor-designee will have the right to withhold its consent to any of the foregoing actions.

However, notwithstanding the above restrictions, Sponsor or Sponsor-designee may not exercise veto power over expenses described in Schedule B, or over expenses required:

- (a) to comply with applicable laws or regulations;
- (b) to remedy any notice of violation;
- (c) to remedy any work order by an insurer; or
- (d) to preserve the safety of the Building or the safety and health of its occupants.

The By-Laws of the Condominium contain a provision that after the expiration of initial sponsor voting control period, 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.

BOARD OF MANAGERS

The affairs of the Condominium will be governed by the Board of Managers in accordance with the By-Laws set forth in Part II of the Plan.

After the first meeting of Unit Owners, the number of Managers, which will constitute the whole Board of Managers, will be three (3). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners. Thereafter, all Managers, other than representatives of Sponsor, will be individuals over 18 years of age who are either a Unit Owner or his or her spouse or a domestic partner residing in the Unit, or a partner in a partnership, if the partnership is a Unit Owner, or a principal of a corporation, association, trust or other legal entity that may legally own real property in the State of New York, if such entity is a Unit Owner. The Managers will be elected by the Unit Owners at their annual meetings. There will always be an odd number of Managers.

The Managers will be elected by the Unit Owners at their annual meetings. There will always be an odd number of Managers.

Managers designated by Sponsor will serve until the election and qualification of Managers elected at the first meeting of Unit Owners. Managers elected at the first meeting of Unit Owners, and at meetings subsequent thereto, will serve until the next annual meeting of Unit Owners and until the election and qualification of their respective successors.

Until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by Sponsor. The members will be Sergey Rybak, Jason Reznik, and Semyon Vays. They all are principals of Sponsor.

After the expiration of initial sponsor voting control period, 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.

Within thirty (30) days after the closing of title to the Units whose aggregate Common Interest equals more than 50%, or one (1) year after the first closing, whichever is sooner, Sponsor will call the first meeting of Unit Owners for the purpose of electing a Board of Managers pursuant to Section 1 of Article III of the By-Laws. At such meeting, the first Board of Managers will resign and a new Board will be elected by the Unit Owners. Thereafter, annual meetings will be held on or about the anniversary of such date each succeeding year. At such meetings, there will be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of the By-Laws.

No member of the Board of Managers will receive any salary or compensation from the Condominium for his or her services as Manager.

The Board of Managers may not be prohibited from removing members for cause. Any one or more of the members of the Board Members may be removed for cause by the affirmative vote of the remaining members of the Board of Managers at any regular or special meeting of the

Board of Managers, pursuant to Section 5 of Article II of the By-Laws. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Any one or more of the members of the Board Members may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceed 50% of the Common Interest of the Condominium at any regular or special meeting of Unit Owners, pursuant to Section 5 of Article II of the By-Laws.

If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is Sponsor or Sponsor-designee, he or she shall be deemed to have resigned, effective as of the date such ownership interest ceased.

If a member of the Board of Managers designated by Sponsor or Sponsor-designee is removed by either the Board of Managers or Unit Owners, then only Sponsor or Sponsor-designee shall have the right to designate a replacement.

The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on their behalf, who need not be an Owner, will be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy will be made in writing but need not be acknowledged or witnessed and will be filed with the Secretary at or previous to the time of the meeting and will be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of Unit Owners. The Owners of each Unit (including Sponsor or Sponsor-designee, if Sponsor or Sponsor-designee will then own one or more Units) will be entitled to cast one vote for each 1% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) will be entitled to one vote for each 0.01% of Common Interest attributable to his or her Unit per member to be elected, and (ii) will not have the right to cumulate his or her votes in favor of any one or more members to be elected. If one or more Units are owned by more than one person as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership or other entity permitted for herein, the persons owning said Unit will agree among themselves and cast the votes for their Unit. A fiduciary will be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee, corporate or otherwise will not be entitled to vote.

The members of the Board of Managers will not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners will severally indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. A Unit Owner's liability is limited to such proportionate share of the total liability as the Common Interests of such Unit Owner bear to the aggregate Common Interest of all Unit Owners and such Unit Owner's interest in his or her Unit's and its appurtenant Common Interest, unless otherwise

provided by law. It is intended that the members of the Board of Managers will have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is possible that the original Board of Managers may contract with Sponsor and affiliated corporations without fear of being charged with self-dealing, however the Board shall at all times uphold its fiduciary duty to the Unit Owners, notwithstanding anything to the contrary. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers will be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager, on behalf of the Condominium, will provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and will have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder will be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

The principal officers of the Condominium will be the President, the Vice President, the Secretary and the Treasurer, all of whom will be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner.

The officers of the Condominium will be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and will hold office at the pleasure of the Board of Managers and until their successors are elected.

The President will be the chief executive officer of the Condominium. He will preside at all meetings of the Unit Owners and of the Board of Managers. He will have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to, the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

The Vice President will take the place of the President and perform his duties whenever the President will be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers will appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President will also perform such other duties as will from time to time be imposed upon him by the Board of Managers or by the President.

The Secretary will keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he will have charge of such books and papers as the Board of Managers may

direct; and he will in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

The Treasurer will have the responsibility for Condominium funds and securities and will be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He will be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he will, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

The officers of the Condominium will have the same rights and liabilities as the members of the Board of Managers.

No officer or member of the Board of Managers will receive any salary or compensation from the Condominium for his or her services as Officer and Manager.

Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Notice of special meetings will be given by mail or personal delivery to each member of the Board of Managers and will state the time, place and purpose of the meeting. Special meetings of the Board of Managers will be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

It will be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of Article III of the By-Laws having been presented to the Secretary.

It will be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner will have designated by notice in writing to the Secretary.

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds 50% of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit

Owner or the spouse of a Unit Owner, unless such member is Sponsor or Sponsor-designee, he or she will be deemed to have resigned, effective as of the date such ownership interest ceased.

The By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. No amendment of a material adverse nature to mortgagees will be made unless agreed to by mortgagees that represent at least 51% of the votes of units that are subject to mortgages. A mortgagee will be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested. However, for as long as Sponsor or Sponsor-designee remains the Owner of one or more Units, the By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or Sponsor-designee, in Sponsor's sole discretion, without Sponsor's prior written consent.

This Declaration may be amended, modified, added to or deleted from by the affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by 66 2/3% in number and in Common Interest of all Unit Owners, provided, however:

- (a) no amendment which will change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which will increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagees of such Unit, or Units, if any;
- (b) no amendment, modification, addition or deletion of or to the Declaration will be effective in any respect against Sponsor, Sponsor-designee, or any Unsold Unit until Sponsor or such designee will consent thereto in writing;
- (c) no amendment of a material adverse nature to mortgagees will be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages.

A mortgagee will be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested.

Sponsor hereby reserves to itself and Sponsor-designees the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the Real Property Law of the State of New York for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement

of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p. No such amendment will be effective until recorded in the Office of the Register of the City of New York. Any changes to the Floor Plans will necessitate an amendment to the Plan.

If there are non-Sponsor members of the Board of Managers, and there is a vote on whether to sue Sponsor, the Sponsor's board representative cannot lawfully vote on that issue.

The By-Laws of the Condominium contain a provision that after the expiration of initial sponsor voting control period, 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.

**RIGHTS AND OBLIGATIONS OF THE 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 or her Unit, subject to the following restriction. No Unit Owner will be permitted to sell or lease his or her Unit unless and until the Unit Owner will have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against the Unit and until he or she will have satisfied all unpaid liens against the Unit. The restrictions on resale listed in this paragraph apply to Sponsor and its designees. The terms of any Unit Owner's lease, including the rent, will be subject to the laws of the State of New York and the City of New York.

Mortgaging of Units by Unit Owners

Each Unit Owner has the right to mortgage his or her Unit subject to the following restriction. No Unit Owner will be permitted to mortgage his or her Unit unless and until the Unit Owner will have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against the Unit and until he or she will have satisfied all unpaid liens against the Unit.

Common Charges and Assessments

The Board of Managers will from time to time, at least annually, prepare a budget for the Condominium, determine the amount of Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Shared Percentages of Common Interests, except as otherwise indicated.

Notwithstanding anything to the contrary stated anywhere in the By-Laws or the Declaration of the Condominium, the expenses of the Condominium operation allocated to the Residential Units will be apportioned among the Residential Units based on the Residential Percentages of Common Interests allocated to each as set forth in Schedule A.

Notwithstanding anything to the contrary stated anywhere in the By-Laws or the Declaration of the Condominium, the Commercial Unit will only be responsible for 19.35% of the Common Expenses, except for the costs of common water charges and sewer rents.

The Commercial Unit will not be responsible for the costs of labor, gas consumption by the Common Elements, electricity consumption by the Common Elements and common water charges and sewer rents.

The Commercial Unit will be billed separately by the Board of Managers for water charges and sewer rents based on actual amount used. The Commercial Unit Owner will be required to install and maintain a water sub-meter and shall be responsible for the payment of all water charges and sewer rents actually used as per sub-meter reading. The Board of Managers

shall bill and collect payment from the Commercial Unit for all water charges and sewer rents as levied by the Department of Environmental Protection.

The Common Expenses will 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 of Managers pursuant to the provisions of Section 2 of Article VI of the By-Laws and the fees and disbursements of the Insurance Trustee, if any.

The Common Expenses will also include such amounts as the Board of Managers may deem proper for the Reserve Fund for capital expenditures, the amount of which will be equal to 10% of the projected annual budget of the Condominium.

The Common Expenses may also include such amounts as may be required for the purchase by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, of any Unit, which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Units.

The Board of Managers will also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense.

The Board of Managers will advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and will furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

Sponsor or Sponsor-designee will be responsible for the Common Charges assessed against a Unit owned by it from the date of the first Unit closing until such Unit is sold to a bona fide purchaser.

All Unit Owners will be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of Article VI of the By-Laws at such time or times as the Board of Managers shall determine.

No Unit Owner will be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of the By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII of the By-Laws. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, provided that his or her Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his or her Unit, together with the "Appurtenant Interests" to the Board of Managers or its designee, corporate or otherwise on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit.

The Board of Managers will assess Common Charges against the Unit Owners from time to time at least annually and will take prompt action to collect any Common Charges due from any Unit Owner, which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers will also take prompt action to collect any assessment due from any Unit Owner, which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges and assessments will be paid by the 5th day of the month in which they are due or they will be deemed to be late. The Board of Managers will have the right to place a lien against a Unit whose Owner fails to pay common charges for the Unit within fifteen (15) days of same becoming due and payable.

In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner will be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers will have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in the payment of Common Charges or assessments will not be permitted to vote at any regular or special meeting of Unit Owners.

In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner will be required to pay a reasonable rental for the use of his or her Unit and the plaintiff in such foreclosure action will be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, will have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not to vote the votes appurtenant to). A suit to recover a money judgment for unpaid Common Charges will be maintainable without foreclosing or waiving the lien securing the same.

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.

Repairs

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

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

Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed:

- (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or
- (b) the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or railings and/or means of terrace or balcony access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

A Unit Owner must grant a right of access to his or her Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his or her Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his or her Unit or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in Section 15 of the By-Laws, any costs for repairs shall be borne in accordance with the provisions of Section 10 of Article VI of the By-Laws.

Additions, Alterations and Improvements

Subject to the provisions of Section 2 of Article II of the By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or

improvements (but not maintenance) costing in excess of \$50,000.00, and the making of such additions, alterations or improvements will have been approved by a majority of the Unit Owners, the Board of Managers will proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing \$50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Except as provided below, no Unit Owner shall make any addition, alteration or improvement in or to his or her Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. Any requests for consent to make additions, alterations or improvement in a unit which is structural in nature, or affects the exterior of the Building of the value of other unit, must be made via certified mail with return receipt. The Board of Managers must grant or deny such consent within thirty (30) days of receiving a request for such consent. If such request is neither granted nor denied within forty five (45) days of receipt of the notice, such request shall be deemed granted. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of Section 13 of Article VI of the By-Laws, such consent shall be deemed to provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition, alteration, or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall

not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of Section 13 of Article VI of the By-Laws which require the consent of the Board of Managers in connection with an addition, alteration or improvement in or to a Unit, which is structural or which affects the exterior of the Building or the value of other Units shall not apply to Units owned by Sponsor or Sponsor-designee or a Commercial Unit Owner. Sponsor or Sponsor-designee or a Commercial Unit Owner shall not need such consent. All other provisions of this Section 13 shall apply to all Units. For example, with respect to such addition, alteration or improvement to a Sponsor-owned Unit or a Commercial Unit Owner, such work shall be at the sole cost and expense of Sponsor or Sponsor-designee or a Commercial Unit Owner, and shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and Workers Compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by Sponsor or Sponsor-designee or a Commercial Unit Owner, as the case may be, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any addition, alteration, or improvement, or due to improper design or construction of the structural addition, alteration, or improvement. Additionally, Sponsor or Sponsor-designee or a Commercial Unit Owner, as the case may be, shall reimburse the Board of Managers any reasonable out-of-pocket expenses incurred by the Board of Managers for any services provided in connection with such addition, alteration, or improvement.

Non-structural additions, alterations or improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers except that the Board of Managers may require that the Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work as required for additions, alterations or improvements which require the consent of the Board of Managers, prior to commencing such work.

Insurance

The Board of Managers will be required to obtain and maintain, to the extent obtainable, the following insurance:

- (a) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be

determined by the Board of Managers but in no event to be less than eighty 80% of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit 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, if any, as herein provided;

- (b) directors and officers liability insurance;
- (c) worker's compensation insurance if the Condominium has employees; and
- (d) such other insurance as the Board of Managers may determine.

All policies of physical damage insurance will provide that adjustment of loss will be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than \$50,000.00), and that the total proceeds thereof, if \$50,000.00 or less, will be payable to the Board of Managers, and if more than \$50,000.00, will be payable to the Insurance Trustee, if any.

All policies of physical damage insurance will contain waivers of subrogation and of any reduction of pro-rata liability of the insured as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium will be primary insureds to the extent as their interests will also appear. Such policies may not be cancelled 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, will be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them. Please see Schedule B for details of the Condominium's insurance coverage.

The Board of Managers will 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, the manager and each Unit Owner. Such public liability coverage will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least \$1,000,000.00 covering all claims for bodily injury with respect to any one occurrence. Please see Schedule B for details of the Condominium's insurance coverage.

The insurance provided by the Board of Managers will not cover improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners. Nor will it cover personal injury claims occurred inside individual Units. Please see Schedule B for details of the Condominium's insurance coverage. Unit Owners are advised to acquire insurance that will cover furniture, furnishings or other personal property supplied or installed by Unit Owners, and cover personal injury claims occurred inside individual Units.

Unit Owners will not be prohibited from carrying other insurance for their own benefit, provided that all such policies will contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers will not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies will be so endorsed so as to state that they will in no way conflict with any insurance carried by the Board of Managers.

If, by reason of the occupancy or use of a Unit, the rate of fire or liability insurance for the Property will be increased, such Unit Owner will (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

During the time in which Sponsor is in control of the Board of Managers, the insurance coverage will not be less than that required by the Department of Law.

In the event of a fire or other casualty which damages or destroys less than 75% of the Building containing the Units, the Board of Managers will arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by Sponsor, but not including any wall, ceiling or floor decorations or coverings or other improvements, furniture, furnishings, fixtures, appliances or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, will disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds will 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 75% or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals 75% in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property will 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 will have been a repair or restoration pursuant to the first paragraph of Section 3 of Article VI of the By-Laws, and the amount of insurance proceeds will have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) will 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 Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his or her Unit, in the order of the priority of such liens.

Whenever in Section 3 of Article VI of the By-Laws the words "promptly repair" are used it will mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it will hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notified said Board of Managers and Unit Owner or

Unit Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty (60) and ninety (90) day periods will be from the date of notification by an insurance adjuster retained by the Board of Managers. Wherever the words, “promptly resolve” are used it will mean not more than sixty (60) days from the date of receipt of said insurance funds.

Restrictions on Occupancy and Use

In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property will be restricted to and will be in accordance with the following provisions:

- A. Each Residential Unit may be used as a residence only.

The Commercial Unit may be used for any legal use permitted by the certificate of occupancy of the Building, the Zoning Resolution of the City of New York or other applicable laws, including, without limitation, as restaurant, offices and retail spaces.

Notwithstanding the foregoing, Sponsor or Sponsor-designee shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages:

- (a) to maintain general, sales or leasing offices in one or more or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property;
- (b) to have its employees, contractors and sales agents present on the Property;
- (c) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building or Units and to comply with its obligations.

Sponsor or Sponsor-designee are entitled to the rights enumerated herein for so long as Sponsor or Sponsor-designee, as applicable, continues to own at least one (1) Unsold Unit in the Condominium.

B. The Common Elements and the Limited Common Elements may only be used for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. However, the Common Elements and the Limited Common Elements may not be used as a dwelling space, and for kindling, building, maintaining or using an open fire, including, without limitation, charcoal, piped natural gas, LPG fired or electrical barbeques. The use of roof terraces as contemplated in the Plan will comply with the requirements set forth in the New York City Department of Building's Buildings Bulletin 2018-002.

C. No nuisances will be allowed on the Property nor will any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

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

E. With the exception of the Commercial Unit, no portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto, may be rented. Portions of the Commercial Unit may be rented to the same or different persons or entities.

F. No exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements or the Limited Common Elements shall be painted or decorated by any Owner or in any manner without the prior written consent of the Board of Managers. No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other Common Elements. No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness. Nothing shall be hung or shaken from any doors or windows and no Unit Owner shall sweep or throw or permit to be swept or thrown, any dirt or other substances therefrom. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers, or as required by law.

G. There are no pets, animals or birds restrictions in the Building.

H. No smoking shall be permitted in front of the Building and anywhere in the Limited Common Elements and Common Elements. Smoking will be permitted in the Residential Units and Commercial Unit.

General

1. The Condominium will not have a right of first refusal.

2. Pursuant to the By-Laws of the Condominium, any matter arising out of the Condominium Documents, except for an action to foreclose a lien for unpaid common charges by the Board of Managers or an action seeking injunctive relief, shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Board of Managers, one arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty

(30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction. There is no right of appeal from the arbitrator's decision. The decision, however, may be vacated if the court finds that the rights of the party were prejudiced by:

- (i) corruption, fraud or misconduct in procuring the decision; or
- (ii) partiality of the arbitrator appointed as a neutral; or
- (iii) the arbitrator exceeded his power or so imperfectly executed it that a final and definite decision upon the subject matter submitted was not made.

The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. All costs and expenses paid or incurred by the Board of Managers in connection with any arbitration held, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses. Please see Article XIV of the By-Laws in Part II of the Plan.

Options for appeal are limited for matters submitted to arbitration.

The arbitration provision does not relate to Purchase Agreements.

3. Each Unit Owner shall notify the Board of Managers or Managing Agent of the Condominium, if any, in writing when a child, or children, under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install, at such Unit Owner's expense, the required window guards (or safety "stops" in lieu of window guards, designated specifically to prevent a child from falling out of a window) in all windows of the Unit in compliance with all applicable New York City Administrative Code requirements. The Unit Owner should maintain all window guards (or stops) installed in the Unit and shall not remove same until permitted by applicable law and in any event, without prior written notice to the Managing Agent. Please see "Rules and Regulations" Section of Part II of the Plan.

4. Refuse should not be placed on the sidewalk except on days of collection. Placing refuse on the sidewalk on days other than days of collection may result in a fine or penalty being levied against the Building. In turn, the Board of Managers will seek compensation for said fine or penalty from the Unit Owner, who caused said fine or penalty. Please see "Rules and Regulations" Section of Part II of the Plan.

REAL ESTATE TAXES

After the Units are separately assessed, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other Unit. The Units may not be separately assessed for the first year of Condominium operation.

In the event that the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor will place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against them for the six (6) month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. It is anticipated that Units will be separately assessed for the 2021/2022 tax year, and that individual Unit Owners (whether Purchasers or Sponsor) will pay the taxes thereof. The amount of real estate tax escrow will be disclosed in the initial post-closing amendment to the Plan.

The Property is taxed by the City of New York through the Department of Finance, which through the Department of Finance, has assessed the Property at a pre-construction value of \$1,504,620.

Section 581 of Real Property Tax Law provides that a condominium unit shall be assessed at a sum not exceeding the assessment which would be placed upon such parcel not owned as a condominium. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual Units in determining the assessed valuation.

Section 1805 of Real Property Tax Law provides for the creation of a transition assessment system within the City of New York. Under the transition assessment system, the usual increase in the actual assessed value of a property between the first year and the next is phased in over a five year period in equal installments. This five year phase in does not apply new construction or other increases due to physical improvement of the property. Increases due to such physical improvements are added in full to the next year's assessment. Pursuant to that Section, the taxable assessment is determined by the lesser of the actual assessed valuation or the transition assessed valuation. The five year phase in does not apply to the Property because of the physical improvement to the Building.

Properties in New York City are divided into different classes, each treated differently under the law. The type of property one owns determines class and how property value is assessed. Tax classes each pay a different share of property tax in New York City. Tax Class 2 includes residential properties with more than three (3) units, including cooperatives and condominiums. Tax Class 4 includes commercial properties.

No real estate tax abatement benefits will be available to the Units.

Properties in New York City are divided into different classes, each treated differently under the law. The type of property one owns determines class and how property value is assessed. Tax classes each pay a different share of property tax in New York City. Tax Class 2 includes residential properties with more than three (3) units, including cooperatives and condominiums. Tax Class 4 includes commercial properties.

Upon an estimate provided by MGNY Consulting Corp., in the post-construction year of 2021/2022, the Property will be assessed at \$3,107,569.00. \$2,525,349.00 out of said \$3,107,569.00 will be attributable to the Residential Units and \$582,220.00 to the Commercial Unit.

The projected real estate taxes in Schedule A for the Residential Units are calculated based on the Residential Units being in Tax Class 2, the estimated tax rate of 12.612% of the assessed value of the Residential Units, and the assessed value of the Residential Units estimated by MGNY Consulting Corp. to be \$2,525,349.00 for the post-construction year of 2021/2022.

The real estate taxes payable in Schedule A by the Residential Units are determined by applying said data to calculate real estate taxes against the Residential Units and then allocating the amount due in conformity with the allocation of the Residential Percentages of Common Interests as set forth in Schedule A.

The projected real estate taxes in Schedule A for the Commercial Unit are calculated based on the Commercial Unit being in Tax Class 4, the estimated tax rate of 10.514% of the assessed value of the Commercial Unit, and the assessed value of the Commercial Unit estimated by MGNY Consulting Corp. to be \$582,220.00 for the post-construction year of 2021/2022.

The letter of MGNY Consulting Corp., dated March 8, 2019, is located on pages 115-117 of Part I of the Plan.

IN THE EVENT THERE ARE INCREASES IN THE REAL ESTATE TAX RATE OR THE UNIT'S ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN SET FORTH IN THE PLAN FOR THE FIRST YEAR OF OPERATION OF THE CONDOMINIUM AND IN FUTURE YEARS. HENCE, INDIVIDUAL CARRYING COSTS FOR THE UNITS WILL ALSO BE HIGHER.

There are no tax certiorari proceedings currently pending. Individual Unit Owners may challenge the assessment of their units by filing a tax protest in accordance with the rules of the New York City Tax Commission. The Board of Managers may also file a protest on behalf of all Unit Owners. While there is no specific section of the By-Laws dealing with review of real estate tax assessments, the general grant of power in the Board of Managers to operate the Property in the best interests of all Unit Owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all Unit Owners. The Building benefits from the limitations imposed by Sections 581 and 1805 of the Real Property Tax Law of the State of New York.

The projections set forth herein are based on the current City of New York tax rate and assessment procedures. No guarantee or warranty is or can be made that the tax rate will not change in the future, or that the assessed value of the Unit will not rise due to changes in assessment practices and policies or increases in market value which are reflected in the assessed value.

The City of New York is not bound by the allocation of the Common Interests, and may allocate on a different basis. Nor is the City bound by the estimate of the market value of the Property. All figures are estimates.

Under Section 528 of the Internal Revenue Code, homeowners associations are eligible for a limited exemption from income taxation.

An organization can be classified, for tax purposes, as a homeowners association if it satisfies the following six conditions:

1. The organization must be a condominium management association.
2. The organization must be organized and operated to provide for the management, maintenance, and care of association property.
3. Sixty (60%) percent or more of the organization's gross income for the taxable year must consist solely of amounts received as membership dues, fees, or assessments from owners of residential units.
4. Ninety (90%) percent or more of the organization's expenditures for the taxable year must be for the management, maintenance, and care of association property.
5. No part of the organization's net earnings may inure to the benefit of any private shareholder or individual, other than by providing management, maintenance and care of association property, or by a rebate or excess membership dues, fees, or assessments.
6. The organization must elect for the taxable year to be subject to the tax regime of Section 528 of the Internal Revenue Code. (See Section 528(c)(1))

Section 528(c)(2) defines condominium management association as any organization organized and operated to provide for the management, maintenance, and care of association property with respect to a condominium project substantially all of the units of which are used by individuals for residences.

Section 1.528-4(b) of the Treasury Regulations stipulates that "substantially all of the units of a condominium management association will be considered as used by individuals for residences if at least 85% of the total square footage of all units within the project is used by individuals for residential purposes."

The square footage of the Residential Units in the Condominium is well below a 85% threshold.

Accordingly, the Condominium will not be eligible to qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code.

As a result, the Condominium will be subject to Federal corporate income tax pursuant to Section 277 of the Internal Revenue Code. The current tax rate is 21% of the Condominium's taxable income, which is equal to a difference between [i] annual assessments collected from unit owners and other income generated by the Condominium and [ii] operating expenses of the Condominium for a year in question, including assessments for the Reserve Fund. (See Rev. Rul. 75-370, 1972-2 C.B. 25 [special assessments collected by a nonexempt condominium management corporation from its unit owner-stockholders and accumulated in a separate bank account for replacement of the roof and elevators in the condominium were held not to be includible in the corporation's gross income])

It is anticipated that all assessments collected from the Unit Owners during the first year of the Condominium operation will be spent for expenses set forth in Schedule B. Thus, no corporate income taxes will be due.

However, if the sum of \$2,000.00 allocated to Contingency in Schedule B is not spent, the Condominium will be required to pay \$420.00 in corporate income tax.



MGNY Consulting
 18 Bridge St. Suite 2D
 Brooklyn, NY 11201
 T: 718.522.1111
 F: 718.522.1112
 E: info@mgnyconsulting.com
 www.mgnyconsulting.com

March 8, 2019

Page 1 of 3

Tax Opinion Letter for Condominium Project
101 East 2nd Street, New York, NY Block: 429 Lots: 8, 12

Mr. Sergey Rybak
 24 1st Avenue Project LLC
 1817 Emmons Avenue, 2nd Floor
 Brooklyn, NY 11235

Dear Mr. Rybak,

THIS LETTER IS BEING SENT TO YOU WITH THE EXPRESS UNDERSTANDING THAT OUR FIRM ASSUMES NO LIABILITY FOR OUR OPINIONS PRESENTED HEREIN. THESE OPINIONS ARE PRESENTED ONLY FOR YOUR ASSISTANCE IN CONNECTION WITH YOUR CONSTRUCTION OF A CONDOMINIUM.

The following estimates are provided in response to your request for an opinion and projection of the real estate assessments and taxes.

This opinion is based *solely* on the representations made to us by you and your architect.

I. Project Details

You have informed us that you intend to build a condominium on the above tax lots (“property”), and that this condominium will be constructed pursuant to Department of Buildings job number **123-419-782** for job type “NB – New Building”.

You have requested an opinion concerning the real property assessment to be levied upon the above property for the first full tax year after completion of construction, which corresponds to the tax year 2021/2022. In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. You have informed us that the date of commencement of construction was **December 19, 2018**; and that the anticipated completion date is **December 31, 2020**. You have advised us of your acquisition costs and the anticipated construction costs.

You have also supplied us with architectural drawings of the proposed building prepared by Igor Zaslavskiy of ZPROEKT. The data contained in the architectural drawings indicates that the building will have a gross floor area of **19,258** square feet and will have 7 (seven) main levels.

The total gross square footage of non-residential space is estimated to be approximately 3,247 square feet. The total gross square footage of residential space is estimated to be 18,725 square feet.



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March 8, 2019

Page 2 of 3

**Tax Opinion Letter for Condominium Project
 101 East 2nd Street, New York, NY Block: 429 Lots: 8, 12**

You have informed us that there will be a total of eleven (11) bicycle parking spaces at first floor. In total, there will be 22 (twenty-two) residential units located on floors 2 (two) through 7 (seven), including indoor recreational area on the ground floor level.

II. Estimated Assessed Value

We have considered the following factors in formulating our opinion: (a) the recent tax assessment history on the property; (b) the potential income for the new structure (if operated as a rental); (c) comparable new construction properties Manhattan (specifically, in East Village, West Village and Gramercy neighborhoods); (d) market conditions in the general area; and (e) estimate of the cost of construction.

Real Property Tax Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore, the prices that you set in your offering plan and any subsequent sales or re-sales are not relevant in determining the assessed value of the property or of the individual condominium units. Upon conversion to a condominium and after an application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to each of the condominium units. The residential units will be designated as tax class 2 property and will pay on the class 2 tax rate. The current 2018/19 class 2 tax rate is 12.612% of assessed valuation. The current 2018/19 class 4 tax rate is 10.514% of assessed valuation.

Assessments in New York City are made on a fiscal year basis, beginning on July 1st of each year and ending on June 30th the following year. The status of the building on January 5th of each year is the basis of the assessment for the fiscal year beginning that July 1st.

Real Property Tax Law Section 1805 provides for the creation of a transition assessment system within the City of New York. Under the transition assessment system, the usual increase in the actual assessed value of a property between one year and the next is phased in over a five-year period in equal installments. The five-year phase in does not apply to new construction or other increases due to physical improvements to the property. Increases due to such physical improvements or new construction are added in full to the next year's assessment. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transition assessed valuation.

We believe there will be a substantial increase in value for 2021/22 as a result of the new construction, and that such increase will be placed on the assessment roll immediately and not



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March 8, 2019

Page 3 of 3

**Tax Opinion Letter for Condominium Project
 101 East 2nd Street, New York, NY Block: 429 Lots: 8, 12**

subject to the limitation on increases described above.

However, in future years increases in assessed value will likely result in the taxable assessment being based on a phased-in transition assessment.

2021/22 Projected Assessed Value and Tax Liability

For the post construction tax year of 2021/22, we project that the actual assessed value and the tax liability for the entire property will be as follows:

**Residential Component Assessed Value: \$ 2,525,349
 Residential Component Tax Liability: \$ 318,497**

**Commercial Component Assessed Value: \$ 582,220
 Commercial Component Tax Liability: \$ 61,215**

**Total Estimated Assessed Value: \$ 3,107,569
 Total Tax Liability: \$ 379,712**

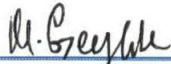
In determining the assessed values for the individual units, the Department of Finance may use the common interest percentages set forth in the condominium declaration if such percentages are rationally and fairly determined.

THE WRITER OF THIS LETTER SHALL NOT BE LIABLE, IF BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS, OR IF THE FACTS REPRESENTED BY SPONSOR, ARCHITECT OR APPRAISER PROVE INCORRECT. NO WARRANTY IS OR CAN BE MADE BY THIS FIRM THAT THE ASSESSED VALUATION WILL BE AS ESTIMATED HEREIN, AND THE WRITER OF THIS LETTER SHALL NOT BE LIABLE, IF BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS, OR THE INTERPRETATIONS OF LAWS AND/OR REGULATIONS, OR IF THE FACTS REPRESENTED BY SPONSOR, ARCHITECT OR APPRAISER PROVE INCORRECT, THE PROPERTY'S TAX LIABILITY TURNS OUT TO BE DIFFERENT. WE MAKE NO REPRESENTATIONS OR GUARANTEES THAT THE ASSESSED VALUES WILL BE FIXED AT ANY AMOUNT. NEITHER WE NOR ANY PERSON CAN GUARANTEE WHAT THE REAL ESTATE TAXES WILL BE AT ANY FUTURE DATE.

We consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

MGNY Consulting Corp.


 Michael Geylik

INCOME TAXES DEDUCTIONS TO UNIT OWNERS AND
TAX STATUS OF CONDOMINIUM

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. Purchasers should not rely on any representations in this Plan addressing taxes without first consulting a tax expert.

Unit Owners who itemize their deductions should, for Federal income tax purposes, be entitled to a deduction for mortgage interest on a principal of up to \$750,000.00 and real estate taxes up to \$10,000.00 in the year paid, or accrued, under Section 11043 and 11042 of the Internal Revenue Code. The \$10,000.00 limit includes other state and local taxes besides real estate taxes. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion of Counsel, attached hereto and made a part hereof.

The affairs of the Condominium will be governed by the Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners, and will have certain discretionary powers over the operating expenses and the application of the assessments. Sponsor's counsel is of the opinion that the Condominium will not be eligible to qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code. As a result, the Condominium will be subject to Federal corporate income tax pursuant to Section 277 of the Internal Revenue Code. The current tax rate is 21% of the Condominium's taxable income, which is equal to a difference between [i] annual assessments collected from unit owners and other income generated by the Condominium and [ii] operating expenses of the Condominium for a year in question, including assessments for the Reserve Fund. (See Rev. Rul. 75-370, 1972-2 C.B. 25 [special assessments collected by a nonexempt condominium management corporation from its unit owner-stockholders and accumulated in a separate bank account for replacement of the roof and elevators in the condominium were held not to be includible in the corporation's gross income])

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended, the New York State tax law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Procedures, and judicial decisions. It is emphasized, however, that legislative, judicial or administrative changes may be made which would require modifications of such statements, or that, the IRS or other applicable administrative agency may disagree with counsel's interpretations and conclusions.

A more detailed statement of the tax factors involved may be found in the Tax Opinion of Counsel.

No warranty or guaranty is made that the United States Treasury Department or the New York State Department of Taxation and Finance or the New York City Department of Finance will allow the aforementioned deductions, and no representation or warranty is made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part. Neither Sponsor nor Sponsor's attorney shall be liable if, for any such reason, it is held that the Unit Owners are not entitled to such income tax deductions or to special exemptions as aforesaid.

Each Purchaser should consult with his or her own attorney or tax adviser with regard to tax consequences of this purchase.

Tsyngauz

& Associates, P.C.

894 6th Avenue, 3rd Floor
New York, New York 10001

(212) 337 - 9770 telephone

(212) 337 - 9773 facsimile

Yevgeny Tsyngauz, Esq.
Mikhail Litt, Esq.
Matthew C. Schwartz, Esq.
Bansari Sheth, Esq.
Ryan Banich, Esq.

OPINION OF COUNSEL

August 16, 2019

Sergey Rybak
24 1st Avenue Project LLC
1817 Emmons Avenue, 2nd fl., Suite 1
Brooklyn, NY 11235

Re: The 101 Condominium
101 East 2nd Street
New York, NY 10009

Dear Mr. Rybak:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State, and New York City income tax purposes to persons who purchase units for residential use, (hereinafter called the "Unit Owners"), under a Condominium Offering Plan, (hereinafter called the "Plan"), for The 101 Condominium, (hereinafter called the "Condominium"), (ii) the Federal income tax treatment of the common charges received by the board of managers of the Condominium, (hereinafter called the "Board"), and (iii) the availability of real estate tax abatement and exemption benefits for this project.

In connection with rendering this opinion, I have prepared the Plan and the Schedules and Exhibits thereto, the Declaration of the Condominium, (hereinafter called the "Declaration"), the By Laws of the Condominium, (hereinafter called the "By-Laws"), and reviewed the relevant sections of the Internal Revenue Code of 1986, as amended, (hereinafter called the "Code"), the Regulations promulgated thereunder by the Treasury Department, (hereinafter called the "Treas. Regs."), the New York State Tax Law, the Administrative Code of the City of New York, revenue rulings, relevant case law and such other materials as I have deemed relevant.

Facts

The sponsor will apply to the Department of Law of the State of New York to convert the premises, located at 101 East 2nd Street, New York, NY 10009 to a condominium ownership pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "New York Condominium Act"). The Condominium will consist of twenty two (22) Residential Units and one (1) Commercial Unit. Each Unit Owner will own his or her Unit and an interest in the elements common to all Units, (hereinafter called the "Common Elements"). Each Unit Owner will be



entitled to the exclusive ownership and possession of his or her Unit and will receive a separate deed to the Unit.

The affair of the Condominium will be governed by the Board which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board will be comprised of at least three (3) members, who shall each be elected by the Unit Owners. The primary function of the Board will be to supervise the maintenance and operation of the Common Elements, and collect charges necessary to maintain and operate the Common Elements, (hereinafter called the "Common Charges").

Discussion

Deductibility of mortgage interest and real estate taxes

Under the New York Condominium Act, each Unit Owner will own his or her Unit and its appurtenant interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Failure to pay his or her share of the Common Charges will result in the Board having a lien on the Unit for the unpaid Common Charges.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Unit Owner during his or her taxable year will be governed by Sections 11043 and 11042 of the Code. Section 11043 of the Code allows a taxpayer to deduct all interest on a principal of up to \$750,000.00 paid or accrued during the taxable year on bona fide indebtedness. Section 11042 of the Code allows a taxpayer to deduct real estate taxes up to \$10,000.00 paid or incurred on his or her Unit during the taxable year. The \$10,000.00 limit includes other state and local taxes besides real estate taxes.

In my opinion, under Sections 11043 and 11042 of the Code, a Unit Owner should, for Federal income tax purposes, be entitled to a deduction for interest on a principal of up to \$750,000.00 paid or accrued with respect to mortgage indebtedness and for real estate taxes up to \$10,000.00 paid or accrued with respect to his or her method of accounting. The \$10,000.00 limit includes other state and local taxes beside real estate taxes.

It is also my opinion that each Unit Owner should, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. See Section 615 of the Tax Law of the State of New York.

It should be noted, however, that for New York City income tax purposes, the benefit of such deduction may be reduced if the Unit Owner has more than the specified amount of tax preference items. See Sections 615, 622 and 623 of the Tax Law of the State of New York.

The foregoing discussion applies primarily to Residential Unit Owners.

Common Charges - Federal income taxation of the Condominium

Under Section 528 of the Internal Revenue Code, homeowners associations are eligible for a limited exemption from income taxation.

An organization can be classified, for tax purposes, as a homeowners association if it satisfies the following six conditions:

1. The organization must be a condominium management association.
2. The organization must be organized and operated to provide for the management, maintenance, and care of association property.
3. Sixty (60%) percent or more of the organization's gross income for the taxable year must consist solely of amounts received as membership dues, fees, or assessments from owners of residential units.
4. Ninety (90%) percent or more of the organization's expenditures for the taxable year must be for the management, maintenance, and care of association property.
5. No part of the organization's net earnings may inure to the benefit of any private shareholder or individual, other than by providing management, maintenance and care of association property, or by a rebate or excess membership dues, fees, or assessments.
6. The organization must elect for the taxable year to be subject to the tax regime of Section 528 of the Internal Revenue Code. (See Section 528(c)(1))

Section 528(c)(2) defines condominium management association as any organization organized and operated to provide for the management, maintenance, and care of association property with respect to a condominium project substantially all of the units of which are used by individuals for residences.

Section 1.528-4(b) of the Treasury Regulations stipulates that "substantially of the units of a condominium management association will be considered as used by individuals for residences if at least 85% of the total square footage of all units within the project is used by individuals residential purposes."

The square footage of the Residential Units in the Condominium is well below a 85% threshold.



Accordingly, the Condominium will not be eligible to qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code.

As a result, the Condominium will be subject to Federal corporate income tax pursuant to Section 277 of the Internal Revenue Code. The current tax rate is 21% of the Condominium's taxable income, which is equal to a difference between [i] annual assessments collected from unit owners and other income generated by the Condominium and [ii] operating expenses of the Condominium for a year in question, including assessments for the Reserve Fund. (See Rev. Rul. 75-370, 1972-2 C.B. 25 [special assessments collected by a nonexempt condominium management corporation from its unit owner-stockholders and accumulated in a separate bank account for replacement of the roof and elevators in the condominium were held not to be includible in the corporation's gross income])

Real Estate Tax Benefits

I have reviewed the letter, heretofore set forth in the Plan, from the Sponsor's expert concerning the availability of real estate tax abatement and exemption benefits for this project. Based on existing statutes and practices, the opinion expressed therein that no real estate tax abatement benefits are available to the Units appear to be correct, and I hereby adopt said opinion as my own. This adoption is, of course, subject to the accuracy of the facts supplied to said expert in rendering his determination.

Compliance With Real Property Law Section 339-i

I have reviewed the pertinent data with respect to the fair value of the units and other pertinent information with respect to the units. Based on these factors, and the annexed letter of Yana Izmaylov, the allocation of shared common interest is being made pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York, which provides that such interest shall be:

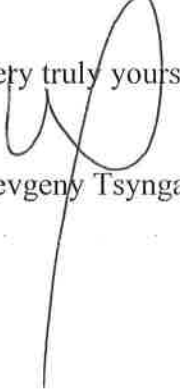
“(iv) upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.”

Conclusion

In my opinion, the Condominium will not be eligible for tax-exempt status. 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 I base this opinion will not change. In no

event 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 I relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which I relied which cause the Unit Owners not to be entitled to income tax deductions.

Very truly yours,


Yevgeny Tsyngauz



WORKING CAPITAL FUND

The Condominium will have a fund for working capital, (hereinafter called the "Working Capital Fund"). At the time of the closing of title to the Units from Sponsor or Sponsor-designee to a bona fide Purchaser, Purchaser will be required to pay into the Working Capital Fund the sum equal to two (2) months' Common Charges then applicable to each Unit being purchased. Sponsor will not contribute to the Working Capital Fund.

Upon the sale of all Units, it is anticipated that the Working Capital Fund will be equal to \$32,939.17 for the first year of the condominium operation.

The Working Capital Fund will be used only for payment by the Board of Managers of expenses authorized by the Declaration and the By-Laws of the Condominium, and for payment by the Board of Managers of any net adjustments for prepaid expenses owed to Sponsor at the closing of title to the first Unit.

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

The Working Capital Fund will be available for the Condominium after the closing of title to the first Unit.

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

RESERVE FUND

The Condominium will have a fund as a reserve for capital expenditures, (hereinafter called the “Reserve Fund”).

The Reserve Fund will be used only for capital expenditures. The Condominium’s By-Laws contain a provision authorizing the establishment of the Reserve Fund. Please see Article II, Section 2 of the By-Laws.

When established, the Reserve Fund will not have any funds. During the first year and subsequent years of Condominium operations, the Unit Owners, with their common charges, will make contributions to the Reserve Fund, the amount of which will be equal to 10% of the projected annual budget of the Condominium. The Reserve Fund will be sufficient to pay for capital expenditures likely to be needed within the first five years of operation following the first closing under the Plan.

Sponsor will not make an initial contribution to the Reserve Fund, and the Reserve Fund will be funded by common charges.

If additional funds are required, common charges may be increased or special assessments imposed.

While Sponsor is in control of the Board of Managers, the Reserve Fund will not be used to reduce the Common Charges.

Should monies be required by the Condominium for capital expenditures such as renewal or replacement of Building components or systems or to remedy major Building defects, the Board of Managers will be able to borrow the moneys as provided in Section 339-jj of the Real Property Law of the State of New York, which states, in pertinent parts, as follows:

“1. To the extent authorized by the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt. In addition, subject to any limitations set forth in the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt for any of the purposes enumerated in paragraph (b) of subdivision two of section three hundred thirty-nine-v of this article, provided that (a) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a unit and (b) the incurrence of such debt shall require the consent of a majority in common interest of the unit owners.

2. In connection with a debt incurred by it, the board of managers, on behalf of the unit owners, may (a) assign the rights in and to receive future income and common charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was

incurred and subject to the provisions of subdivision two of section three hundred thirty-nine-1 of this article, all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose, and (d) agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the board of managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the board of managers to file liens in the lender's name on units for unpaid common charges pursuant to sections three hundred thirty-nine-z and three hundred thirty-nine-aa of this article and the right to foreclose such liens pursuant to section three hundred thirty-nine-aa of this article.”

The Condominium’s By-Laws contain a provision authorizing the Board of Managers to incur debt on behalf of the Condominium. Please see Article II, Section 2 of the By-Laws.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND.

MANAGEMENT AGREEMENT

The Board of Managers will enter into a management agreement with FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232, as Managing Agent, with respect to the Building at or prior to the first closing. The principal of Managing Agent is Yana Izmaylov. She is not affiliated with Sponsor or its principals.

Managing Agent has managed over five (5) residential and mixed-use buildings since its formation in 2015.

The management agreement provides for a term of one (1) year commencing on the first closing and thereafter, if not otherwise terminated by the either Board of Managers or the Managing Agent on sixty (60) day written notice.

During the first year, Managing Agent will receive an annual fee of \$17,160.00, paid in installments of \$1,430.00 due and payable on the first day of each month.

The management fee of \$17,160.00 is the prevailing rate for comparable buildings.

The Board of Managers will also be required to reimburse Managing Agent for its reasonable and customary out-of-pocket expenses incurred in managing the Building.

The duties and services to be rendered by the Managing Agent include, among others:

- (a) billing and collecting Common Charges payable by Unit Owners;
- (b) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Board of Managers;
- (c) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements subject to the approval of the Board of Managers;
- (d) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid;
- (e) supervising, hiring and discharging employees necessary for the proper maintenance and operation of the Building;
- (f) rendering monthly statements of receipts and disbursements to the Board of Managers or other designated entity, upon request;
- (g) maintaining payroll records and filing withholding tax statements for employees;
- (h) maintaining accurate sets of books for the Board of Managers;
- (i) cooperating with the Board of Managers' accountants in preparing and submitting annually to the Board of Managers an operating budget of the anticipated income and expenses for the ensuing year;
- (j) attending meetings of the Board and Unit Owners, and preparing agendas and sending notices relating to such meetings; and

- (k) generally, doing all things deemed reasonably necessary or desirable by the Boards for the proper management of the Building.

According to the management agreement, the Board of Managers shall indemnify and pay for defense (as duty to defend versus reimbursement) on behalf of the Managing Agent, and hold the Managing Agent harmless from and against all claims, damages, and costs (including counsel) arising out of or in connection with the management of the Building and the operation thereof including, but limited to, all actions taken by the Managing Agent pursuant to the instructions of the Board of Managers, and by virtue of the Managing Agent's status of a managing agent of the Building, except for acts of negligence or other misconduct of the Managing Agent.

There will be no other agreements that will be binding on the Condominium.

The management agreement is not assignable by the Managing Agent.

IDENTITY OF PARTIES

Sponsor

Sponsor is 24 1st Avenue Project LLC, having an address at 1817 Emmons Avenue, 2nd fl., Suite 1, Brooklyn, NY 11235. Sponsor is a New York limited liability company.

Its principals are Sergey Rybak, having an address [REDACTED], [REDACTED], Jason Reznik, having an address at [REDACTED], and Semyon Vays, having an address at [REDACTED].

All principals are the managers of Sponsor. They have been actively involved in a real estate business for over seven (7) years. They have interests in entities which own commercial real estate, manage commercial real estate and build and sell condominium units.

There are no prior felony convictions of Sponsor, Sergey Rybak, Jason Reznik and Semyon Vays.

There are no prior bankruptcies, convictions, injunctions, judgments or liens against Sponsor, Sergey Rybak, Jason Reznik and Semyon Vays or entities in which they were principals that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of the Plan.

Neither Sponsor nor its affiliate have taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or private or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were initially offered during the preceding five (5) years.

Below is a list of public offerings of condominium units in or from New York by the principals of Sponsor, which were initially offered during the preceding five (5) years:

Sergey Rybak and Jason Reznik,

- i. as principals of 2008 Ocean Avenue Development, LLC, took part in a public offering of condominium units in The Ocean Condominium, located at 2008 Ocean Avenue, Brooklyn, NY 11230. The offering plan, having file number CD120121, was filed on July 18, 2013. The date of first unit closing was December 12, 2013.
- ii. as the principals of 2070 East 13th Street Partners LLC, took part in a public offering of condominium units in The 2070 E. 13th Street Condominium, located at 2070 East 13th Street, Brooklyn, NY 11229. The offering plan, having file number CD130048, was filed on September 27, 2013. The date of first unit closing was May 29, 2013.
- iii. as principals of 3435 Guider Ave. Development, LLC, took part in a public offering of condominium units in The Gateway Condominium, located at 3435 Guider Street, Brooklyn, NY 11235. The offering plan, having file number

CD130197, was filed on January 23, 2014. The date of first unit closing was November 13, 2014.

- iv. as principals of 3041 Ocean Avenue Development LLC, took part in a public offering of condominium units in The 3041 Ocean Avenue Condominium, located at 3041 Ocean Avenue, Brooklyn, NY 11235. The offering plan, having file number CD140172, was filed on October 24, 2014. The date of first unit closing was January 13, 2016.
- v. as principals of 102 West End Ave Development LLC, took part in a public offering of condominium units in The 104 West End Avenue Condominium, located at 104 West End Avenue, Brooklyn, NY 11235. The offering plan, having file number CD140373, was filed on May 20, 2015. The date of first unit closing was September 29, 2016.
- vi. as principals of 1809 Emmons Avenue Development LLC, took part in a public offering of condominium units in The Vue Condominium, located at 1809 Emmons Avenue, Brooklyn, NY 11235. The offering plan, having file number CD160026, was filed on May 31, 2016. The date of first unit closing was May 4, 2017.
- vii. as principals of Names Realty LLC, took part in a public offering of condominium units in The Edge Condominium on 12th, located at 1753 East 12th Street, Brooklyn, NY 11229. The offering plan, having file number CD160245, was filed on December 22, 2016. The date of first unit closing was May 18, 2017;
- viii. as principals of 1414 West 4th Partners, LLC, submitted an offering plan for a public offering of condominium units in The Jade Condominium, located at 1418 West 4th Street, Brooklyn, NY 11204. The offering plan, having file number CD170256, was filed on April 19, 2018. The date of first unit closing was October 22, 2018.

Sergey Rybak,

- i. as a principal of ABK Seabreeze LLC, took part in a public offering of condominium units in The Art House Condominium, located at 1502 West 1st Street, Brooklyn, NY 11204. The offering plan, having file number CD170146, was filed on May 12, 2017. The date of first unit closing was November 14, 2018.
- ii. as the principal of Sit Wesrel LLC, took part in a public offering of condominium units in The Residence, located at 1976 Ocean Avenue, Brooklyn, NY 11230. The offering plan, having file number CD110214, was filed on August 24, 2012. The date of first unit closing was January 18, 2013.

Semyon Vays,

- i. as a principal of 224 Development, LLC, took part in a public offering of condominium units in The 224 16th Street Condominium, located at 224 16th Street, Brooklyn, NY 11215. The offering plan, having file number CD090168, was filed on February 17, 2010. The date of first unit closing was March 3, 2011.

- ii. as a principal of SM 277 Development, LLC, took part in a public offering of condominium units in The 227 19th Street Condominium, located at 277 19th Street, Brooklyn, NY 11215. The offering plan, having file number CD090244, was filed on July 20, 2010. The date of first unit closing was April 4, 2011.
- iii. as a principal of VZB Properties LLC, took part in a public offering of condominium units in The 379 Prospect Avenue Condominium, located at 379 Prospect Avenue, Brooklyn, NY 11215. The offering plan, having file number CD130067, was filed on October 30, 2013. The date of first unit closing was April 22, 2014.
- iv. as a principal of 192 15th Development LLC, took part in a public offering of condominium units in The 192 15th Street Luxury Condominium, located at 192 15th Street, Brooklyn, NY 11215. The offering plan, having file number CD150012, was filed on August 10, 2015. The date of first unit closing was February 1, 2016.
- v. as a principal of Empire Funding Partners LLC, took part in a public offering of condominium units in The Corner At Eleven Condominium, located at 47-28 11th Street, Long Island City, NY 11101. The offering plan, having file number CD140311, was filed on March 31, 2015. The date of first unit closing was February 12, 2016.
- vi. as a principal of Impex Builders LLC, took part in a public offering of condominium units in The 44th Drive Condominium, located at 21-10 44th Drive, Long Island City, NY 11101. The offering plan, having file number CD160297, has been accepted for filing on November 21, 2016. The date of first unit closing was February 1, 2018;
- vii. as a principal of 245 Development LLC, took part in a public offering of condominium units in The Greenwood Condominium, located at 258A 18th Street, Brooklyn, NY 11215. The offering plan, having file number CD160257, has been accepted for filing on December 2, 2016. The date of first unit closing was August 22, 2017.
- viii. as a principal of 220 Withers Development LLC, took part in a public offering of condominium units in The Miramar I Condominium, located at 220 Withers Street, Brooklyn, NY 11211. The offering plan, having file number CD160357, has been accepted for filing on March 21, 2017. The date of first unit closing was March 20, 2018.
- ix. as a principal of 222 Withers Development LLC, took part in a public offering of condominium units in The Miramar II Condominium, located at 222 Withers Street, Brooklyn, NY 11211. The offering plan, having file number CD160358, has been accepted for filing on March 21, 2017. The date of first unit closing was April 3, 2018.
- x. as a principal of 526 47th Development LLC, took part in a public offering of condominium units in The Vernon I Condominium, located at 526 47th Avenue, Long Island City, NY 11101. The offering plan, having file number CD180113, has been accepted for filing on September 10, 2018. The date of first unit closing was June 24, 2019.
- xi. as a principal of 528 47th Development LLC, took part in a public offering of condominium units in The Vernon II Condominium, located at 528 47th Avenue,

- Long Island City, NY 11101. The offering plan, having file number CD180114, has been accepted for filing on October 25, 2018. The date of first unit closing was September 6, 2019.
- xii. as a principal of 530 47th Development LLC, took part in a public offering of condominium units in The Vernon III Condominium, located at 530 47th Avenue, Long Island City, NY 11101. The offering plan, having file number CD180115, has been accepted for filing on September 10, 2018. The date of first unit closing was June 26, 2019.
 - xiii. as a principal of SALM Properties LLC, took part in a public offering of condominium units in The 21-20 Condominium, located at 21-20 45th Road, Long Island City, NY 11101. The offering plan, having file number CD180181, has been accepted for filing on January 24, 2019. No unit has been sold yet.
 - xiv. as a principal of SALM Properties LLC, took part in a public offering of condominium units in The 21-22 Condominium, located at 21-22 45th Road, Long Island City, NY 11101. The offering plan, having file number CD180182, has been accepted for filing on November 16, 2018. No unit has been sold yet.
 - xv. as a principal of SALM Properties LLC, took part in a public offering of condominium units in The 21-24 Condominium, located at 21-24 45th Road, Long Island City, NY 11101. The offering plan, having file number CD180183, has been accepted for filing on January 24, 2019. No unit has been sold yet.
 - xvi. as a principal of SALM Properties LLC, took part in a public offering of condominium units in The 21-26 Condominium, located at 21-26 45th Road, Long Island City, NY 11101. The offering plan, having file number CD180184, has been accepted for filing on January 25, 2019. No unit has been sold yet.
 - xvii. as a principal of SALM Properties LLC, took part in a public offering of condominium units in The 21-28 Condominium, located at 21-28 45th Road, Long Island City, NY 11101. The offering plan, having file number CD180185, has been accepted for filing on January 24, 2019. No unit has been sold yet.
 - xviii. as a principal of SALM Properties LLC, took part in a public offering of condominium units in The 10-42 Condominium, located at 10-42 47th Road, Long Island City, NY 11101. The offering plan, having file number CD180190, has been accepted for filing on January 24, 2019. The date of first unit closing was October 29, 2019.
 - xix. as a principal of SALM Properties LLC, took part in a public offering of condominium units in The 21-19 Condominium, located at 21-19 46th Avenue, Long Island City, NY 11101. The offering plan, having file number CD180191, has been accepted for filing on January 25, 2019. No unit has been sold yet.
 - xx. as a principal of SALM Properties LLC, took part in a public offering of condominium units in The 21-30 Condominium, located at 21-30 45th Road, Long Island City, NY 11101. The offering plan, having file number CD180192, has been accepted for filing on January 25, 2019. No unit has been sold yet.
 - xxi. as a principal of Conselyea Development LLC, submitted an offering plan for a public offering of condominium units in The Astral Condominium, located at 11 Conselyea Street, Brooklyn, NY 11211. The offering plan, having file number CD190213, has not been accepted for filing yet.

Sergey Rybak, Jason Reznik and Semyon Vays,

- i. as principals of 88 Corner Development LLC, took part in a public offering of condominium units in Element 88 Condominium, located at 88 Withers Street, Brooklyn, NY 11211. The offering plan, having file number CD170250, has been accepted for filing on November 22, 2017. The date of first unit closing was April 18, 2019;
- ii. as principals of 11-12 44th Drive Development LLC, took part in a public offering of condominium units in QNS 44 Condominium, located at 11-12 44th Drive, Long Island City, NY 11101. The offering plan, having file number CD170269, has been accepted for filing on December 11, 2017. No unit has been sold yet.

The sponsors and principals of sponsors of the above condominiums are current in their obligations under those offerings.

There are no cooperative, condominium or homeowners association, other than the subject Building, where Sponsor, general partner or principal of Sponsor, or the holder of unsold shares, owns ten (10) percent or more of the unsold shares or units as an individual, general partner or principal.

Selling Agent

The Selling Agent for the Property is Sponsor, having an address at 1817 Emmons Avenue, 2nd fl., Suite 1, Brooklyn, NY 11235. Sponsor is a New York limited liability company.

The principals of Selling Agent are Sergey Rybak, Jason Reznik and Semyon Vays.

Sponsor has no prior experience as a selling agent.

Sponsor's Attorney

TSYNGAUZ & ASSOCIATES, P.C., having an address at 894 6th Avenue, 3rd fl., New York, NY 10001, represents Sponsor in connection with this Plan. Yevgeny Tsyngauz, Esq. of TSYNGAUZ & ASSOCIATES, P.C. prepared the Plan.

Managing Agent

Managing Agent for the Property is FIDY Management Inc., having an address at 254 36th Street, C-303, Unit 1, Brooklyn, NY 11232. It is not affiliated with Sponsor.

Managing Agent has managed over five (5) residential and mixed-use buildings since its formation in 2015.

Below is a list of some of the condominium buildings, Managing Agent has managed:

2008 Ocean Avenue
Brooklyn, NY 11230

3041 Ocean Avenue
Brooklyn, NY 11235

104 West End Avenue
Brooklyn, NY 11235

1809 Emmons Avenue
Brooklyn, NY 11235

1753 East 12th Street
Brooklyn, NY 11229

There are no prior bankruptcies, convictions, injunctions or judgments against Managing Agent or any of its principals that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

Sponsor's Architect

Igor Zaslavskiy, R.A., having an address at 1817 Emmons Avenue, Brooklyn, NY 11235, prepared the report included in Part II of the Plan. He is not affiliated with Sponsor.

Mr. Zaslavskiy has been a registered architect since 2005. He is not affiliated with Sponsor.

Below is a list of some of the condominium projects, Mr. Zaslavskiy was an architect of record for:

220 Withers Street
Brooklyn, NY 11211

222 Withers Street
Brooklyn, NY 11211

88 Withers Street
Brooklyn, NY 11211

11-12 44th Drive
Long Island City, NY 11101

47-28 11th Street
Long Island City, NY 11101

21-10 44th Drive
Long Island City, NY 11101

1809 Emmons Avenue
Brooklyn, NY 11235

104 West End Avenue
Brooklyn, NY 11235

REPORTS TO UNIT OWNERS

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

- (a) a financial statement of the Condominium prepared by a certified public accountant or public accountant by March 1 of each year; such statement shall be certified while Sponsor is in control of the Board of Managers;
- (b) prior notice of the annual Unit Owners' meeting at least ten (10) days but not more than thirty (30) days prior to such meeting; and
- (c) a copy of the proposed annual budget of the Condominium at least thirty (30) days prior to the date set forth for adoption hereof by the Board of Managers; while Sponsor is control of the Board of Managers such budget shall be certified by an expert in compliance with Section 20.4(d) of Part 20 of Title 13 NYCRR.

DOCUMENTS ON FILE

Sponsor will keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at 25 cents per page at the office of Sponsor's attorney, TSYNGAUZ & ASSOCIATES, P.C., having an address at 894 6th Avenue, 3rd fl., New York, NY 10001 for six (6) years from the date of first closing.

Sponsor will deliver to the Board of Managers a copy of all documents filed with the Office of the Register of the City of New York at the time of the closing of the first Unit.

GENERAL

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

The Property was not, to Sponsor's knowledge, the subject of any prior cooperative or condominium offerings. Sponsor has not entered into any preliminary binding agreements. Sponsor has not collected money from prospective purchasers.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that 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 in the sale of Units offered by the Plan or in the leasing of any Unit.

If there is a material amendment to the Plan that adversely affects Purchasers, Sponsor will offer Purchasers a right of rescission until the midnight of the fifteenth day following service of the amendment. Purchaser, who rescinds, must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling

Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If the Purchase Agreement is rescinded by Purchaser, all monies paid on account of the purchase price shall be refunded to Purchaser within ten (10) days after receipt of written notice of rescission.

Neither Sponsor nor anyone acting on its behalf has entered into any contracts or agreements, written or oral, for the sale or transfer of any of the Units offered in the Plan, as of the date the Plan is accepted for filing.

Neither Sponsor nor anyone acting on its behalf has taken any deposits or advances of funds in connection with the reservation, sale or transfer of such Units, as of the date the Plan is accepted for filing.

All of the Units offered in the Plan are newly built and will be delivered vacant.

RESERVATION OF AIR AND DEVELOPMENT RIGHTS

Sponsor reserves the right, for itself, its successors and assigns, to sell and transfer floor area, as defined in the Zoning Resolution of the City of New York, (hereinafter called the "Zoning Resolution"), and development rights to other buildings and to retain the entire consideration for such transfer. The term "development rights" shall mean any right under the present or any applicable future zoning law to use such floor area to increase the size of the Building and any rights appurtenant thereto.

Neither any Unit Owner nor the Board shall have any right, title or interest in such floor area and development rights. Neither any Unit Owner nor the Board shall be deemed to be a "party in interest," as defined in Section 12-10 of the Zoning Resolution of the City of New York, for the purpose of any such transfer, and should not be listed in a Certification of Parties in Interest thereto. Neither a Unit Owner nor the Board shall be a party to any documents for the purpose of any such transfer, including, without limitation, Purchase and Sale of Development Rights Agreement, Zoning Lot Development and Easement Agreement, Declaration of Zoning Lot Restrictions, Waiver of Declaration of Zoning Lot Restrictions, Light and Air Easement.

The Building being constructed cannot be expanded. There are currently no development rights available to be transferred to adjoining properties.

SPONSOR'S STATEMENT OF SPECIFICATIONS

Sponsor adopts the Description of Property and Specifications set forth in Part II of the Plan. Sponsor 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 Specifications.

The number of Units offered is identical to the number of units that will be stated in the certificate of occupancy of the Property.

The proposed use of the Units is the same as the use that will be indicated in the certificate of occupancy of the Property.

The property interests that are offered, such as cellar facilities, will be provided for in the certificate of occupancy of the Property.

PART II

ZPROEKT

Architecture, Planning & Consulting

1817 Emmons Ave, Brooklyn, New York 11235

Phone/Fax: 718-934-2322

Email: igor@zproekt.com

ARCHITECT'S REPORT

PREMISES KNOWN AS THE 101 CONDOMINIUM

101 East 2nd Street

New York, New York

Tax Block Number, 429

Tax Lot Number 8, 12

Prepared By:

Igor Zaslavskiy R.A.

1817 Emmons Ave

Brooklyn, N.Y. 11235

718-934-2322



January 8, 2020

This "Report" describes the building known as "The 101 Condominium", located in the East Village Section of the Borough of Manhattan, County of New York, City and State of New York; and located in Tax Block 429 and designated as Tax Lot 8 and 12.

(A) LOCATION AND USE OF PROPERTY

The site is located in Zone R7A/C2-5 and R8B, as designated on Map 12C of the 1961 Zoning Resolution (ZR). R7A portion of the property is located in Inclusionary Housing Designated Area as per Brooklyn CD 3, Map 1 Appendix F of the Zoning Resolution. This lot is a through lot located along 1st Avenue, a wide street, and East 2nd Street, a wide street. The proposed mixed use building will contain residential and commercial uses, permissible as per New York City Zoning Resolution.

1. 101 East 2nd Street
2. Block 429; Lot 8, 12
3. Zoning requirements:
Proposed Occupancy Groups R2, M;
Proposed Use Groups 2, 6

Quality Housing Program, Inclusionary Housing Designated Area (Optional Program)

Zoning Lot Area: 5322 SF

ZR 23-154, ZR 77-22 Residential Floor Area

R7A/R8B Weighted FAR = 3.648	
Floor Area Permitted = 5322 x 3.648 =	19414.66 SF
Floor Area Proposed	
18725.32 / 5322 =	3.51 FAR

ZR 33-121 Commercial Floor Area

C2-5 FAR = 2.0	
Floor Area Permitted = 2.0 X 5322 =	10644 SF
Floor Area Proposed = 532.44 / 5322 =	0.10 FAR
Total Permitted Floor Area =	19414.66 SF
Total Proposed Floor Area =	19257.76 SF
19257.76 / 5322 =	3.61 FAR

ZR 123-652, ZR 23-47 Yard Requirements

No Side Yards, No Front Yards

ZR 23-47 Rear Yard Requirements as per Residential District

Interior Lot	30'
Corner Lot	Not Required

ZR 23-153, ZR 77-24 Lot Coverage

R7A = 65% X 3422 =	2224.3 SF
R8B = 70% X 1900 =	1330 SF
Total =	3554.3 SF
Proposed =	3553.13 SF

ZR 23-22 Density

Maximum Number of Dwelling Units	
R7A/R8B Unit Factor 680 per Unit; 19414 / 680 =	28
Proposed Number of Dwelling Units =	22

ZR 23-662 Height and Setback Requirements

R7A	
Minimum Base Height =	40'

Maximum Base Height =	65',	Proposed =	65'
Maximum Bldg. Height =	80',	Proposed =	74'-10"
Setback Wide Street =	10',	Proposed =	10' at 1 st Ave, 15' at East 2 nd St

R8B			
Minimum Base Height =	55'		
Maximum Base Height =	65',	Proposed =	65'
Maximum Bldg. Height =	75',	Proposed =	74'-10"
Setback Wide Street =	10',	Proposed =	10' at East 2 nd St

ZR 25-241 Residential Accessory Off-Street Parking, Reduced for Small Lots

R7A = 30% X 64% = 19.2%

R8B = 50% X 36% = 18%

Total Required = 37.2% x 22 = 8 Parking Spaces Required

ZR 25-261 Waiver for up to 15 Residential Parking Spaces

None Proposed

ZR 36-21 Required Commercial (Retail) - NONE

ZR 25-81 Bicycle Parking

ZR 25-81 Bicycle Parking Requirements: 1 Space per 2 Dwelling Units
DU Proposed = 22 X 0.5 = 11 Required. 17 Proposed At First Floor

ZR 26-41 Street Tree Planting

ZR 26-42 Street Trees Required: 1 Tree per 25' Of Street Frontage
Street Frontage = 23' + 36.75 / 25 = 2.39 = 2 Trees Required
2 Existing Trees preserved on site.
Planting Strips, See QH

ZR 28-00 Quality Housing Program

ZR 28-12 Refuse Storage and Disposal, 12 Sf Area Permitted as Exclusion

Refuse Storage Provided on Each Floor, Min 12 Sf
Refuse Storage and Chute Room Provided

ZR 28-14 Daylight in Corridors

Provided on Each Floor, 50% Permitted as Floor Area Exclusion

ZR 28-21 Recreation Space and Planting Areas

$R7A = 3.3\% \text{ of Floor Area for Recreation Space} \times 64\% = 0.2112$
 $R8B = 2.8\% \text{ of Floor Area for Recreation Space} \times 36\% = 0.1008$
 $\text{Proposed Floor Area} = 18725.32 \times 3.12\% = 581 \text{ Sf}$
 $\text{Proposed Recreation Space} = 587 \text{ SF}$
 Open Indoor and Outdoor Recreation Spaces Located at First Floor

ZR 28-31 Density per Corridor, 50% Permitted As FA Exclusion

$R7A/R8 \text{ Max Number of DU per Corridor} = 11$
 $\text{Proposed Max Number of DU} = 4$

4. Permissible Use:

Residential Uses, Zoning Use Group 2, 6 Proposed Use group 2, 6

(B) STATUS OF CONSTRUCTION

The New Building will be constructed in accordance to the Plans which have been filed and approved with the Brooklyn Office of the New York City, Department of Buildings under 2014 NYC Construction Code. The proposed building plans have been assigned Department of Buildings, application number NB 123419782.

DOB JOB #	FILE DATE	PROJECT DESCRIPTION	JOB STATUS	STATUS DATE	DIRECTIVE-14 OR PROFESSIONALLY CERTIFIED	PAA #
123419782-01	05/24/18	Proposed 7 story mixed-use building with residential and commercial uses	Approved, Permitted	08/30/19	Not Applicable, Standard Plan Examination	Filed under 123419782-04
123419782-02	06/20/18	Plumbing and Mechanical work	Approved, Permitted	08/30/19	Not Applicable, Standard Plan Examination	Not Applicable
123419782-03	06/20/18	SOE, Foundation and Structural work	Approved, Permitted	08/30/19	Not Applicable, Standard Plan Examination	Not Applicable
123561788-01	08/15/19	Application is filed for Builders Pavement Plan	Approved, Permitted	01/30/19	Not Applicable, Standard Plan Examination	Not Applicable

123250800-01	01/02/19	Sprinkler work	Approved	05/07/19	Not Applicable, Standard Plan Examination	Not Applicable
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The proposed Class of Construction will be non-combustible Construction Class IB, as described under the 2014 Administrative Building Code: Two-Hour Fire-Rated structural cast in place reinforced concrete superstructure including concrete floor slabs, concrete bearing exterior walls, and concrete bearing columns; Two-Hour Fire-Rated interior and exterior nonbearing walls. Non-rated nonbearing interior walls and partitions; Two-Hour Fire-Rated roof construction including supporting concrete roof slab.

The building will be issued a Final Certificate of Occupancy within a three month time frame when the work is completed to the satisfaction of the Department of Buildings reflecting changes within Condo Report. Remaining ECB violations to be resolved prior to Certificate of Occupancy issuance.

Prospective Buyers will have closing based upon issuance of a Certificate of Occupancy. If a Closing takes place with a Temporary Certificate of Occupancy (TCO), TCO indicates that the property is safe for occupancy but it has an expiration date. TCO typically expires within 90 days after it is issued. When TCO expires and is not reviewed, it may be difficult or impossible to buy insurance, or sell, or refinance the property. If the property has a TCO, consult with a New York State license professional engineer or registered architect to determine the outstanding issue, and speak with attorney regarding the TCO status.

The Project commenced construction on July 2019 as per New York City Department of Buildings Initial Permit for construction of New Building # 123419782.

The Anticipated date of substantial completion is January 2021. There is no further development to be anticipated after building completion.

(C) SITE

1. The site has an area of approximately 5322 square feet.

Beginning at a point on the easterly side of First Avenue; distant 44 feet southerly from the southeasterly corner of First Avenue and East Second Street;

Running thence southerly, along First Avenue, 23 feet;

Thence southerly parallel to East Second Street, 100 feet;

Thence southerly parallel to First Avenue, 33 feet to the southerly boundary of lands conveyed to 24 First Avenue Realty Corp. by a certain deed recorded on Reel 246 at page 9;

Thence along said southerly boundary, 27.25 feet to the easterly boundary of said lands conveyed to 24 First Avenue Realty Corp.;

Thence along said easterly boundary, 101.35 feet to the southerly line of East Second Street;

Thence along same, 36.75 feet to a point that is distant 74 feet easterly from the intersection formed by the southerly side of East Second Street and the easterly side of First Avenue;

Thence southerly, along the westerly boundary of the second parcel of lands conveyed to 24 First Avenue Realty Corp. by deed recorded in Reel 192 at page 631, the following courses and distances:

- a. Southerly at right angle to East Second Street, 22 feet;
- b. Easterly parallel with the southerly side of East Second Street, one (1) foot; and
- c. Southerly and parallel with the First Avenue, 22 feet to the northerly line of the first parcel conveyed to 24 First Avenue Realty Corp., by said deed recorded in Reel 192 at page 631;

Thence westerly along the northerly line of said first parcel and parallel to East Second Street, 75 feet, more or less, to the easterly side of First Avenue, at the point or place of beginning.

2. There will be one mixed use building built on the site with residential and commercial uses.
3. The site faces two Public City Streets maintained by the Department of Transportation of the City of New York.

- i. The asphalt paving is in good condition
- ii. The steel faced concrete curb is in good condition.
- iii. There is a catch basin at the corner of First Ave and East 2nd Street. Gutters are sloped to drain to catch basin.
- iv. There is street lighting on both sides of both streets at the site that is in good condition. Lighting consists of vertical stanchions mounted with HPS lamps First Avenue and LED lamps along East Second Street.

- v. These items are in conformity with local fire district, town and municipal building codes.

3. Drives, Sidewalks & Ramps

The streets and waterway beyond the lot lines of the property are New York City sidewalks, curbs, roadways and waterways. First Avenue is a one hundred foot (100') wide, one-way street. East Second Street is an eighty foot (80'-0") wide, one-way street.

- i. The existing roadways are asphalt paved. The existing roadway fronting the property will be repaired as directed by the New York City Department of Transportation when construction is near completion.
- ii. There are existing steel faced concrete curbs and concrete paved sidewalks fronting the property. The existing curb and sidewalk will be replaced, as is required for all new buildings, when construction is near completion. New curb and sidewalk will be free of tripping hazards and ponding. The steel faced curb will be constructed to DOT Standard H-1010 R79. New sidewalk will be constructed to DOT Standards of H-1045 Type I. All sidewalks, curb cuts, ramps/aprons will be compliant with ADA requirements. There will not be any sidewalk vaults. The condominium will be responsible for maintaining the sidewalk in accordance with the requirements of Department of Transportation or authority having jurisdiction.
- iii. Street lighting is provided by NYC DOT as listed in (C) (3) (iv).
- iv. A Builder's Pavement Plan has been filed with the Department of Buildings under application number 123561788.

Right of Egress: The proposed condominium shall not be require any obtainment of "Right of Egress" from adjacent neighbors. The subject condominium is a stand-alone building with the parcel having no deed restrictions to the present zoning lot.

(D) UTILITIES

Electricity will be provided by the Consolidated Edison Company for lighting and heating. Each unit and public areas will be separately metered and billed directly.

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

Telephone/Internet cable service will be provided by the Verizon Company. Each unit will be billed directly.

The entire sanitary waste, will be carried from the building into the existing New York City Sewer System. Roof detention will be implemented, as per DEP regulations, to manage storm water and runoff. Drain will be connected to the storm system within the building which will be released to the existing New York City Sewer System. Sanitary waste and storm water will be joined after exiting the house and storm traps to a single pipe on site in the sub-cellar which will then be connected to the combined sewer located beneath First Ave. Sewer connections have been filed and certified by the Department of Environmental Protection and the Department of Buildings under ID # 5058-101 East 2nd Street.

(E) SUB-SOIL CONDITIONS

Soil test borings have been performed by a New York State licensed professional engineer to determine the bearing capacity of the soil. A soil test report has been prepared and submitted to the New York City Department of Buildings, with approval granted for the building plans, as is required for all new buildings. Based on the boring data provided, the sub-soil bearing capacity is adequate to support the proposed building. There will be no sub-grade drainage system to be provided for the foundation of the building. No ground water level was encountered up to 32' of the boring report.

Borings indicate that the foundation of the building will be located in 3B granular soils capable of withstanding 3 tons/sf as per NYC Building Code Table 1804. The soil is determined to be adequate to support the building.

1. The foundation walls will be placed below frost line (five feet below grade) of the soil. There has not been any uneven foundation movement or settlement.
2. No evidence of moisture or seepage or ground water infiltration have been observed.
3. No unusual water conditions such as flooding, ponding, or wetness were observed in the area, and no water was apparent on the surface. No potential mudslides or erosion have been observed.
4. The property is not located in an area designated as a flood zone.
5. Site has little E designation for Air Quality and Exhaust Stack location limitations. OER was filed and approved under OER Project # 18TMP1028M and 18EAIR350M. Remediation for the site in order to satisfy requirements of E-216 is that no gas will be utilized at the site.

(F) LANDSCAPING AND ENCLOSURES

1. No grass cover, plantings, trees, fencing, gates, retaining walls, garden walls, or display pools and fountains are proposed on the property.
2. Street Trees are required as per the zoning resolution and are located along the sidewalk. A total of 2 trees are required on site as per ZR 26-41. Two existing trees shall be protected during construction and 5' x 10' pits shall be rebuilt as per Department of Parks and Recreation. Tree pits shall be covered with mulch on the city sidewalk located at the front of the building. Street Tree plans have been reviewed and approved by the Department of Parks and Recreation under Plan Review # 26699. The subject property does not contain any fencing, gates, garden walls or retaining walls.

(G) BUILDING SIZE

The proposed building height will be 74'-10" to the top of the seventh (7) story, as measured from base plane elevation, which is at grade. The building has seven stories, one cellar and one sub-cellar:

1. Sub-Cellar: Occupancy Group U; Ceiling Height: 7' – 8"
 - a. Electrical Utility, Water and Sprinkler Rooms accessible only through Commercial unit
 - b. Accessory Storage
2. Cellar: Occupancy Group M; Ceiling Height: 11' – 2"
 - a. Commercial Unit (Retail)
3. Grade: Occupancy Group R-2, M; Ceiling Height: 8' – 6", 14' – 7"
 - a. Residential Lobby, Commercial Lobby
4. First Floor: Occupancy Group R-2; Ceiling Height: 9' – 0"
 - a. Bicycle Storage
 - b. Recreation Space (Indoor and Outdoor)
 - c. Trash Compactor Room
5. Second Floor: Occupancy Group R-2; Ceiling Height: 9' – 0"
 - a. Four (4) single-family residential units.
6. Third Floor: Occupancy Group R-2; Ceiling Height: 9' – 0"
 - a. Four (4) single-family residential units.

7. Fourth Floor: Occupancy Group R-2; Ceiling Height: 9' – 0"
 - a. Four (4) single-family residential units.
8. Fifth Floor: Occupancy Group R-2; Ceiling Height: 9' – 0"
 - a. Four (4) single-family residential units.
9. Sixth Floor: Occupancy Group R-2; Ceiling Height: 9' – 0"
 - a. Four (4) single-family residential units.
10. Seventh Floor: Occupancy Group R-2; Ceiling Height: 9' – 6"
 - a. Two (2) single-family residential units.
11. Roof: Occupancy Group R-2; Ceiling Height: 8' – 4", Parapet height: 3' – 8"
 - a. Bulkhead
 - b. Elevator Machine Room
 - c. Mechanical Room for Boilers
 - d. LCE to residential units.

The façade of the building is subject to Local Law 11/98. As per Department of Buildings rules and regulations; Owners of buildings greater than 6 stories must have their buildings' exterior walls and appurtenances inspected once every 5 years and file a technical report to the Department of Buildings.

(H) STRUCTURAL SYSTEM

Underpinning will be constructed at the rear property line of adjacent building along First Avenue only. The crawlspace below grade shall be 5' in height accessible via a louvered door from the grade. The crawlspace shall be naturally ventilated via duct providing fresh air intake. The interior floors at all levels shall be a structural concrete slab floor. The proposed thickness of all floors is 8 inches. The floor assembly shall be covered with one layer of engineering wood flooring glued to the 8" concrete slabby water based sound absorbing adhesive by Bostik Wood-Grip Urethane Wood Flooring Adhesive for an IIC rating of 50. STC of 6" normal weight concrete slab is rated at 53. Proposed slab is a minimum 8", therefore exceeding STC 50 required rating. Sponsor reserves the right to provide equal or

better product. The total sound transmission class of the floor/ceiling assembly is compliant with BC 1207.2 that requires a minimum STC 50 and BC 1207.3 that requires a minimum IIC 50. All vertical metal framing between dwelling units to be infill with sound absorbing attenuation insulation manufactured by Owens Corning- Thermafiber Mineral Wool.

(1) EXTERIOR OF BUILDINGS:

1. Walls

- a) The structural system will consist of a cast-in-place reinforced concrete frame including concrete structural columns, concrete bearing exterior walls, structural slabs, and beams. Structural columns will support cast in place concrete floor slab which will be spanned between the columns. Concrete floor slabs will support interior partitions and exterior nonstructural walls. The construction class of the building shall be noncombustible Construction Class IB as per Table 601 of the NYC Building Code 2014.
- b) The foundations will consist of reinforced concrete mat slab underground footing to support the concrete columns and foundation walls. The foundation walls, footing, and columns shall be of reinforced concrete. The proposed waterproofing for the foundation wall is bituminous based membrane applied from outside the foundation. Floor slabs waterproofing will be provided with aluminum flashing. Foundation walls have a minimum two hour fire rating.
- c) Exterior bearing walls located at street facing facades, shall be 10" cast-in-place reinforced concrete walls, furred out with 3-5/8" metal studs at 16" OC. Wall type is to be insulated with R-12.6 continuous insulation and R-11 batt insulation between studs. Finish on interior side of wall shall be one layer of 5/8" GWB. Finish on exterior side of wall shall be brick veneer tiles. Exterior bearing walls have a minimum two hour fire rating.
- d) Exterior nonbearing walls located along side lot lines and facing rear yards shall consist of 4" concrete block, partially grouted, with truss type galvanized reinforcing, and 5-58" metal studs at 16" OC. Wall type is to be insulated with R-12.6 continuous insulation and R-11 batt insulation between studs. Finish on interior side of wall shall be one layer of 5/8" GWB. Finish on exterior side of wall shall be three step stucco over wire mesh.

Where such walls abut an existing building, no stucco will be applied. Thermal insulation values of exterior walls shall comply with ASHRAE 90.1-2010. Exterior non-bearing walls have a minimum two hour fire rating.

Local Law 11/98 applies to this building. Inspections and reports complying with the law are required every five years. Owners of property must file a technical façade report with the Department of Buildings to comply. The initial examination for any new building shall be conducted in the fifth year following the erection or installation of any exterior wall and/or enclosures.

2. Windows/Doors

- a) Punch-in operable windows are to be Integrity type manufactured by Marvin, laminated double-glazed in aluminum clad frame with thermal break, and provided with aluminum non-ferrous exterior flashing. All windows to be aluminum hinged awning and screen-less.
 - a. U-Factor range: 0.40
 - b. SHGC: 0.40
 - c. Windows meet ASHRAE 90.1-2010 requirements.
 - d. Air infiltration rate of windows shall not exceed 0.1 cfm/SF.
- b) Punch-in fixed windows are to be Integrity type manufactured by Marvin, laminated double-glazed in aluminum clad frame with thermal break, provided aluminum non-ferrous exterior flashing.
 - a. U-Factor range: 0.42
 - b. SHGC: 0.40
 - c. Windows meet ASHRAE 90.1-2010 requirements.
 - d. Air infiltration rate of windows shall not exceed 0.1 cfm/SF.
- c) Curtain wall shall be manufactured by YKK AP. Double-glazed insulating glass in aluminum clad frame with thermal break.
 - a. U-Factor range: 0.42
 - b. SHGC: 0.40
 - c. Windows meet ASHRAE 90.1-2010 requirements.
 - d. Air infiltration rate of windows shall not exceed 0.1 cfm/SF.

Manufacturer guarantees one year, parts and hardware and five years glazing. The Sponsor reserves the right to provide windows by different manufacturers, which are equal to or better than those specified above.

Lot line windows are located along the south elevation and north elevation at 2nd through 6th floors at the following units: 2C, 2D, 3C, 3D, 4C, 4C, 5C, 5C, 6C and 6D. Lot line windows are protected by a dedicated sprinkler head. Such windows are not counted towards legal natural light and ventilation requirements as per the NYC Building Code. Because the lot line windows are located on the side walls, such windows might be obstructed by any adjacent property's developments that may arise in the future. In case of any future window closings, a unit shall bear the cost of approximately \$1,500 per window closing.

Special Risk: Windows are not provided with child safety window guards.

3. Landmark status

Not Applicable, Building is not designated as a landmark building.

(2) PARAPETS AND COPING

There will be concrete parapet walls and 8" concrete block parapet walls 3'-8" over concrete roof slab. The parapet will be structurally tied to the concrete roof deck with metal non-corrosive anchors that provide structural integrity to the composition. Coping of the parapet will be of aluminum. On the exterior facing side, the parapet walls will be finished in the same manner as the respective walls from which they extend. On the interior facing side, the parapet walls will be finished with three step stucco over wire mesh.

(3) CHIMNEYS AND CAPS

There will be a low temperature PVC schedule 40, 3" Chimney pipe that serves exhaust system of the heating and ventilation for the entire building. Manufactured by "Harvel Plastic, Inc.", Model G0004040 conforms to ASTM D 1784, Type 1 (Normal Impact, Grade 1). All exhaust shafts, including toilet, kitchen, hot water heaters, and refuse chute exhaust, are located above the roof level. There will be no fireplaces or wood burning fires within the building. Metal exhaust ducts at roof shall be double walled.

(4) BALCONIES AND TERRACES

Balconies are located at 3rd through 6th floors and are limited common elements to the units to which they are adjacent. Balconies shall be composed of cast-in-place reinforced concrete and shall project from the face of the walls facing the rear yard. Terraces are located at the 7th floor level of the building at both street frontages and are limited common elements to the units to which they are adjacent. Terraces are the roof over the floor below and shall be of reinforced concrete deck construction, the same composition as roof.

Balustrades shall be located along the perimeter of balconies and terraces. Balustrades shall consist of ½" tempered glass and metal guard rails attached to the cast-in-place concrete deck with corrosion resistant metal fittings. The minimum height of the balustrade shall be three feet, six inches (3'-6") above the finished terrace level. Glass railing to be comply with the NYC Building Code. Proposed balustrades are designed without horizontal spindles between top horizontal bottom elements and top horizontal rail. Such a design prevents creating a ladder effect that poses a serious safety risk.

All balconies and terraces shall have slip resistant surfaces. Deck coating of balconies shall be Sikaflex sealant and Sikalastic primer and coating. Sponsor reserves the right to provide equal or better product. Coping shall be 0.04 aluminum. Balconies shall have no soffits. The underside of balconies, which is cast-in-place concrete, is exposed to the elements. Terraces on seventh floor shall have fire-retardant slip resistance flooring system mounted on the pedestals manufactured by Trex. Roof LCE's shall remain unfinished.

The drainage for terraces at all levels will be provided with roof drains connected to storm sewer discharge.

Glazed doors provide access to balconies and terraces as shown on plans. Sliding doors shall be installed at all balconies and at Units PH1 and PH2 terrace facing East 2nd Street. All sliding balcony and terrace doors to be fiberglass exterior with interior wood cladding, with a thermal break and self-flashing "Integrity Series" made by "Marvin Windows". Weatherproof caulking will be provided around doors. All exterior metals, including fasteners, shall be corrosion resistant. Thermal qualities of doors as follows:

- a. U-Factor range: 0.48-0.57
- b. SHGC: 0.40

- c. Windows meet ASHRAE 90.1-2010 requirements.
- d. Air infiltration rate of windows shall not exceed 0.1 cfm/SF.

Terraces must remain open as-built. If the owner wants to install an enclosed and the condominium by-laws would allow it, the enclosure must be built via the proper approvals and in strict compliance with the requirements of DOB or Local Authority Having Jurisdiction.

(5) EXTERIOR ENTRANCES

All entrances to the building shall be built free of tripping hazards. Exterior entrances comply with ADA requirements. Exterior doors and frames, manufactured by “YKKAP America Inc.” model YCW 750OG, will be of aluminum frame construction with thermal break, with aluminum handles and corrosion resistance self-closing locks. There are no exterior stairs or railings at the building entrances.

1. Residential

The main residential entrance shall be located at grade along East Second Street. This entrance shall provide building access to the lobby, elevators, and interior egress stairs.

2. Commercial

The commercial unit shall have two entrances at grade, one from First Avenue and a second from East 2nd Street. Each entrance shall have a lobby, a stair and an elevator.

U.S. Approved type mailboxes will be provided for the residential units at a central location at the first floor lobby area. Mailboxes Manufactured by “AUTH-FLORENCE CO”, model# STD-4C made of non-ferrous aluminum, with Aluminum exterior Finish.

There will be Exterior Lighting fixtures at the entrance doors providing adequate lighting at the entrances to the building.

(6) SERVICE ENTRANCE

A secondary residential entrance into the building is provided at grade along First Avenue. This entrance shall provide secondary means of egress for the building. Exterior Doors and frames

will be of aluminum frame construction with aluminum handles and corrosion resistance self-closing locks. There are no exterior stairs, gates, or railings at the building entrances.

(7) ROOF AND ROOF STRUCTURES

A. TYPE ROOFS FOR ALL AREAS

All roof areas of the building shall be flat, insulated with rigid board insulation, with a roof membrane manufactured by Soprema FLAM 180 FR GR with standard white granules, and two layers of torch down rubber. The Sponsor reserves the right to provide roof covering by a different manufacturer, which is equal to or better than listed above. Penetration of ducts, pipes, skylights, etc. shall be properly flashed and waterproofed. Rigid insulation minimum R value of 30, shall be provided over the roof, as per ASHRAE 90.1-2010. The expected life span of the roof type is ten (10) years. No bond or guarantee shall be furnished by Sponsor.

The main roof shall have two LCE's to the units below. Installation of pavers is recommended, if intending to use as passive recreation. Pavers manufactured by the Tile Tech System Paver System are recommended for daily foot traffic. The roof flashing and coping shall be constructed from 25 gauge aluminum cold-formed plate with a drip edge at the perimeter of all flashing.

The entire first floor roof and the terraces assigned as LCE on the seventh floor shall have fire-retardant slip resistance composite decking flooring system, manufactured as boards, mounted on the pedestals manufactured by Trex. This finish is appropriate for daily foot traffic. LCE's will be separated from other LCE's and common areas with metal fencing and locking gates. The first floor roof common area is open to unit owners for passive recreation space 250 square feet of this area on the first floor roof shall be delineated by a metal railing, and is also open to unit owners for passive recreation.

SPECIAL RISK DISCLOSURE: Please be advised the Sponsor is not providing "No Dollar Limit Manufactures Warrantee" (NDL) for new roof. The absence of NDL manufacturer's warrantee may indicate that the roof membrane and appurtenance 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.

B. ROOFTOP FACILITIES

Elevator machine room for residential elevator and mechanical equipment rooms shall be located on the roof. The exterior walls will be constructed of two-hour rated, noncombustible assemblies. PH1 LCE and PH2 LCE are located on portions of the main roof. PH1 LCE has an occupant load of 5 persons. PH2 LCE has an occupant load of 6 persons. LCE's to the units are surrounded by 6' metal fence with a 3' gate that is capable of being locked.

- LCE to units will be equipped with hookups with the following equipment/appliances: Undercounter 24" Refrigerator by Avanti AR52T3SB
- Emerald Electric Grill 24" by Electrichief (4400-EC-336-I-24)

The following equipment will be provided at the first floor roof at passive recreation area for unit owners' use:

1. 32-Inch Built-In Electric Grill, Manuf. Electri-Chef Model # 4400-EC-448-I-S-32
2. Kitchen Sink, Manufactured by Kohler with Gerber faucet

The Sponsor reserves the right to provide equipment and appliances, which is equal to or better than noted above.

There is no elevator providing access to the roof. LCE roof terraces are not ADA accessible. Rooftop access is designed in compliance with 2014 NYC Fire Code, Section FC 504.4.

C. DRAINS

Flat roof areas, shall be pitched at a minimum slope of approximately 1/8" per foot. Roof areas shall be sloped to flow to control flow roof drains. The 7th floor roof terraces shall have one roof drain at each terrace. The main roof level shall have three roof drains with two overflow drains. No drains are provided over the bulkhead. Roofs over these portions are sloped to be drained by the drains on the main roof below. No scuppers or gutters are provided. Leaders shall be inside of the wall. Secondary roof drainage is provided by the overflow drains.

Storm water run-off from the roof areas will be transported via the drains with cast iron piping through the storm trap in the cellar. After leaving the storm trap it will connect to

the line leaving the house trap after which it will exist the building to connect with an existing combined sewer located in the roadway beneath First Avenue.

D. SKYLIGHTS

There are no skylights in the building

E. BULKHEAD

There will be staircase and elevator bulkheads. The exterior walls at the bulkhead will be constructed of two-hour rated, noncombustible assemblies. Staircase bulkhead shall be constructed of concrete walls and metal framed walls with concrete slab roof. The staircase will serve as access to the roof for maintenance and to the limited common elements of the units with which they are associated.

Elevator bulkhead shall be constructed of concrete walls with concrete slab roof.

Bulkhead for the elevator will be dedicated for elevator machine room that shall have exterior corrosion resistant access metal staircase.

F. METAL WORK AT ROOF LEVEL

All exterior stairs, guard railing, vertical ladders including gooseneck, dunnage, and fasteners located at the roof level shall be corrosion resistance materials. Compressors, condensers & fans located at the roof above dwelling units will be mounted on vibration isolators over the structural dunnage steel frame attached to concrete roof structure.

(8) FIRE ESCAPES

There are no exterior fire escapes at the building.

(9) YARDS AND COURTS

The building will have a yard on a portion of the lot, which is located at the roof of the cellar, 6' – 2" above grade. The composition of the cellar roof shall be cast-in-place reinforced concrete slab. All roof areas shall be flat, insulated with rigid board insulation,

with a roof membrane manufactured by Soprema, and two layers of torch down rubber.

There will be a 3' – 8" concrete parapet wall around the perimeter of the yard.

Recreation spaces are located at this level and is accessible to all units.

There will be area drains at the first floor level to adequately accommodate storm water run-off in areas open to the sky. There shall be four area drains with two overflow drains for secondary roof drainage.

(10) INTERIOR STAIRS

- i. Two (2) residential common interior stairs (scissor stairs), from the first floor to the roof, serve as the primary means of egress for the building. Two separate stairs lead from first floor to grade. Stairs for residential use are cast-in-place reinforced concrete with metal handrails.
- ii. Four (4) commercial interior stars, from first floor to cellar, serve as the primary means of egress for this use. Stairs for commercial use are cast-in-place reinforced concrete with metal handrails.
- iii. All elements of the egress route, including stair enclosures and connecting corridors, are two-hour rated and constructed of noncombustible assemblies (cast-in-place reinforced concrete, CMU, or metal studs.)
- iv. Stairs, including stringers, treads, and risers, shall be of cast-in-place reinforced concrete construction.
- v. Guardrails, railings, and balustrades shall be metal.
- vi. The staircase shall be equipped with the emergency lighting on each floor. The emergency lighting will be hard-wired and will have battery back-up battery operated device.

(11) INTERIOR DOORS AND FRAMES

Doors at unit entrances, mechanical rooms, utility and equipment rooms, and stair enclosures and corridors, roof doors, and basement doors are to be 1½ hour fire rated and self-closing metal doors with metal framing to meet fire/safety standards.

Doors within the residential and commercial units may be of composed of wood, glass or metal with similar framing and do not have to be fire-rated.

(12) ELEVATORS

- a. Two passenger elevators are located within the building.
 - i. One residential elevator is provided, serving residential units and cellar. Residential elevator operates from the grade level to the seventh floor. Residential elevator is accessible from the entrance lobby of the residential portion at grade.
 - ii. One commercial elevator provided, serving commercial unit. Commercial elevator operates from the cellar to grade. Elevator is located within the commercial lobby at the grade level entrance along East 2nd Street.
- b. New Residential elevator by Delaware Elevator, 3500 lb capacity; New Commercial Elevator: Savaria, Orion Elevator, 42" x 60", 1400 lb capacity;
- c. Controls on all elevators are automatic.
- d. Residential elevator serves 10 floor levels (cellar, grade – 7) Commercial elevators serves 2 floor levels (cellar, grade);
- e. Residential elevator is gearless. Commercial elevator is counterweight traction, geared motor.
- f. Doors on all elevators are automatic.
- g. The machine room for the residential elevator is located on the roof. The machine rooms for the commercial elevator is located on the first floor level;
;
- h. PM (permanent magnet) motor, gearless machine manufactured by Tourin Machine
- i. A separate application shall be filed with and approved by the Elevator Division of the New York City, Department of Buildings, prior to the installation of elevators and related equipment.

The Sponsor reserves the right to provide elevator equipment and alternate interior finishes by a different manufacturer, which is equal to or better than noted above.

(13) ELEVATOR CAB

1. Manufactured by Delaware Elevator.
2. Floors should be slip proof ceramic tile finishes.
3. Walls finished inside with a plastic laminate with vertical stainless steel framing.

4. Ceiling shall be finished with brushed aluminum panels.
5. Florescent Lighting.
6. Integrated alarm safety.
7. Size of residential elevator cab shall be approximately 5'-8"x 7'-6",
8. Stainless steel operating panel and handrails;

PROVISION FOR POWER OUTAGE: The subject building is not required by NYC Building Code to be equipped with a back-up power supply. In the event of a power outage the elevator locks shall engage and the elevator shall remain in locked state until the power is restored.

(I) AUXILIARY FACILITIES:

(1) LAUNDRY ROOMS

The residential units located on the second through seventh floor levels will be provided with hookups for domestic type washers and dryers within each individual apartment. Laundry spaces are designed to accommodate domestic electric washers and ventless dryers. Laundry equipment shall be UL approved. Washer/Dryers will be provided as listed under unit appliance information below. The purchase and maintenance of Laundry equipment shall be responsibilities of each unit owner.

(2) REFUSE DISPOSAL

Refuse disposal will be the responsibility of each unit's occupant. They will collect their own garbage and carry it to refuse storage areas located on each floor. Compactor Room is located in the Trash Compactor Room on the first floor level, Manufacturer Chutes Enterprises, Model # CE150 with capacity rated for 150 apartments, one year warranty. The garbage will be taken to the outside from the refuse room through interior staircase and through the service entrance by a building superintendent twice a week, where it will be collected by the New York City Sanitation Department on days designated for garbage removal.

(3) BICYCLE PARKING

There will be eleven (11) bicycle parking spaces located at the first floor. The spaces are located in a room labeled bicycle room. The room is enclosed by 6" concrete block walls

and is accessible at the first floor from the residential lobby only. Bicycle parking room shall have floor mounted bike racks to which unit owners can lock their bikes for storage.

(J) PLUMBING AND DRAINAGE

(1) WATER SUPPLY

Water will be supplied to the units through connections to the building, from the New York City Water Distribution System, along First Avenue. There will be two (2) water connections conveying the water into the building at the sub-cellar level in the services room, one for domestic water use at 3" and one for fire service use at 4".

Each unit is to be supplied with cold water from a minimum ½" copper piping. There will be two boilers located at the roof level for the common use of the residential units. Each unit will receive cold and hot water service within the unit.

The main shut-off valve, backflow preventer devices for the building will be located in the service room at the sub-cellar.

Hot & Cold water piping shall be insulated throughout the entire building. There will be provided ¼" insulation for hot and cold water piping.

(2) FIRE PROTECTION

- i. There is no standpipe proposed as part of sprinkler system.
- ii. Building will be equipped with a fire suppression sprinkler system throughout in accordance with NFPA 101. Water supplied to the building dedicated for fire service will enter the building via 4" water line from the NYC Water Distribution System at the sub-cellar level and into the Sprinkler Room. Fire protection is provided by a sprinkler system supplying coverage throughout the building via pipes and sprinkler heads.

A wet pipe sprinkler system is to be installed at the conditioned areas of the building and a dry pipe sprinkler system is to be installed at the unconditioned areas of the building exposed to outdoor temperatures. Water is supplied to the dry pipe system through the wet pipe system via a 3" dry rig Viking Model G-4000 (w/ compressor) valve when the system is initiated.

Sprinkler heads shall be of the following types: concealed, upright, sidewall, and vertical sidewall. They shall be installed as per manufacturer instructions.

- iii. Siamese connections for the sprinkler system are located 18" above grade at both First Avenue and East Second Street. Both connections are sized at 3"x3"x4" provided connection for the FDNY to the sprinkler system from the street.

(3) WATER STORAGE TANKS AND ENCLOSURES

There will be no storage tanks and enclosures in the building.

(4) WATER PRESSURE AND MAINTENANCE

The building relies on normal New York City water pressure for raising the water to the roof level, so that no water tanks are required. The adequate water pressure for each unit is to be 20-30 psi. The top floor apartment water pressure is to be 30 psi. There will be a booster pump installed at the sub-cellar floor level to increase the water pressure of the building to provide minimum of 30-35 PSI at the point of use:

- a. Booster Pump: Manufacturer: QUANTUMFLO, Model # PRODIGY E2. Flow rate: 126 GPM, Total Pump Head: 132', Pressure Rating: 79 PSI, Horsepower: 5 HP, Duplex.
- b. Circulation Pump: Manufacturer: BELL & GOSSETT, Model # NRF-45-SPEED 3. Flow rate: 22 GPM, Total Pump Head: 15, Pressure Rating: NA, Horsepower: 1/6 HP, Simplex.

There will be a sprinkler booster pump and a jockey pump located at the sub-cellar level to maintain water pressure for the sprinkler system:

- a. Sprinkler Booster Pump manufactured by PEERLESS, Model # 5AEF14N. Flow rate: 500 GPM, Total Pump Head: 115' of water, Water Pressure: 50 PSI, Horsepower: 25 HP
- b. Jockey Pump manufactured by GRUNDFOS, Model # Series C (CR). Flow rate: 10 GPM, Total Pump Head: 243' of water, Water Pressure: NA, Horsepower: 1.5 HP

There is no established minimum pump energy efficiency rating according to NYCECC 2016. Warranties for pumps shall be 1 year labor and material from startup provided by manufacturer.

(5) SANITARY SEWAGE SYSTEMS

All sanitary waste within the property lines of the building will be conveyed to an 8" extra heavy cast iron (XHCI) house trap located within the utility room in the sub-cellar.

After exiting the house trap, the piping will be joined with the storm trap where it will be connected to the city sewer. There is a combined sanitary and storm sewer under the roadway at First Avenue to which the combined waste from the building will be conveyed via XHCI piping.

There are three (3) sump pumps located within the building beneath each one of the elevators. Two sump pumps are located at the sub-cellar level. One sump pump is located at the cellar level. The sump pumps are drained to adjacent floor drains, connected to the sanitary system of the building. The sump pumps are manufactured by FEDERAL, model # POS-1.5 with a 50 GPM flow rate, 30' of water pump head, 1.5 HP. They are activated by a float switch when there is a high water level.

There is a sewer ejection pump at the sub-cellar level conveying waste from the sub-cellar level to the level of the sanitary trap. The sewer ejection pump is manufactured by FEDERAL, model # VSAF-4E-7.5-6 with a 300 GPM flow rate, 470' of water pump head, 7.5 HP with duplex controls. There is no established minimum pump energy efficiency rating according to NYCECC 2016. Warranties for pumps shall be 1 year labor and material from startup provided by manufacturer.

(6) REQUIRED PERMITS

Department of Buildings: 123419782 obtained 06/20/18

(7) STORM SEWAGE SYSTEMS

All storm water that accumulates on the property will be conveyed to an 8" extra heavy cast iron (XHCI) storm trap located within the utility room in the sub-cellar. Storm water will be detained on the roof via control flow drains as per NYC DEP regulations for storm water management. Area drains located throughout paved areas on the property. Storm water collected by the drains will be conveyed via leaders within the building to the storm trap. Yard drains are located at the first floor level, as described above. Roof drains are located at the seventh floor level and main roof level as described above.

After exiting the storm trap, the piping will be joined with the house trap where it will be connected to the city sewer. There is a combined sanitary and storm sewer under the roadway at First Avenue to which the combined waste from the building will be conveyed via XHCI piping. Sump pumps, as described above, have no established minimum pump energy efficiency rating according to NYCECC 2016.

(K) HEATING

1. SPACE HEATING

Heating for each residential unit shall be provided by an electric air cooled VRF system, which is a split system that is capable of providing space heating and air conditioning. The VRF system shall be a variable capacity, heat pump air conditioning system. The system shall consist of an outdoor unit(s), multiple indoor units, and direct digital controls. The indoor unit or group of indoor units shall be independently controlled. The sum of connected capacity of all indoor air handlers shall range from 50% to 130% of outdoor rated capacity. Each unit has its own individual system with individual electronic controls, complying with New York City Energy Code. Outdoor design temperature is 13FDB, indoor design temperature is 72FDB.

Each outdoor unit module shall be furnished with direct drive, variable speed propeller type fan(s) with inherent protection, have permanently lubricated bearings, and be completely variable speed. The outdoor coil shall be of nonferrous construction with lanced or corrugated plate fins on copper tubing. Refrigerant flow from the outdoor unit shall be controlled by means of an inverter driven compressor. Each outdoor unit module shall be equipped with one inverter driven scroll hermetic compressor. A crankcase heater(s) shall be factory mounted on the compressor(s).

The outdoor unit compressor shall have an inverter to modulate capacity. The compressor will be equipped with an internal thermal overload. The compressor shall be mounted to avoid the transmission of vibration. The indoor unit shall be factory assembled, wired and run tested. Contained within the unit shall be all factory wiring, piping, electronic modulating linear expansion device, control circuit board and fan motor.

The indoor fan shall be an assembly with one or two fan(s) direct driven by a single motor. The indoor fan shall be statically and dynamically balanced to run on a motor with permanently lubricated bearings. Return air shall be filtered by means of an easily removable, washable filter and/or by means of a factory supplied filter box sized capable of holding MERV-12 filters. The coils shall be pressure tested at the factory. A condensate pan and drain shall be provided under the coil. Manufacturer to provide drain pan level sensor. The drain pan sensor shall shut down the indoor unit before an overflow

can occur and send an error code which must be resolved before the unit restarts. Indoor units shall include digital inputs and outputs capable of being used for customizable control strategies.

VRF systems to be installed, shall be designed by a New York State licensed mechanical engineer and shall be filed with and approved by the New York City Department of Buildings, prior to installation. All fresh air ductwork shall be wrapped with 1" thick insulation, minimum R-value of 8.0 and provided with vapor-tight wrap. Piping insulation shall be provided of the indicated thickness for a thermal resistivity of 4 to 4.6. Outdoor units shall be manufactured by Mitsubishi Models PUMY-P36NHMU (36 MBH) and PUMY-P96TKMU (96 MBH). Indoor units shall be manufactured by Mitsubishi and include Models PKFY-P06NBMU, PKFY-P08NHMU, PKFY-P18NHMU, PLFY-P08NCMU, and PEFY-P15NCMU.

There will be distribution to each habitable room, providing adequate space heating to satisfy the minimum requirements of the N.Y. City Building Code. The units provided to have a minimum Seasonal Energy Efficiency Ratio (SEER) 14.3 and efficiency ratings of 9.3 HSPF.

Heating system is adequately size to maintain comfortable conditions under anticipated weather conditions. Limited Warranty provided by manufacturer for 1 year parts, and 7 years for compressor only. Labor is NOT included in the warranty.

HVAC not provided for commercial units. Heating and cooling equipment for commercial space shall be filed under separate application. Indoor common areas shall be heated with electrical heaters.

The Sponsor reserves the right to provide equipment by different manufacturers, which are equal to or better than listed above. The design professional further reserves the right to size the air-conditioning units to a different capacity according to as built conditions.

2. DOMESTIC HOT WATER HEATING

Domestic hot water for all residential units is provided by two hot water heaters located in a mechanical room on the roof of the building. Two commercial electric hot water heaters to be provided on the roof, manufactured by A.O. SMITH, Model # DSE-120A, shall

provide residential domestic hot water. The provided water heating equipment is adequate to provide hot water for each unit.

All Operation and Maintenance manuals for mechanical equipment are to be provided to the condominium management. Most recent balancing report shall be provided to the condominium management for the Heating System at the initial startup of the system.

Warranty for hot water heater shall be 1 year labor and material from startup as provided by manufacturer.

(L) GAS SUPPLY

There will not be any gas service to the building.

(M) AIR CONDITIONING

Cooling for each residential unit shall be provided by a VRF system, which is a split system that is capable of providing space heating and air conditioning. The VRF system shall be a variable capacity, heat pump air conditioning system. Cooling system is adequately size to maintain comfortable conditions under anticipated weather conditions.

See **(K) HEATING** for full description of system.

(N) VENTILATION

The spaces that require mechanical ventilation in the units are the interior bathrooms and kitchenettes. The common areas requiring ventilation include corridors, refuse rooms. These spaces shall be equipped with vertical ducts with a fan, which terminates to the outside air. The minimum rate of exhaust ventilation shall be 25 cfm, for bathroom and toilet room areas and 50 cfm for the kitchenette areas as required by the New York City Building Code. Exhaust equipment shall be New York City M.E.A. or B.S.A. approved. Fans are to be manufactured by Greenheck. The refuse room at each floor shall be equipped with mechanical ventilation manufactured by Greenheck, Model # SWD-10-VG. Sub-cellar spaces and the meter and utility rooms at this level are mechanically vented as indicated on plans by constant airflow regulators manufactured by American Aldes, Model # CAR-11-UP, inline type. HVAC for cellar level commercial space to be filed under separate application.

(O) ELECTRICAL SYSTEM

The electrical service to the building will be brought in from the terminal point of the Consolidated Edison Co via copper wiring. The service supplied to the building, shall be 2000

Amps, 208/230 Volt triple phase service. The service will be adequate for the usage of modern equipment and appliances.

The electrical service to be provided shall be 100 Amps, three-phase to each residential unit. The main feed will bring the service to a minimum of twenty-four (24) separate meters, one (1) each for service to the 22 individual units, one (1) for the common areas in the building, one (1) each for the commercial space. There will be approximately eight (8) – fifteen (15) circuits equipped with circuit breakers depending on the size of the unit; which will separate, air conditioning equipment, dishwashers, kitchen appliances, lights and outlets etc. Each unit will be provided with equipped with Arc Fault Circuit Interrupters (AFCI) and Ground Fault Circuit Interrupters (GFCI).

All receptacles at the building's exterior shall contain receptacles that are water-resistant with ground fault interrupter as manufactured by Cooper Wiring Devices. All water-resistant receptacles shall be designated by symbol "WR" on the face of the receptacle as provided by the manufacturer. All receptacles in the building's interior recreational area shall contain receptacles that are tamper resistant as manufactures by Cooper Wiring Devices. All tamper resistant receptacles shall be designated by symbol "TR" on the face of the receptacle as provided by the manufacturer. This includes the Limited Common Elements such as open terraces.

No generator is provided.

**(P) INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS, SECURITY
CLOSED CIRCUIT TV**

The building will be equipped with an intercom system at the main residential entrance, connected to panels within each residential unit, which will permit voice contact between the residential units and the entrance lobby at the first floor level. An electric door release in the first floor entry door, activated by the unit occupant, will release the door for entrance into the building. The intercom, as manufactured by ABB Welcome. Warranty provided for 1 year labor and material. The Sponsor reserves the right to provide equipment, which is equal to or better than specified above.

(Q) PUBLIC AREA LIGHTING

The public areas within the building include common areas such as entrances and exits, corridors, stairways, recreation spaces, mechanical and utility rooms, and the bicycle room.

These areas shall be provided with adequate lighting as per NYC Housing Maintenance Code and Multiple Dwelling Laws and energy requirements based on ASHRAE 90.1-2010.

LED lighting fixtures are to be provided providing a minimum of 5-foot candles of intensity for the full width of the entrances. Fifteen (15) watt LED bulbs are to be provided at public areas to achieve adequate illumination at all public spaces. Fixtures manufactured by Zycylight. Sponsor reserves the right to substitute or provide equal or better quality.

(R) GARAGES AND PARKING AREAS

There are no garages or parking areas provided.

(S) SWIMMING POOL(S)

No swimming pool is proposed on site.

(T) TENNIS COURTS, PLAYGROUND AND RECREATION FACILITIES.

Two (2) recreation areas are provided at the first floor level: an indoor area and an outdoor area. Both areas are accessible from the interior of the building by elevator and ingress stairs by building occupants. See **(Q) PUBLIC AREA LIGHTING** for lighting provided in recreation areas.

The first floor is a roof above the cellar, therefore the outdoor areas shall have a composite slip-resistant surface and adequate drainage for rainwater that may collect on the surface. There is a 3'-8" masonry parapet wall along the edge of the first floor.

The indoor recreation space shall have a maximum occupancy of 24 people. The outdoor recreation space shall have a maximum occupancy of 15.

The indoor recreation space shall be furnished with a Matrix U1x Uright Cycle stationary bicycle and a Matrix T1x Treadmill. Sponsor reserves the right to substitute or add equipment that is of better or equal quality.

Finished as described in **(X) FINISH SCHEDULE OF SPACES OTHER THAN UNITS.**

There are no tennis courts or playgrounds proposed at the building.

(U) PERMITS AND CERTIFICATES

- Department of Buildings:
 - New Building Job # 123419782
 - Builder's Pavement Plan Job # 123561788
- Department of Environmental Protection: # 5058-101 East 2nd Street

- Department of Parks/Forestry: 26699
- Elevators permit to be obtained by 01-2021.
- Certificate for Elevator Safety will be issued after complete installation and sign-off.
- Certificate of Occupancy
- Recurring inspections for the building are as follows:
 - Sprinkler/Standpipe – Monthly
 - Elevator – Cat 1 and Cat 5, Annual
 - Fire Alarm – Monthly and Annual
 - Backflow Preventer – Annual
 - Façade Inspection – Every 5 years
 - Annual Benchmarking
 - Energy Study under Local Law 87 – Every 10 years

All required permits and signoffs, including a Certificate of Occupancy, are to be obtained by the Sponsor. The building will not be occupied prior to obtaining a Certificate of Occupancy.

(V) VIOLATIONS

Any violations on the property shall be resolved prior to issuance of Certificate of Occupancy. All required permits and signoffs, including a Certificate of Occupancy, are to be obtained by the Sponsor.

As of the date of this report, there are two open violations: 35420815J and 35420816L issued on 08/23/19 by the Construction Safety Compliance Unit.

(W) UNIT INFORMATION

The condominium will have a total of twenty-two (22) residential units and one (1) commercial unit. The units are distributed as follows:

1. Four (4) residential units located at each floors from the second through the sixth floor.
2. Two (2) residential penthouse units located the seventh floor.
3. Utilities and mechanical spaces are located at the sub-cellar, first floor, and on the roof.
4. Entrances into the commercial unit are along both street frontages from the first floor.

The commercial space is located at the cellar.

The horizontal physical dimensions of each Residential, Commercial and Storage Unit consist of the floor area enclosed by the outside face of the masonry work at the exterior walls of the Building and the non-unit side of the walls and partitions (dividing the Units from corridors,

stairs and mechanical space). The vertical physical dimensions of each Residential and Commercial consist of the area enclosed vertically from the centerline of the floor slab to the centerline of the ceiling slab.

1. A-LINE at second through sixth floors
2A, 3A, 4A, 5A, 6A units consist of
 - One (1) bedroom, one (1) bathroom, kitchen, living/dining room, laundry closet;
2. Unit 2B at second floor consists of
 - Two (2) bedrooms, two (2) bathrooms, kitchen, living/dining room, laundry closet;
3. Unit 2C at second floor consists of
 - Studio, kitchenette, one (1) bathroom, laundry closet;
4. D-LINE at second through sixth floors
2D, 3D, 4D, 5D, 6D units consist of
 - One (1) bedroom, one (1) bathroom, ½ bathroom with laundry hookups, kitchen, living/dining room;
5. B-LINE at third through sixth floors
3B, 4B, 5B, 6B units consist of
 - Two (2) bedrooms, two (2) bathrooms, kitchen, living/dining room, laundry closet and balcony;
6. C-LINE at third through sixth floors
3C, 4C, 5C, 6C units consist of
 - Studio, kitchen, one (1) bathroom, laundry closet and balcony;
7. Unit PH1 at the seventh floor consists of
 - Three (3) bedrooms, two (2) bathrooms, kitchen, living/dining room, laundry closet, balcony, terrace and LCE on the roof;
8. Unit PH2 at the seventh floor consists of
 - Two (2) bedrooms, two (2) bathrooms, kitchen, living/dining room, laundry closet, balcony, terrace and LCE on the roof;
9. C-1 Commercial Unit at first floor, and cellar consist of
 - Three entrances, one from East 2nd Street and one from 1st Avenue, open floor plan

Unit	Tax Lot	Unit Type	Location	Interior Square Footage	Limited Common Element Square Footage
2A	1001	1 BD / 1 BA	Second Floor	614	--
2B	1002	2 BD / 2 BA	Second Floor	993	--
2C	1003	STUDIO / 1 BA	Second Floor	450	--
2D	1004	1 BD / 1.5 BA	Second Floor	856	--
3A	1005	1 BD / 1 BA	Third Floor	614	--
3B	1006	2 BD / 2 BA	Third Floor	993	78
3C	1007	STUDIO / 1 BA	Third Floor	450	55
3D	1008	1 BD / 1.5 BA	Third Floor	856	--
4A	1009	1 BD / 1 BA	Fourth Floor	614	--
4B	1010	2 BD / 2 BA	Fourth Floor	993	78
4C	1011	STUDIO / 1 BA	Fourth Floor	450	55
4D	1012	1 BD / 1.5 BA	Fourth Floor	856	--
5A	1013	1 BD / 1 BA	Fifth Floor	614	--
5B	1014	2 BD / 2 BA	Fifth Floor	993	78
5C	1015	STUDIO / 1 BA	Fifth Floor	450	55
5D	1016	1 BD / 1.5 BA	Fifth Floor	856	--
6A	1017	1 BD / 1 BA	Sixth Floor	614	--
6B	1018	2 BD / 2 BA	Sixth Floor	993	78
6C	1019	STUDIO / 1 BA	Sixth Floor	450	55
6D	1020	1 BD / 1.5 BA	Sixth Floor	856	--
PH1	1021	3 BD / 2 BA	Seventh Floor	1373	265+78+1005 = 1348
PH2	1022	2 BD / 2 BA	Seventh Floor	1214	102+55+874 = 1031
C1	1023	N/A	Cellar	4361	--
C1	1023	N/A	First Floor	289+389 = 678	--

UNIT INTERIORS

1. The residential units will be finished as described herein. The finished floor of the living, dining, kitchen, and bedroom areas of the residential units shall be a 3-1/2" x 18" x 1/2" plank engineered wood flooring with 2mm wood veneer European White Oak finish in a herringbone pattern glued down with Bostik Wood-Grip Urethane Wood Flooring Adhesive. Thereafter unit owners may finish with carpeting or another material of their

own choice and at their own expense. The walls and ceilings shall be gypsum wallboard. When finished the walls and ceilings shall be primed and painted off white, by Benjamin More, II grade. Thereafter the unit owners may decorate by finishing with paint, wallpaper, paneling, mirrors, etc. of their own choice. Kitchens will have hardwood covering the floors, and gypsum wallboard walls and ceilings. Bathrooms shall have ceramic tile floors. Tile around the bathtubs and showers shall extend to the ceiling. All other bathroom walls shall be of ceramic tile. Ceilings shall be finished with moisture-resistant painted gypsum wallboard.

2. Full bathrooms shall be equipped with a washbasin, mirror, water closet and a combination bathtub/shower or shower as indicated on plans.
 - a. Water Closets: Manufactured by Toto or approved equal, and shall be of vitreous china, floor mounted and with siphon flushing action. Water closets are also to be equipped with vacuum breakers and shall meet water saving performance standards as per New York City Local Law 29/89.
 - b. Countertop lavatory: Manufactured by Kohler with Gerber faucet, set in a plastic laminate finished, particle board vanity countertop.
 - c. Bathtubs: Manufactured by American Standard, with flow outlet and Delta showerhead and trim.
 - d. Showers: Manufactured by American Standard with showerhead and trim by Delta.

The Sponsor reserves the right to provide fixtures by different manufacturers, which are equal to or better than noted above.

3. The kitchen will generally be provided with the following fixtures, appliances and equipment per unit as described:
 - a. Line A:
 - i. 30" Refrigerator Miele KFN9855IDELI
 - ii. 30" Wall oven Miele H6281BP
 - iii. 30" Cooktop Miele KM6365
 - iv. 30" Hood Miele DA3486
 - v. 24" Dishwasher Miele G4998VI
 - vi. 24" Jenn-Air JMDFS24HM

- b. Line B:
 - i. 36" Refrigerator Miele KFN9855IDE
 - ii. 30" Wall oven Miele H6281BP
 - iii. 30" Cooktop Miele KM6365
 - iv. 30" Hood Miele DA3486
 - v. 24" Dishwasher Miele G4998VI
 - vi. 24" Jenn-Air JMDFS24HM
- c. Line C:
 - i. 30" Refrigerator Miele KFN9855IDE
 - ii. 30" Wall oven Miele H6281BP
 - iii. 30" Cooktop Miele KM6365
 - iv. 30" Hood Miele DA3486
 - v. 24" Dishwasher Miele G4998VI
- d. Line D:
 - i. 24" refrigerator Miele KFNS37692IDE1
 - ii. 24" wall oven Miele H6560B
 - iii. 24" cooktop Miele KM6320
 - iv. 24" hood Miele DA3466
 - v. 18" dishwasher Miele G4780SCVI
- e. PH 1 & 2:
 - i. 36" Refrigerator Miele KFN9855IDE
 - ii. 30" Wall oven Miele H6281BP
 - iii. 30" Cooktop Miele KM6365
 - iv. 30" Hood Miele DA3486
 - v. 24" Dishwasher Miele G4998VI
 - vi. 24" Microwave Jenn-Air JMDFS24HM

Note: Additional kitchen appliances and fixtures will be the responsibility of the unit owners. All appliances not specified within this report are to be supplied by the unit occupant. The sponsor reserves the right to provide fixtures by different manufacturers, which are equal to or better than listed above.

4. Washer/Dryer hookups shall be provided as follows: all residential units will be supplied with Bosch 24" stackable washer/dryers. Dryer Model # WTG86401UC and Washer Model # WAT28401UC.
5. There shall be at least one centrally located, overhead, lighting fixture, provided in each bedroom, living room, 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 15 watts of LED illumination. Lighting fixtures and electrical outlets shall be installed by a licensed electrician, and in compliance with the NYC Electrical Code and the NYC Building Code.

When completed, the following interior finishes will be installed within units:

LOCATION	FLOORS	WALLS	CEILINGS	REMARKS
Living/Dining Room	Engineered Wood	GWB, Painted	GWB, Painted	---
Bedroom	Engineered Wood	GWB, Painted	GWB, Painted	---
Kitchen	Engineered Wood	GWB, Painted	GWB, Painted	---
Bathroom	Ceramic Tile	Ceramic Tile	GWB, Painted	---
Laundry / Mechanical Closet	Ceramic Tile	GWB, Painted	GWB, Painted	---

Note:

GWB: Gypsum Wallboard

CMU: Concrete Masonry Units

(X) FINISH SCHEDULE OF SPACES OTHER THAN UNITS

When completed, the following interior finishes will be installed in spaces other than units:

LOCATION	FLOORS	WALLS	CEILINGS	REMARKS
Common Areas	Ceramic Tile	GWB, Painted	GWB, Painted	--
Bicycle/Utility Rooms	Concrete	CMU Painted	Exposed	
Lobby	Ceramic Tile	GWB, Painted	GWB, Painted	--
Corridors	Ceramic Tile	GWB, Painted	GWB, Painted	--
Indoor Recreation Room	Vinyl Tile	GWB, Painted	GWB, Painted	--

Note:

GWB: Gypsum Wallboard

CMU: Concrete Masonry Units

(Y) SAFETY AND WARNING DEVICES

Typical smoke and carbon monoxide hard-wired safety devices will be installed according to plans in each habitable room as per NYC Building Code.

Fire Alarm system filed with FDNY. Commercial Fire Alarm Control Panel located at the first floor lobby at First Avenue. Residential Fire Alarm Control Panel located at sub-cellar.

(Z) ADDITIONAL INFORMATION REQUIRED

SEE FLOOR PLANS

(aa) In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, firestopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

(ab) FURTHER DEVELOPMENT

N/A

(ac) ASBESTOS

This report covers a new building which does not use any asbestos containing material (ACM) in insulation or fireproofing material anywhere in the building.

(ad) LEAD-BASED PAINT

This report covers a new building which does not use any lead-based paint and/or lead-based paint hazards.

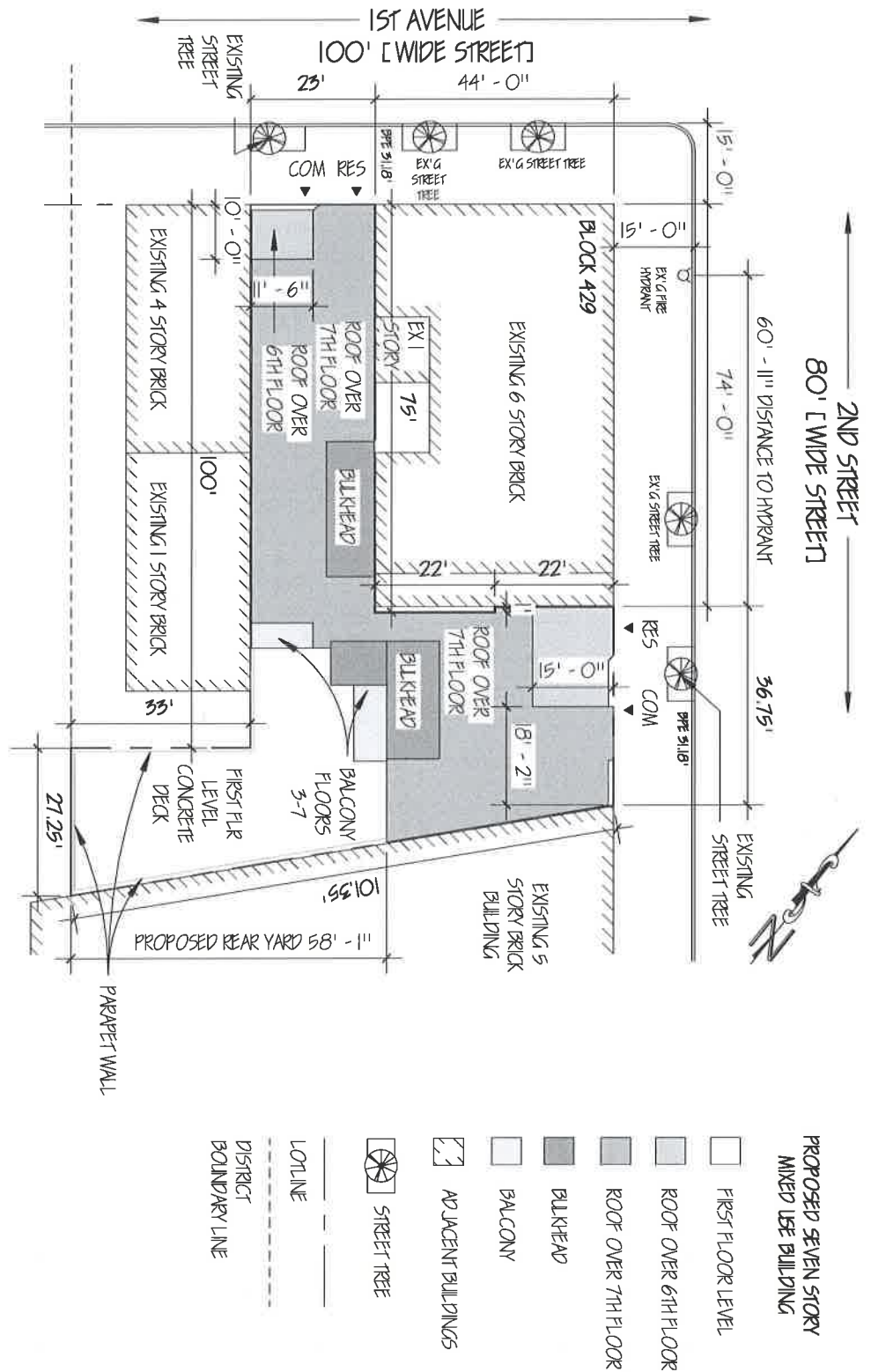
(ae) DOCUMENTS TO BE TRANSFERRED TO THE CONDOMINIUM MGMT

The following documents 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 & Balance Report for HVAC System; Indoor Air Quality report. Final As-Built drawings as maintained during construction, i.e., structural, mechanical, electrical, plumbing, shop drawings.

(af) ACCESSIBILITY

This building provides access for the handicapped in that the all floors are directly accessible via elevators from grade. Doors and accessible paths within units, shall comply with N.Y. City Local Law 58/87 and A.N.S.I., A117.1-1986.

1 SITE PLAN / CONDO REPORT
1" = 30'-0"



DATE:
12/18/2019
9:16:10 AM

C-001
SITE PLAN
1" = 30'-0"

PROJECT#: PROJECT
17-008

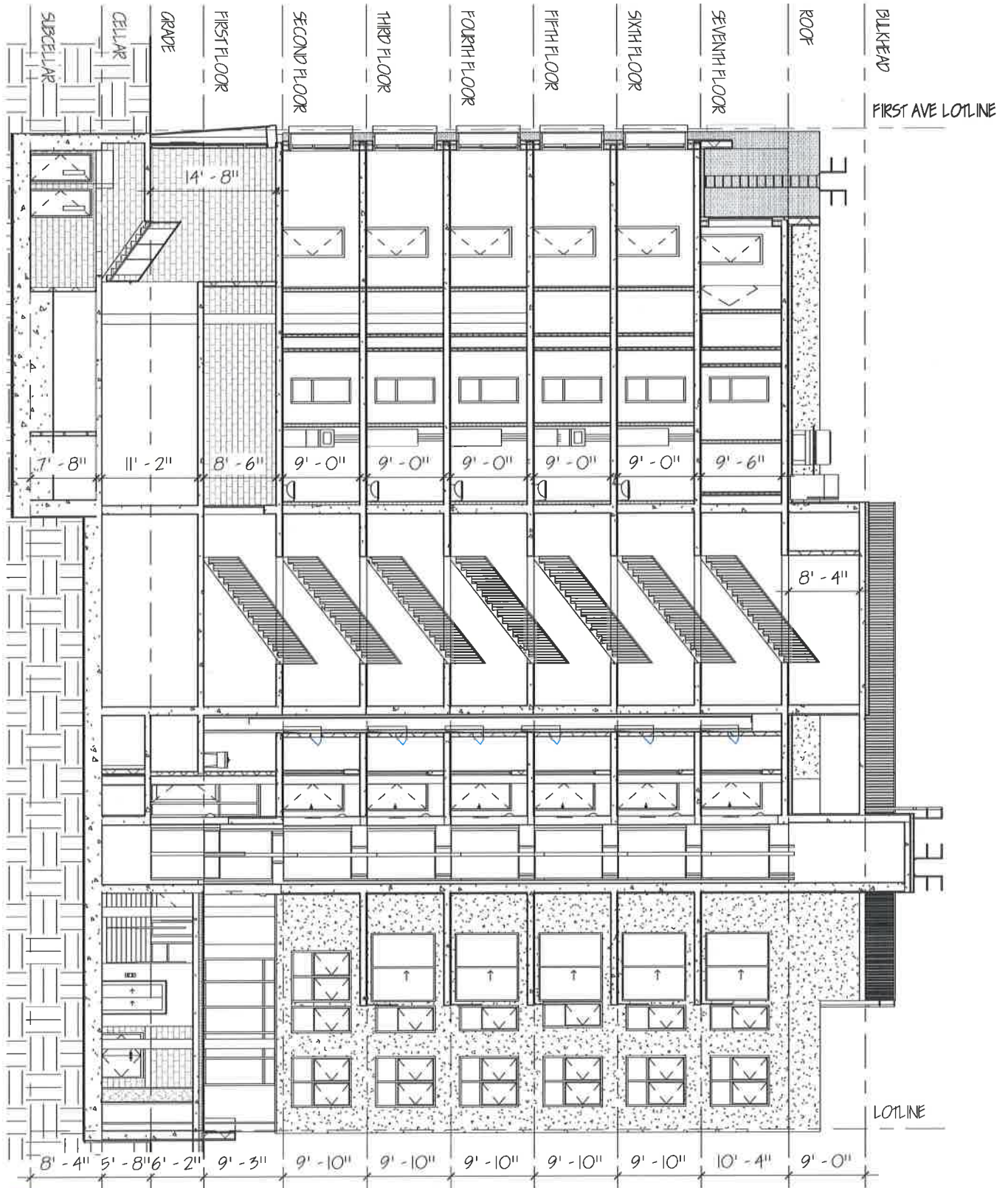
101 E 2ND STREET
NY, NY

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1 SECTION / CONDO REPORT
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C-002
SECTION
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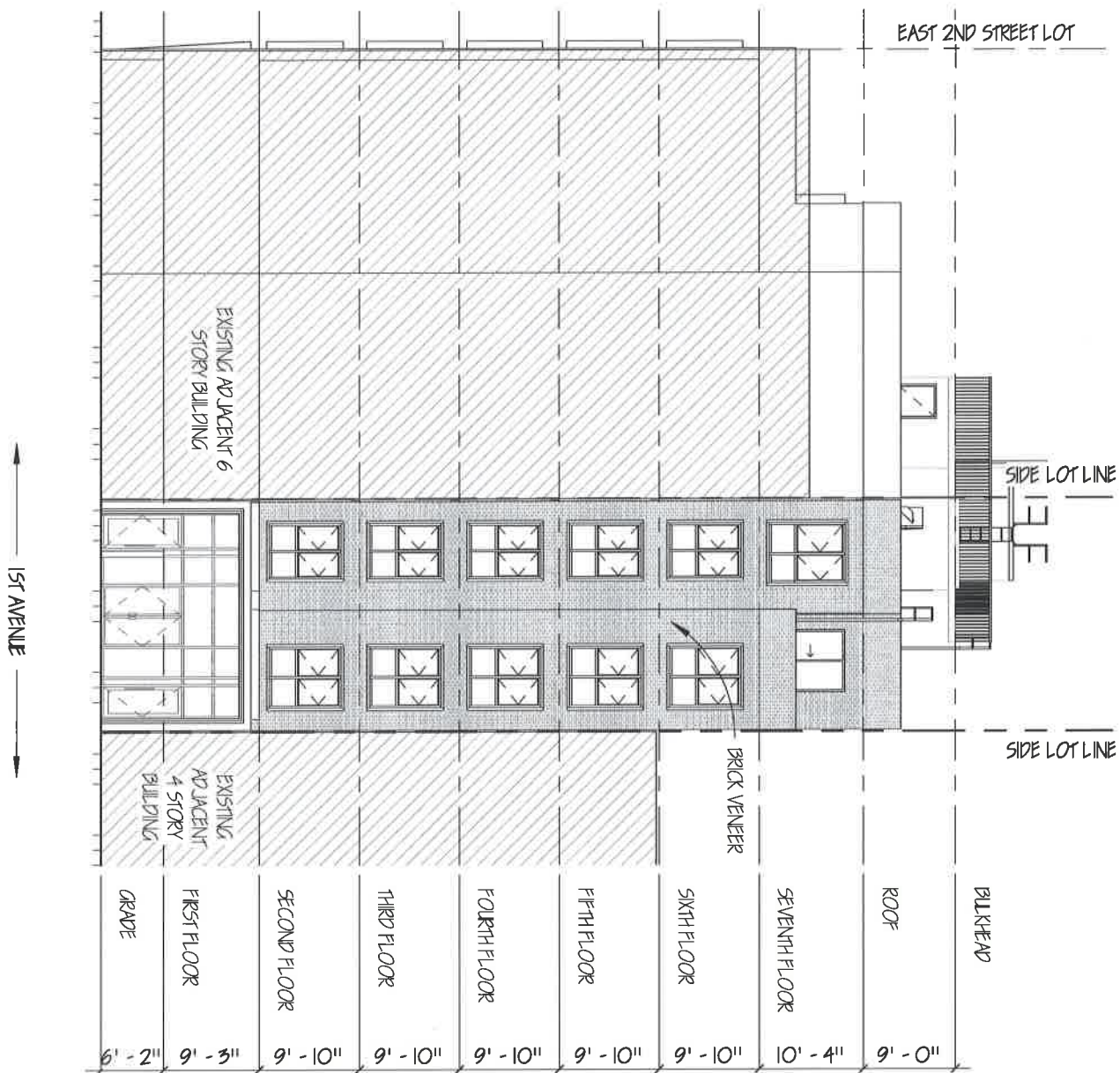
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17-008 101 E 2ND STREET
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1
1ST AVE ELEVATION / CONDO REPORT
1/16" = 1'-0"



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12/16/2019
3:16:11 AM

C-003
FIRST AVE ELEVATION
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PROJECT#:
17-008

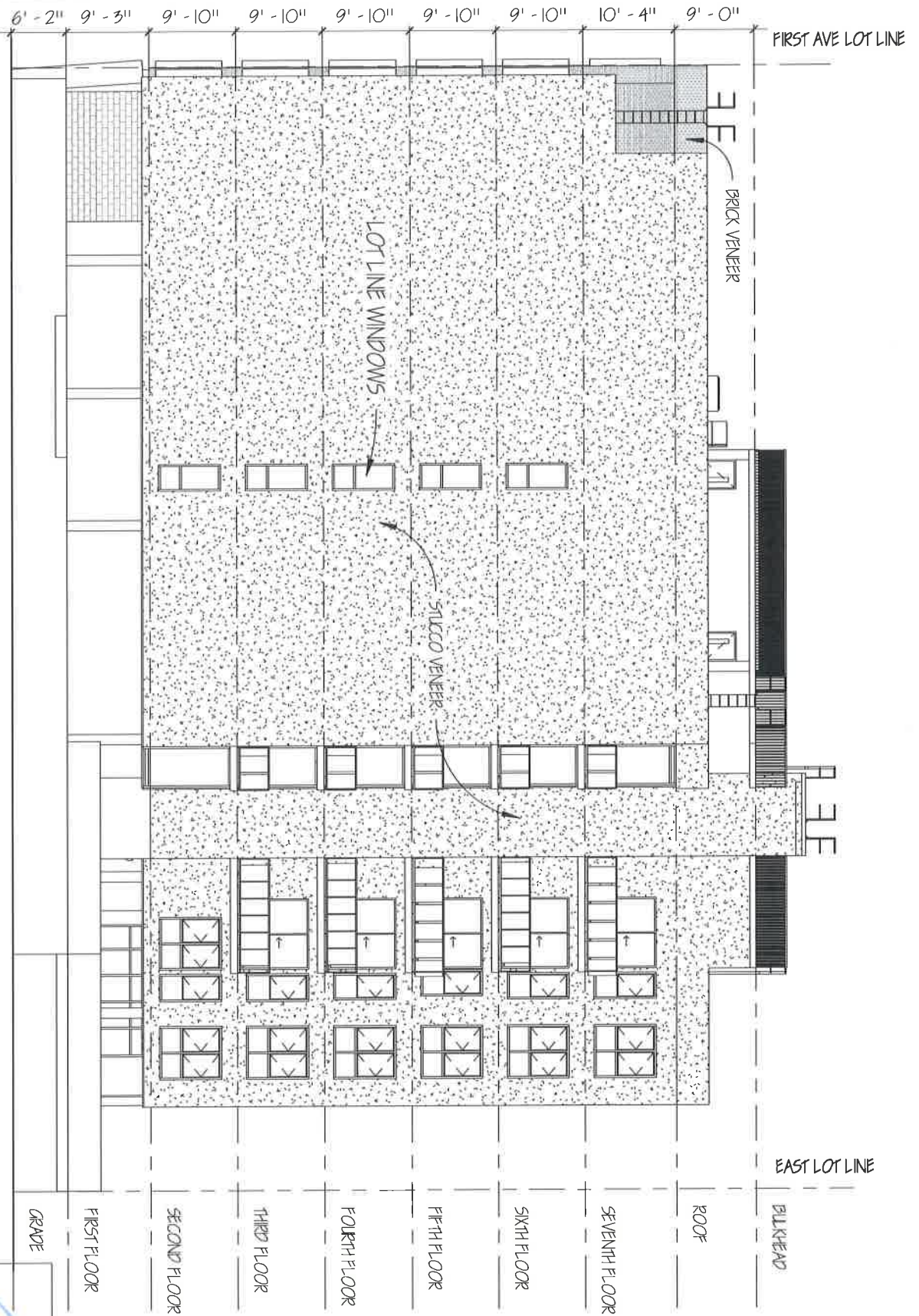
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1 SOUTH ELEVATION / CONDO REPORT
1/16" = 1'-0"



DATE:
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9:16:14 AM

C-004
SOUTH ELEVATION
1/16" = 1'-0"

PROJECT#
17-008

PROJECT
101 E 2ND STREET
NY, NY

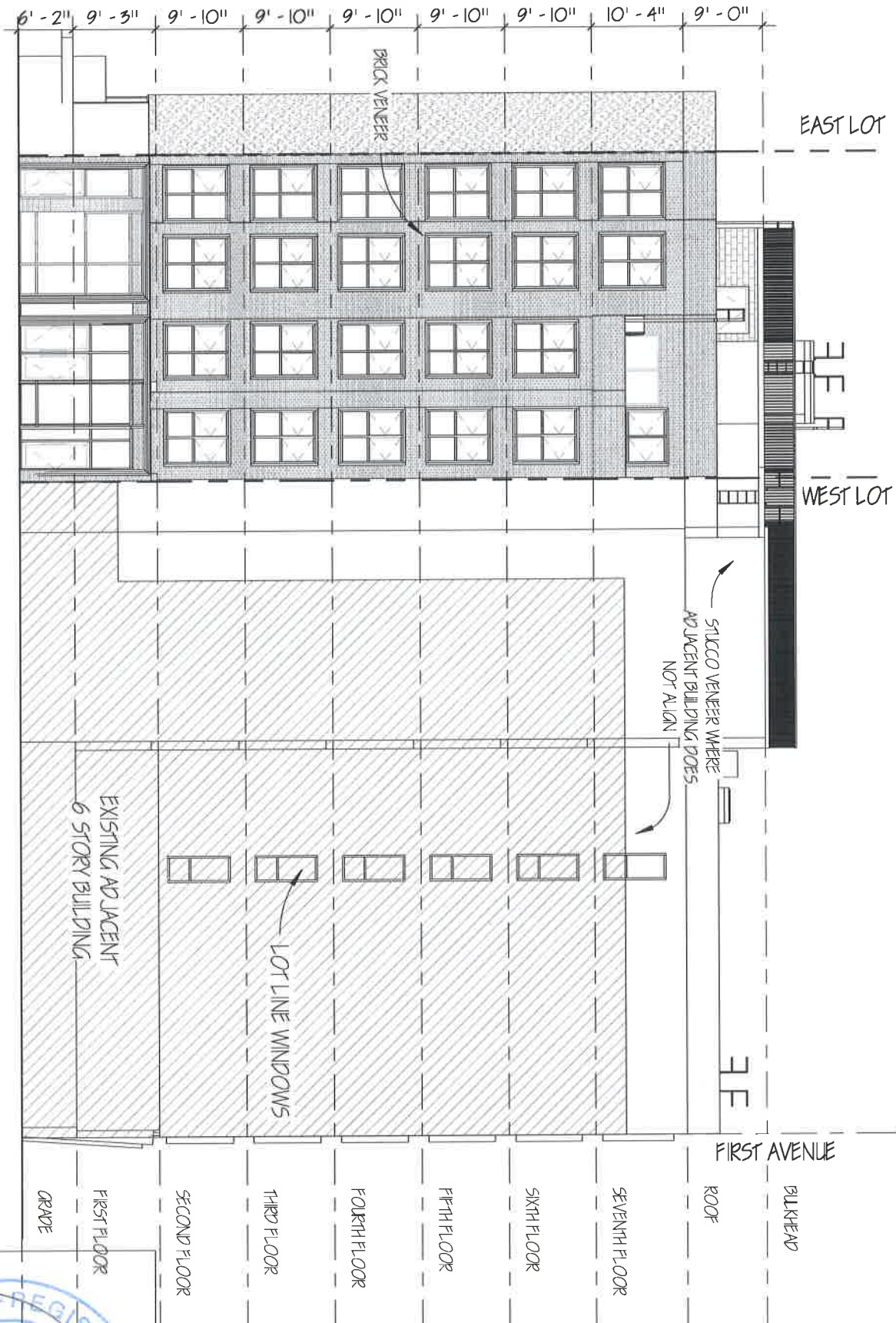
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AND ARE SUBJECT TO
CONSTRUCTION TOLERANCE
AND VARIANCES. ALL
DIMENSIONS ARE MAXIMUM
OVERALL. SPONSOR RESERVES
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1 E 2ND ST ELEVATION / CONDO REPORT
1/16" = 1'-0"

EAST 2ND AVENUE



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C-005
EAST 2ND ST
ELEVATION
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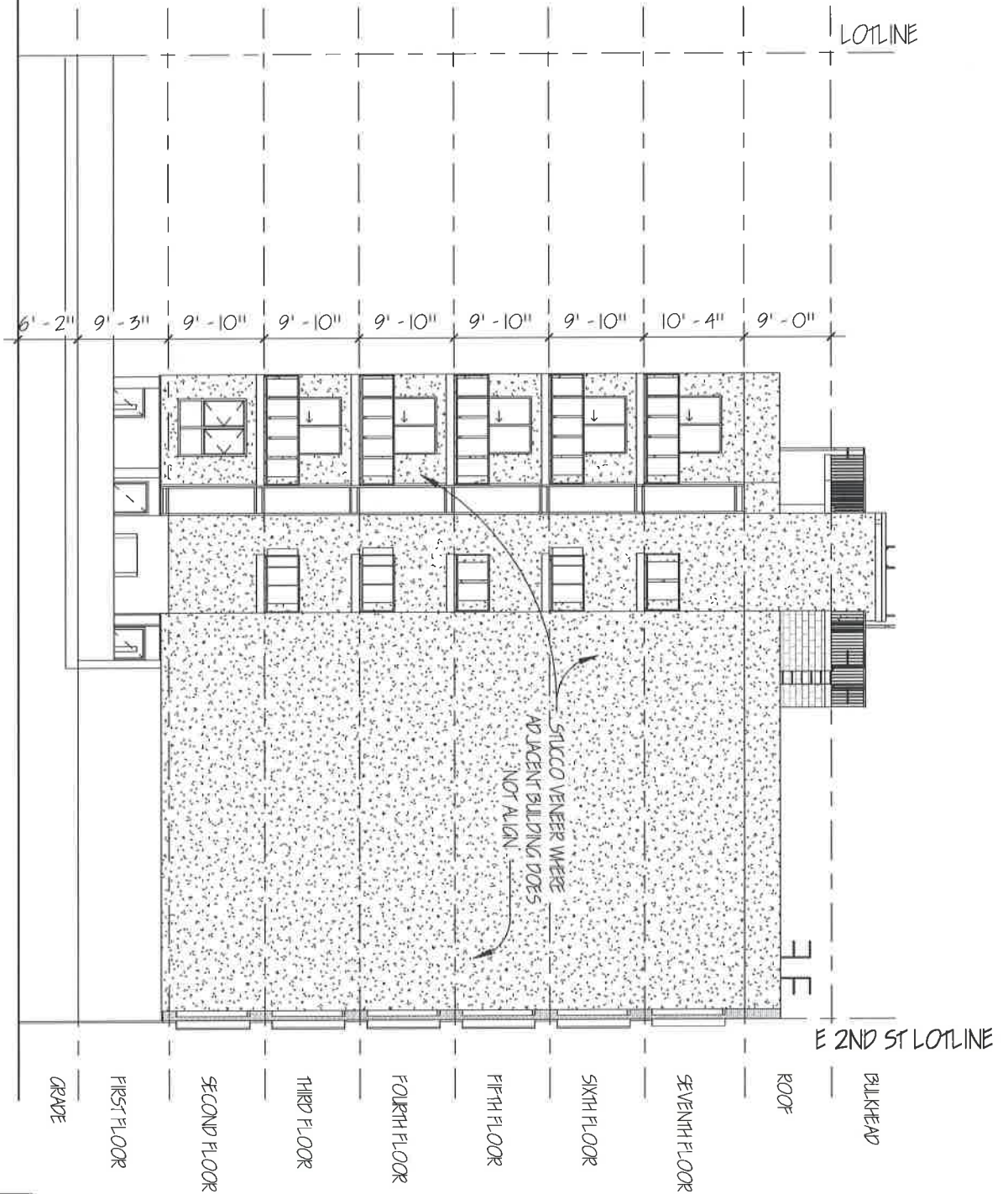
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17-008 101 E 2ND STREET
NY, NY

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AND ARE SUBJECT TO
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AND VARIANCES. ALL
DIMENSIONS ARE MAXIMUM
OVERALL. SPONSOR RESERVES
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1 EAST ELEVATION / CONDO REPORT
1/16" = 1'-0"



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PROJECT#
17-008

C-006
EAST ELEVATION
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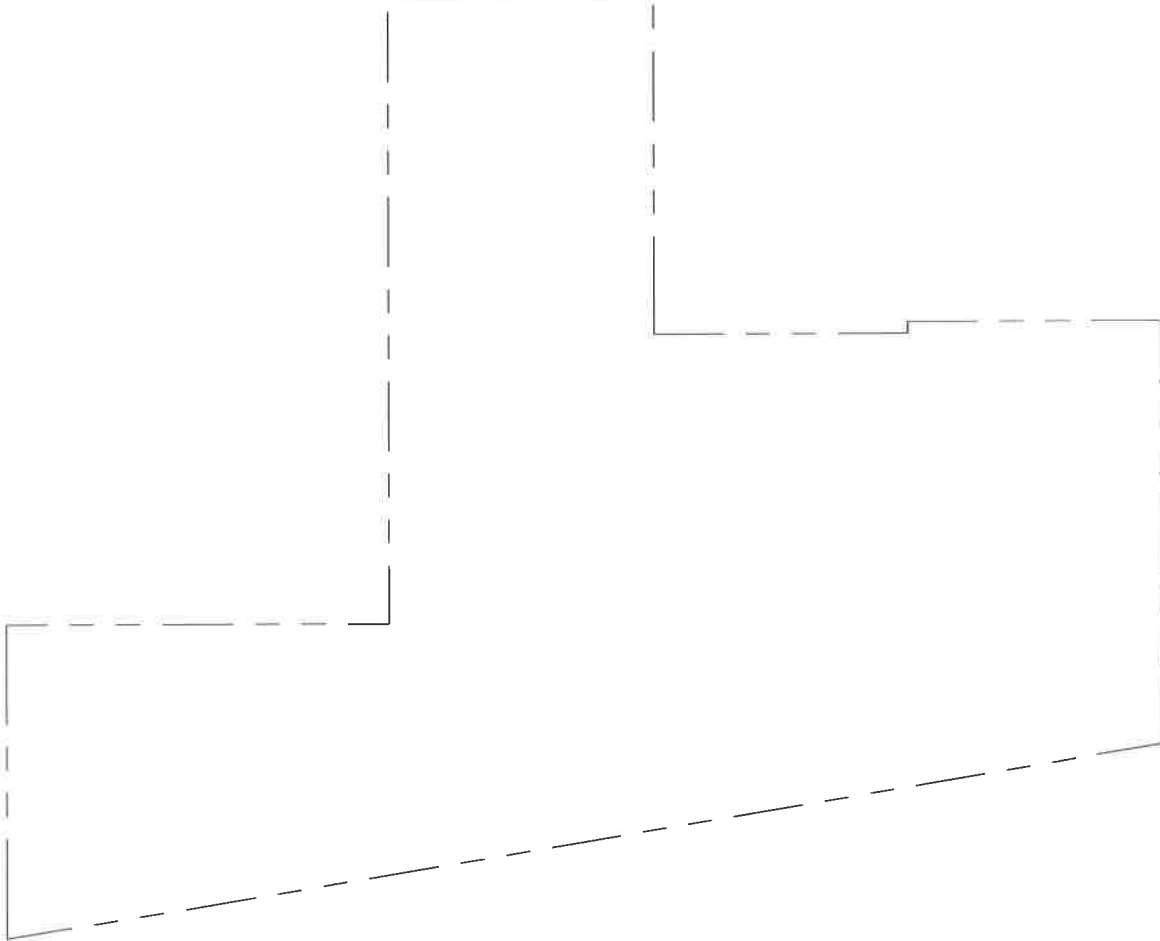
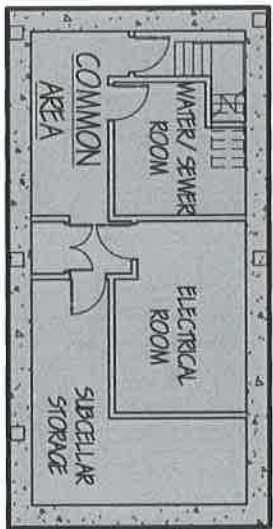
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1
-02 - SUB CELLAR
1/16" = 1'-0"



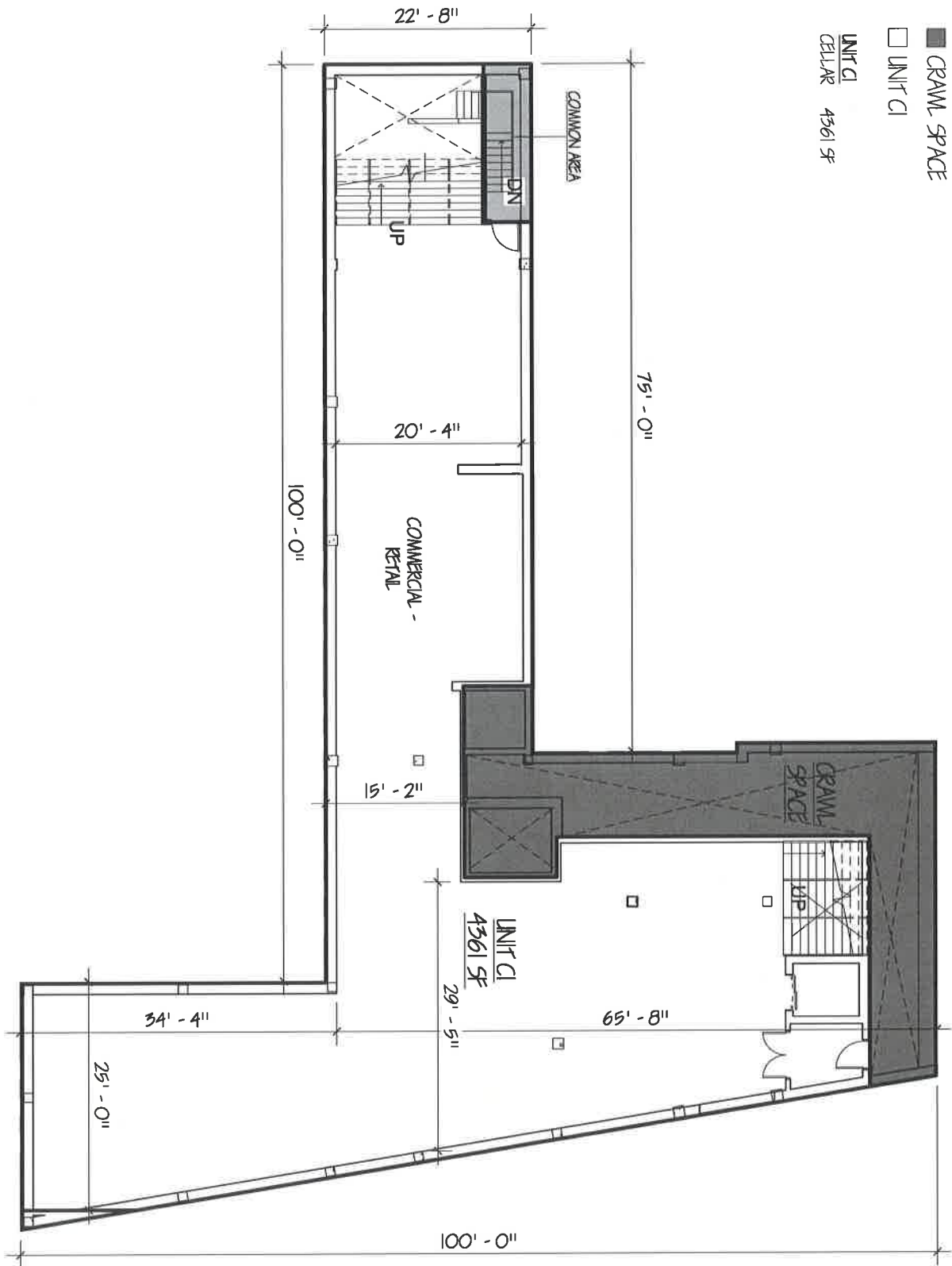
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PROJECT# 17-008	PROJECT 101 E 2ND STREET NY, NY			

FLOOR AREA

COMMON AREA

CRAWL SPACE

UNIT CI

UNIT CI
CELLAR 4361 SF

1 -01 - CELLAR
1/16" = 1'-0"



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12/16/2019
9:18:15 AM

C-008
CELLAR
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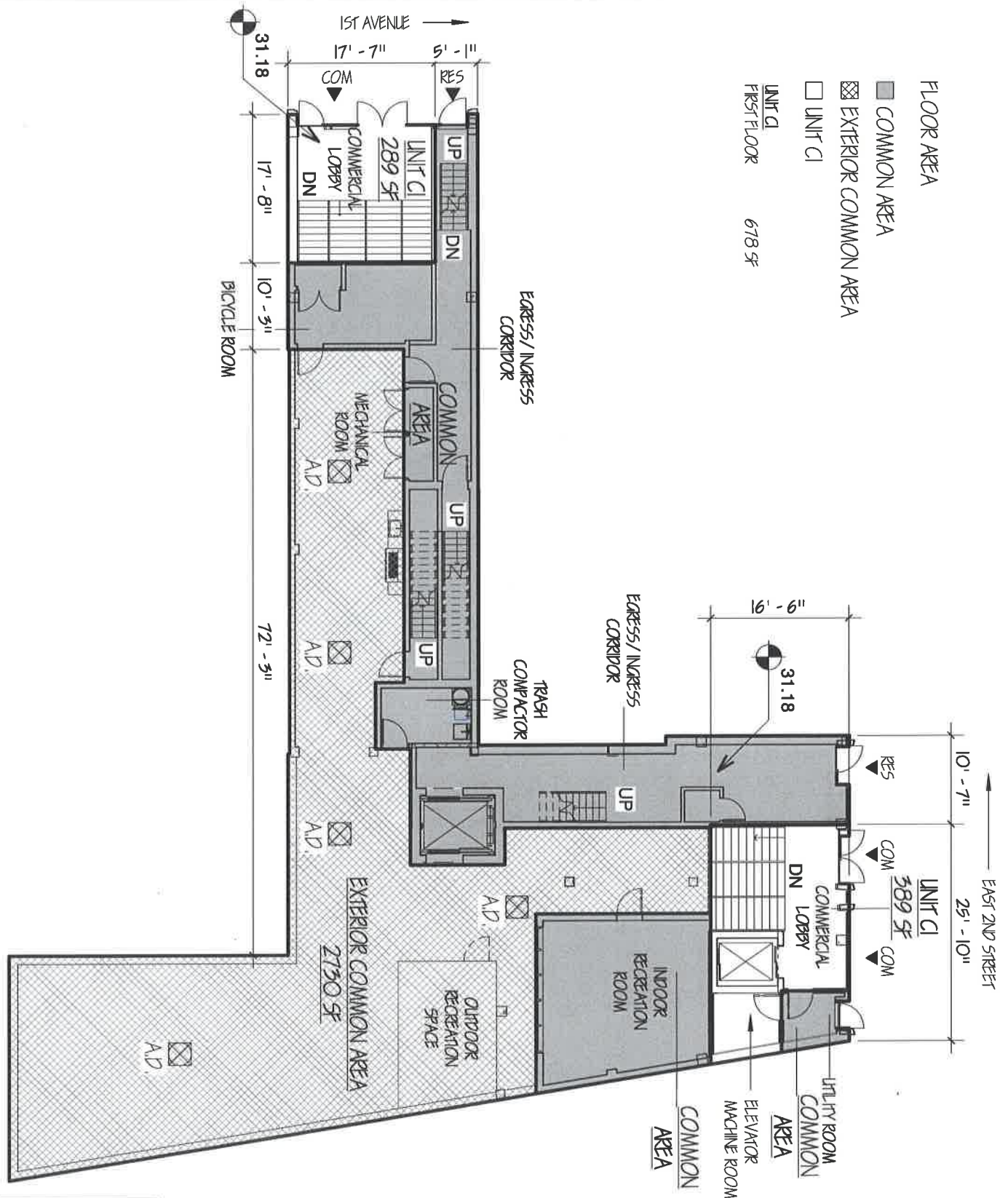
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17-008 101 E 2ND STREET
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1 01 - GRADE / FIRST FLOOR
1/16" = 1'-0"



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8:18:16 AM

C-009
FIRST FLOOR
1/16" = 1'-0"

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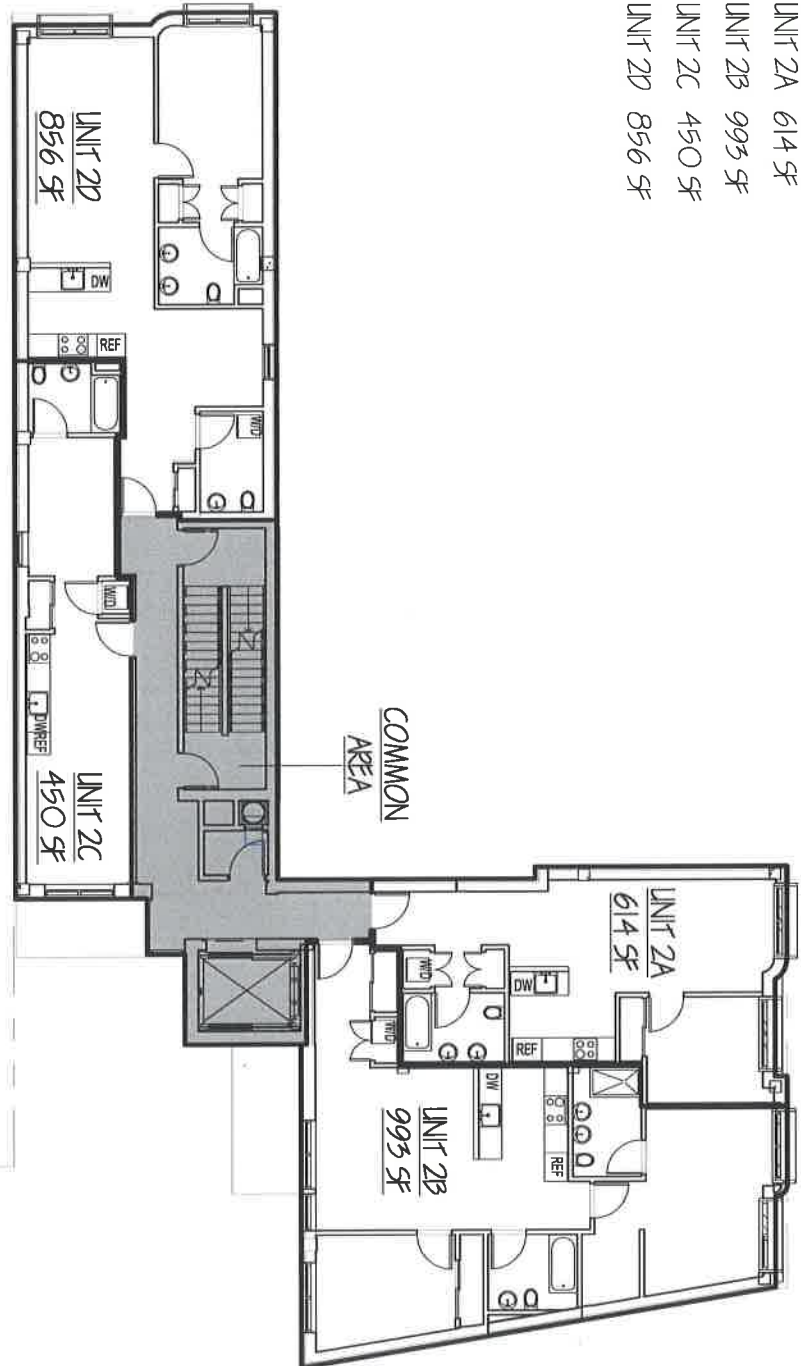
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FLOOR AREA

- ☒ COMMON AREA
☐ UNIT 2A 614 SF
☐ UNIT 2B 993 SF
☐ UNIT 2C 450 SF
☐ UNIT 2D 856 SF

1ST AVENUE



EAST 2ND STREET

1
 02 - SECOND FLOOR
 1/16" = 1'-0"



DATE:
12/16/2019
9:16:16 AM

C-010
SECOND FLOOR
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NY, NY

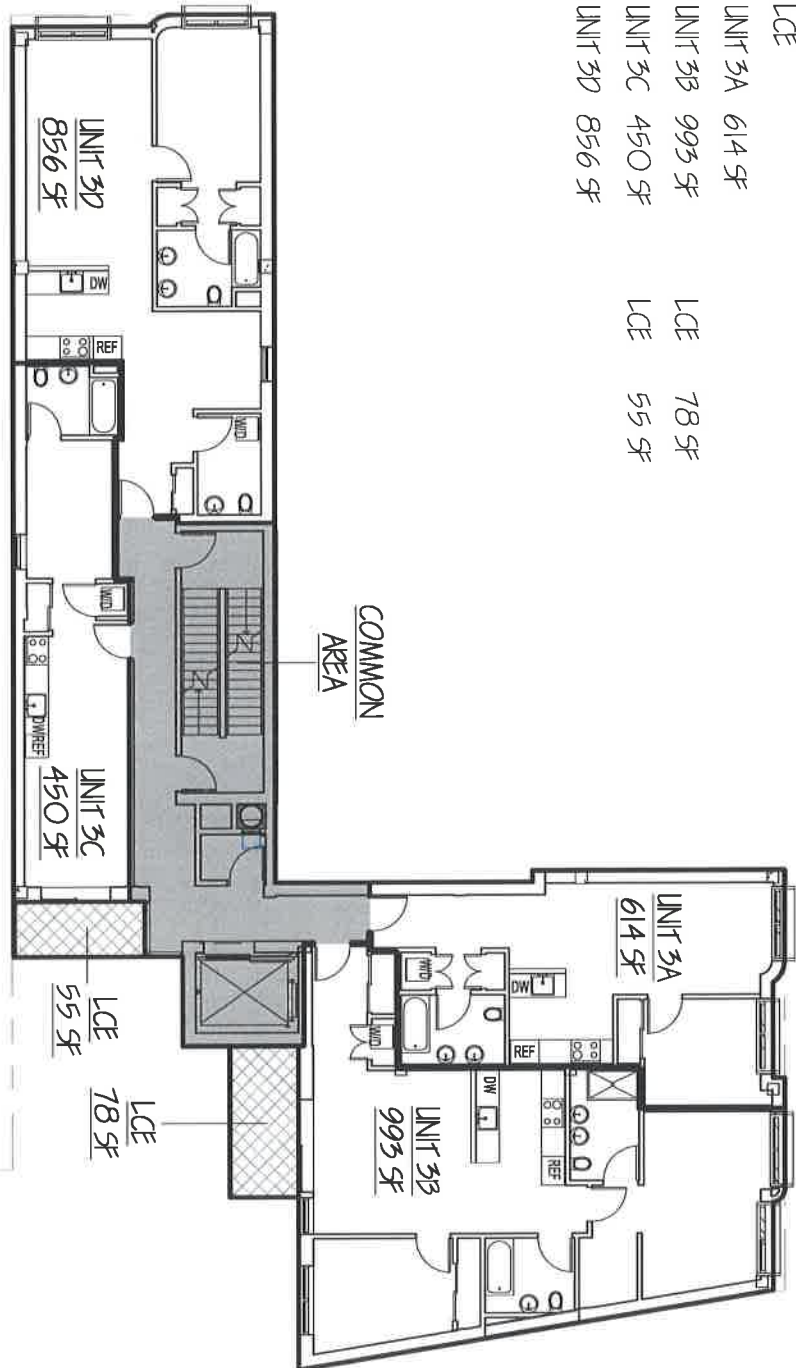
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1 03 - THIRD FLOOR
1/16" = 1'-0"

1ST AVENUE



- FLOOR AREA
COMMON AREA
LCE
UNIT 3A 614 SF
UNIT 3B 993 SF
UNIT 3C 450 SF
UNIT 3D 856 SF
LCE 78 SF
LCE 55 SF

COMMON
AREA

EAST 2ND STREET



DATE:
12/16/2019
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PROJECT#
17-008

C-011
THIRD FLOOR
1/16" = 1'-0"

PROJECT
101 E 2ND STREET
NY, NY

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FLOOR AREA

 COMMON AREA

☐ LCE UNIT 4B

☒ LCE UNIT 4C

UNIT 4A 6/4 SF

UNIT 4B 9935F

UNIT 4C 450 SF

☐ UNIT 4D 856 SF

LCE 785f

LCE 55 SF

COMMON
AREA

EAST 2ND STREET

UNIT 4A
6145

UNIT 4B
993 SF

UNIT 4D
856 SF

UNIT 4C
450 SF

LCE UNIT 4C
55 SF

LCE UNIT 43
785

1ST AVENUE

04 - FOURTH FLOOR

1/16" = 1'-0"



DATE:
12/16/2019
9:16:17 AM

C-012
FOURTH FLOOR
1/16" = 1'-0"

PROJECT#
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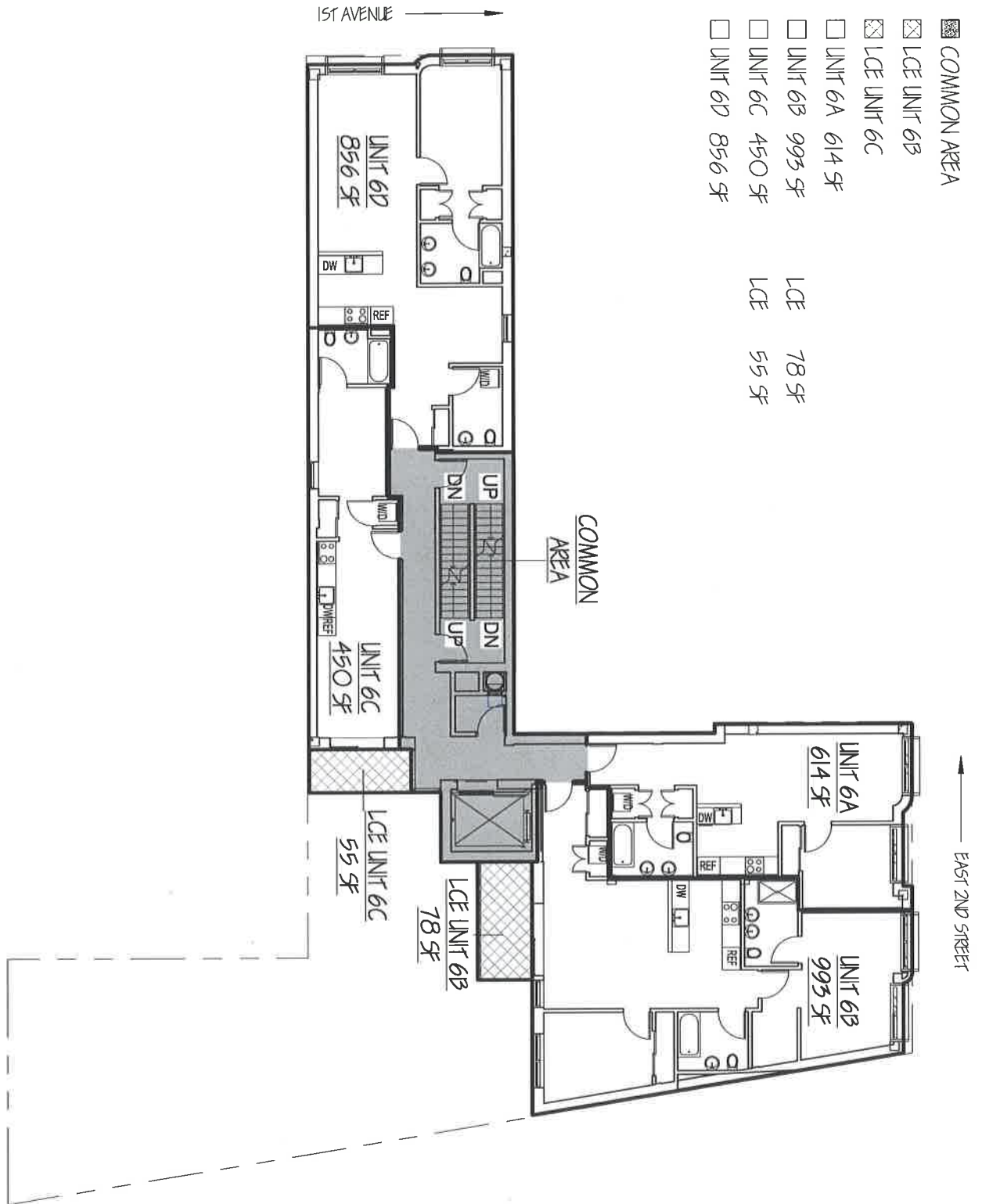
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FLOOR AREA

COMMON AREA	
LCE UNIT 6B	
LCE UNIT 6C	
UNIT 6A 614 SF	
UNIT 6B 993 SF	
UNIT 6C 450 SF	
UNIT 6D 856 SF	
LCE	78 SF
LCE	55 SF



1 06 - SIXTH FLOOR
1/16" = 1'-0"



DATE:
12/16/2019
9:16:17 AM

PROJECT# PROJECT
17-008

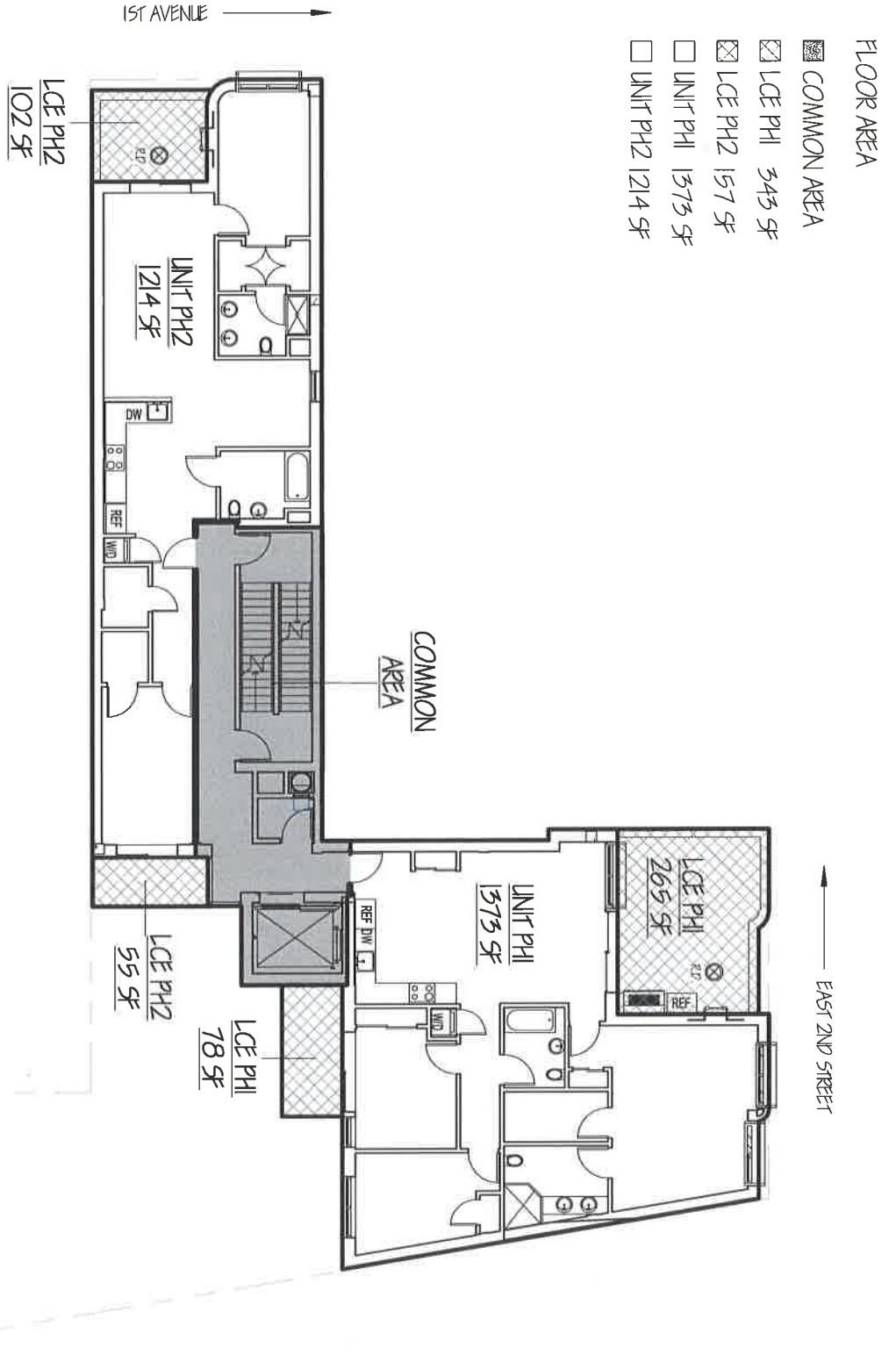
C-014
SIXTH FLOOR
1/16" = 1'-0"
101 E 2ND STREET
NY, NY

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2 07 - SEVENTH FLOOR
1/16" = 1'-0"



DATE:
12/16/2019
8:16:18 AM

C-015
SEVENTH FLOOR
1/16" = 1'-0"

PROJECT#
17-008

PROJECT
101 E 2ND STREET
NY, NY

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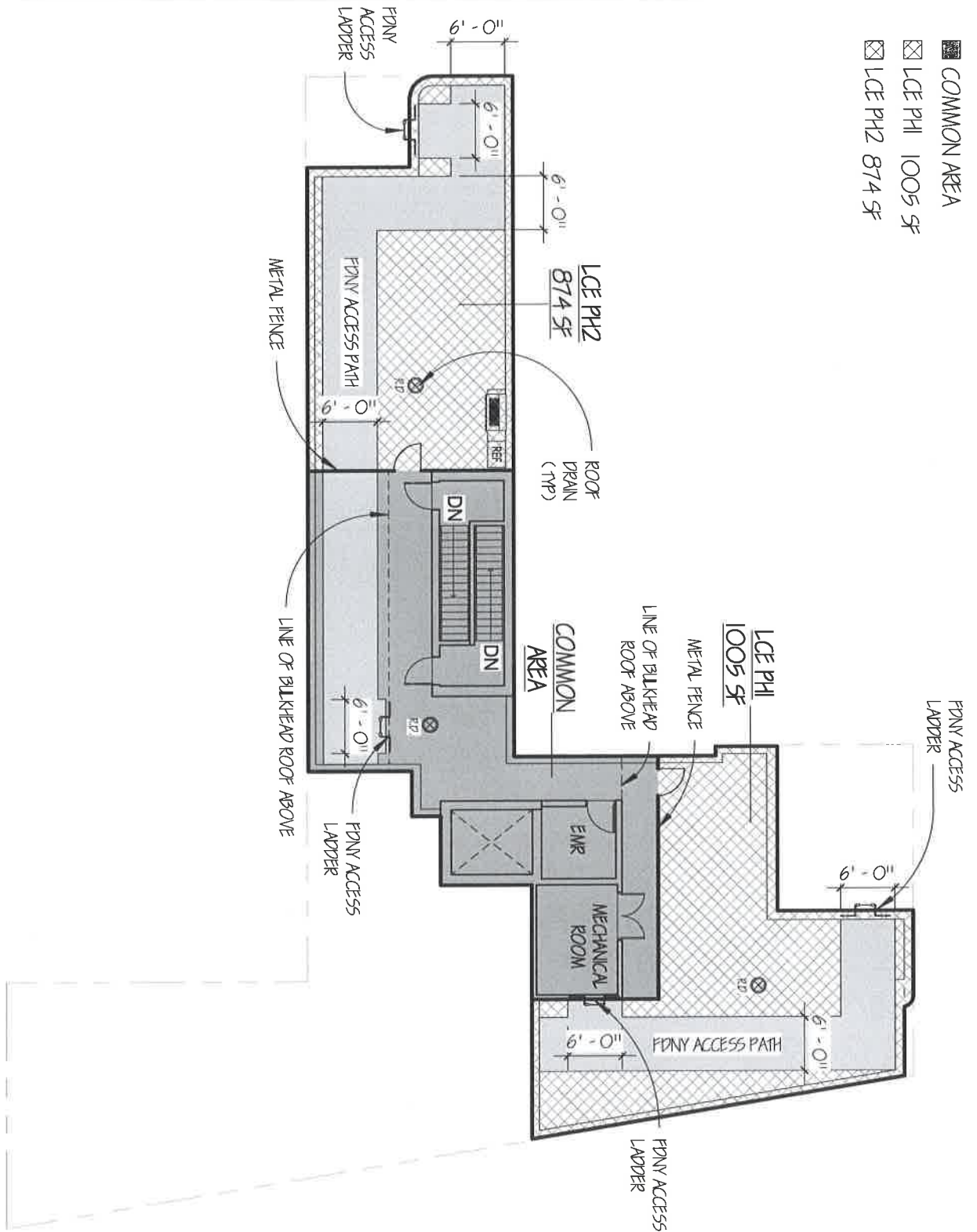
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FLOOR AREA

- COMMON AREA
- LCE PH1 1005 SF
- LCE PH2 874 SF

1 ROOF
1/16" = 1'-0"



DATE:
12/16/2019
9:16:16 AM

C-016
ROOF PLAN
1/16" = 1'-0"

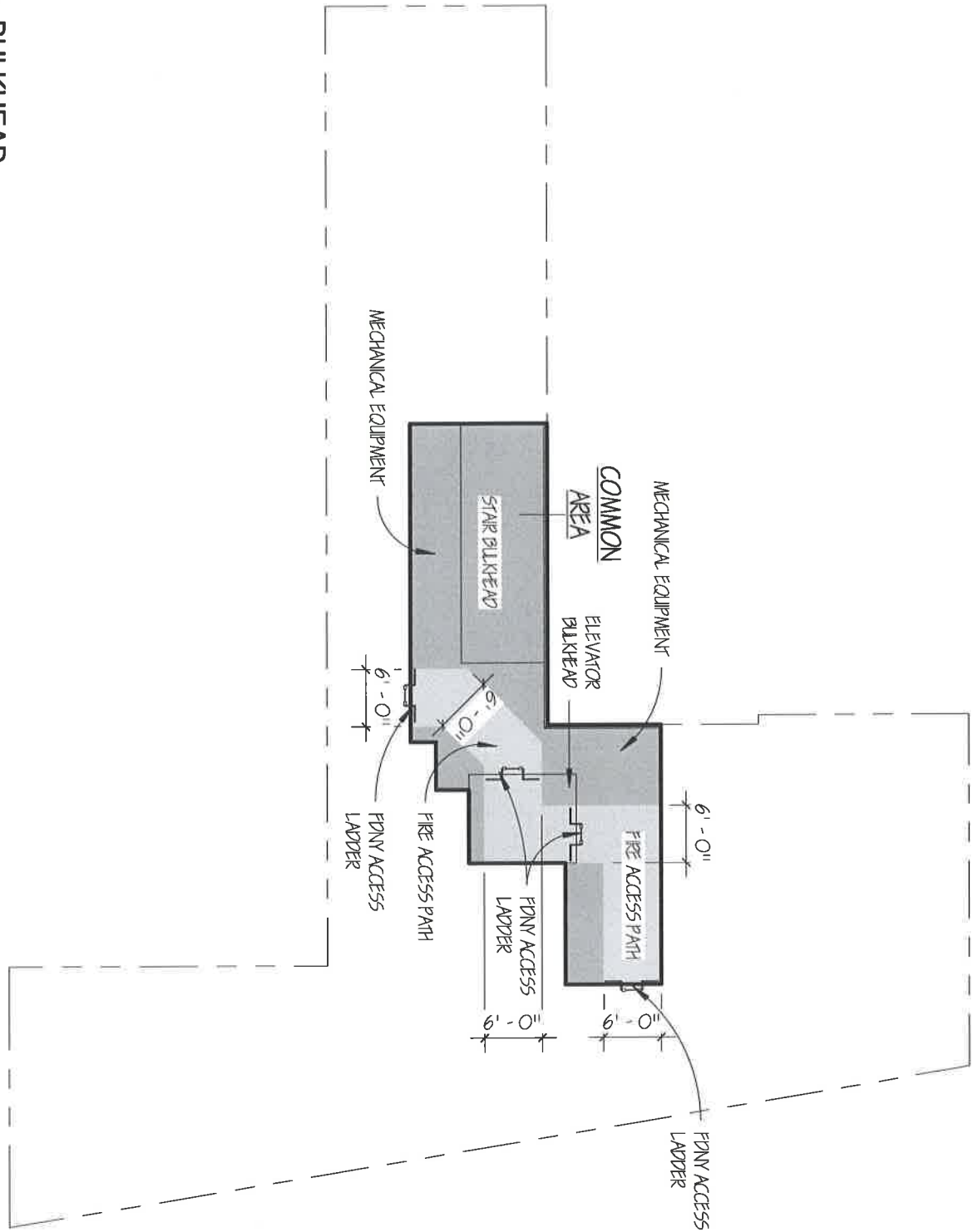
PROJECT# PROJECT
17-008 101 E 2ND STREET
NY, NY

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1 BULKHEAD
1/16" = 1'-0"



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C-017
BULKHEAD
1/16" = 1'-0"

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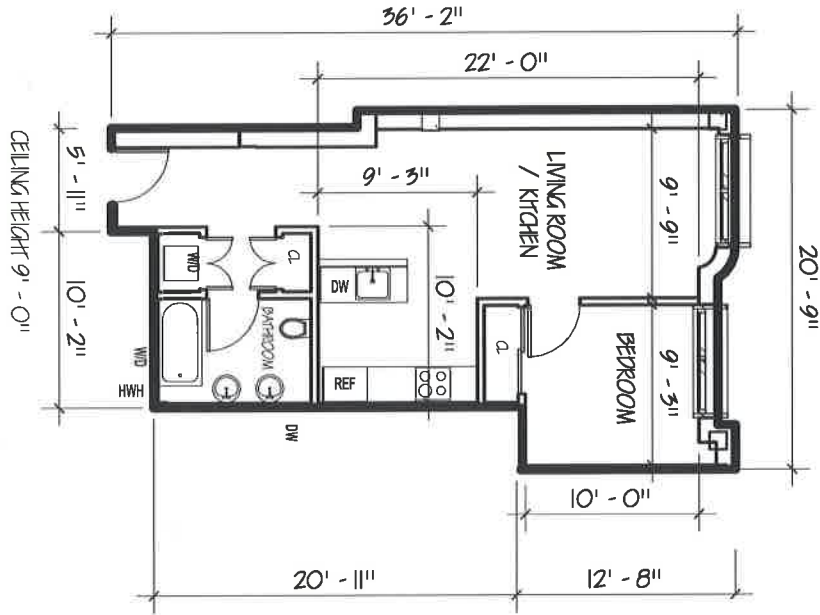
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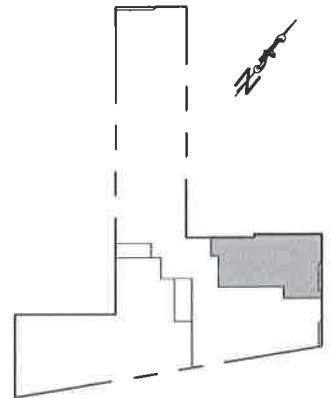


AREA OF UNIT TYPE A 614 SF

1 UNIT A LINE
3/32" = 1'-0"



2 KEY PLAN - UNIT TYPE A
1" = 60'-0"



DATE:
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9:16:18 AM

C-018
UNITS AT A LINE
As indicated

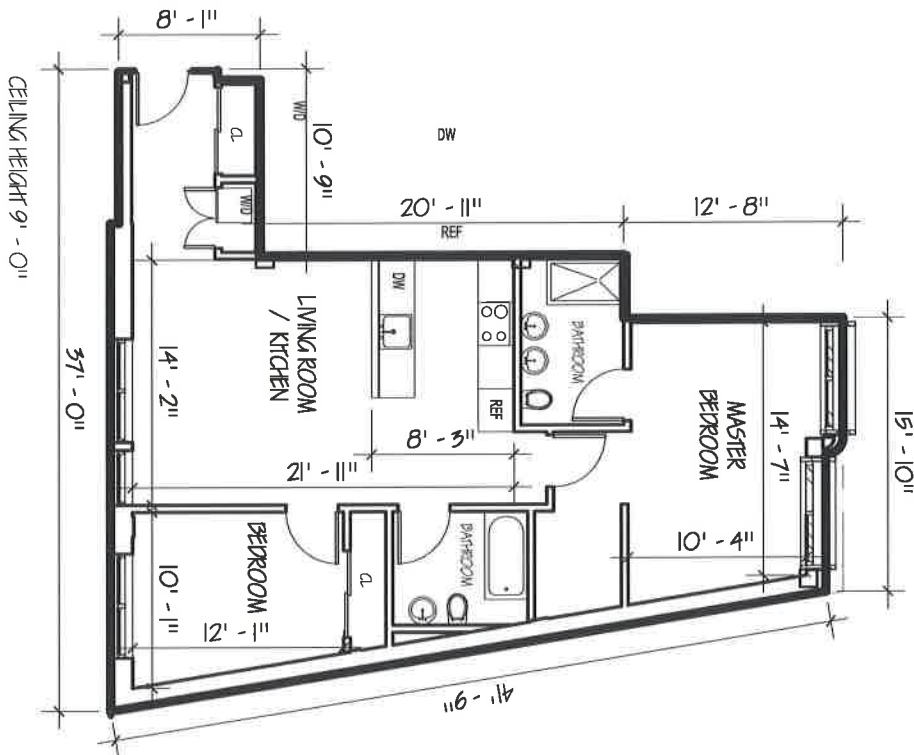
PROJECT# 17-008
PROJECT 101 E 2ND STREET
NY, NY

ALL SPECIFIED AREAS AND DIMENSIONS SHOWN ON DRAWINGS ARE APPROXIMATE AND ARE SUBJECT TO CONSTRUCTION TOLERANCE AND VARIANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLANS

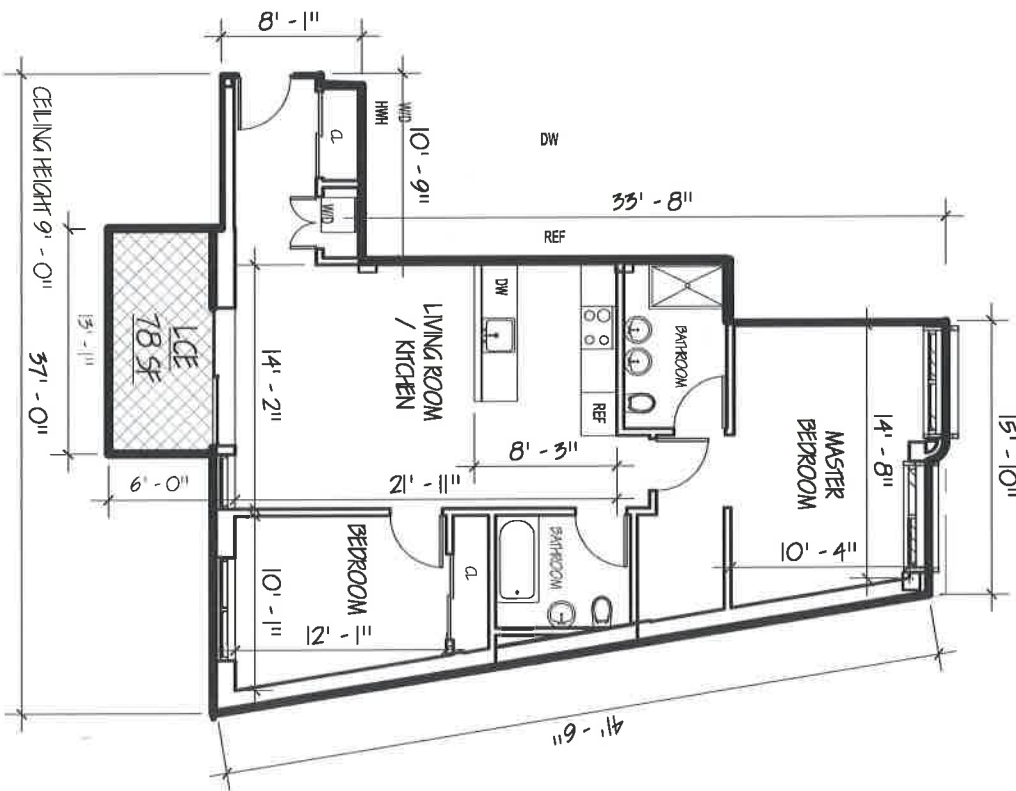
ZPROEKT
ARCHITECTURE PLANNING CONSULTING
1817 EMMONS AVE, BROOKLYN, NY 11235
TEL. 718.934.2322
FAX. 718.934.0179



AREA OF UNIT TYPE B 993 SF
 AREA OF LCE UNITS
 5B, 4B, 5B, 6B 78 SF

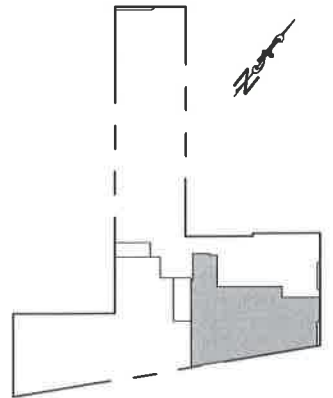


1 UNIT 2B
 3/32" = 1'-0"



2 UNIT B LINE
 3/32" = 1'-0"

3 KEY PLAN - UNIT TYPE B
 1" = 60'-0"



DATE:
 12/16/2019
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C-019
 UNITS AT B LINE
 As Indicated

PROJECT# PROJECT
 17-008 101 E 2ND STREET
 NY, NY

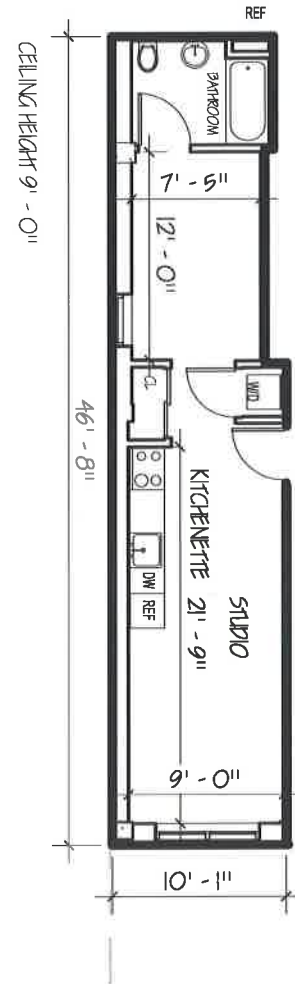
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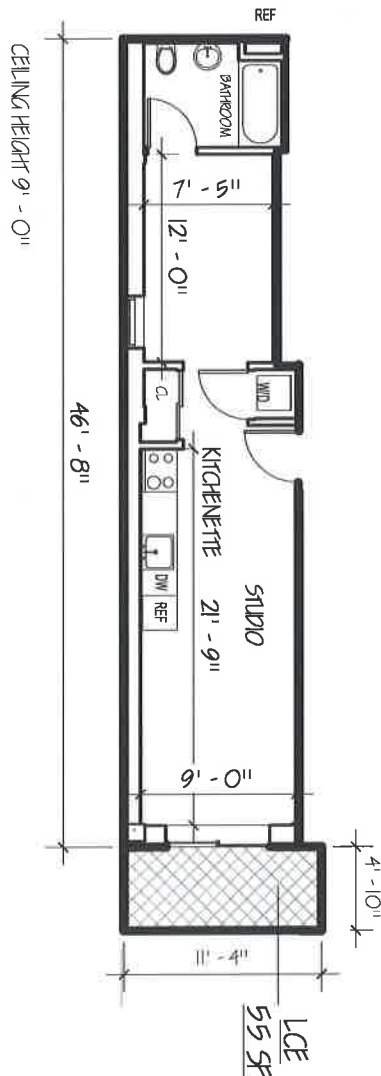


AREA OF UNIT TYPE C 450 SF

AREA OF LCE UNITS
3C, 4C, 5C, 6C 55 SF

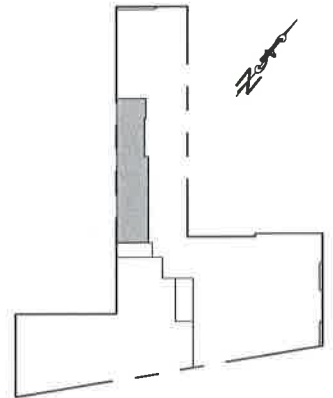


1 UNIT 2C
3/32" = 1'-0"



2 UNIT C LINE
3/32" = 1'-0"

3 KEY PLAN - UNIT TYPE C
1" = 60'-0"



DATE:
12/16/2019
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C-020
UNITS AT C LINE
As Indicated

PROJECT#
17-008

PROJECT
101 E 2ND STREET
NY, NY

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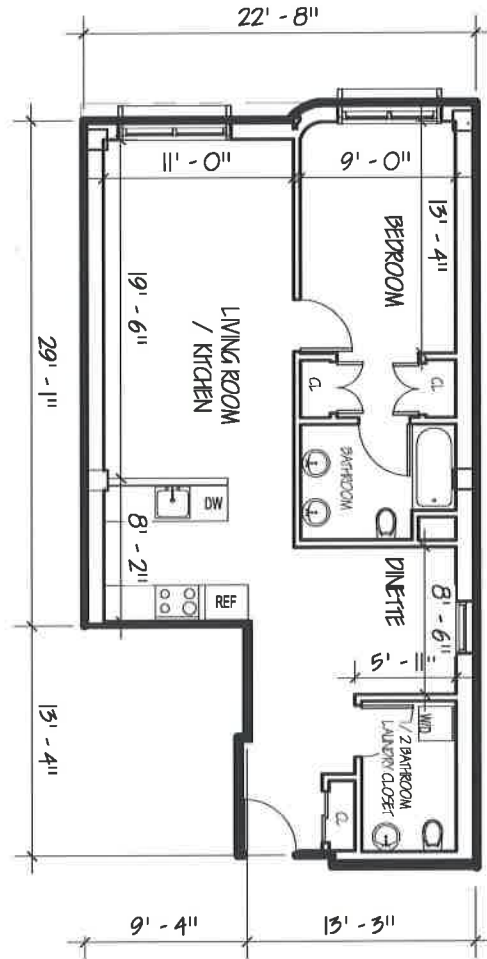
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FAX. 718.934.0179



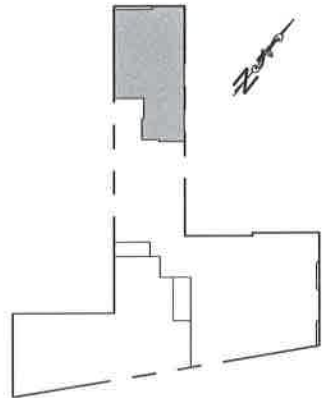
AREA OF UNIT TYPE D 856 SF

2 UNIT D LINE
3/32" = 1'-0"

CEILING HEIGHT 9'-0"



3 KEY PLAN - UNIT TYPE D
1" = 60'-0"



DATE:
12/16/2019
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C-021
UNITS AT D LINE
As Indicated

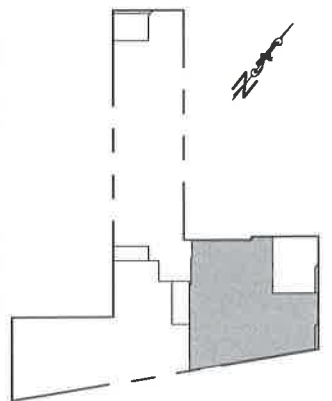
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17-008 101 E 2ND STREET
NY, NY

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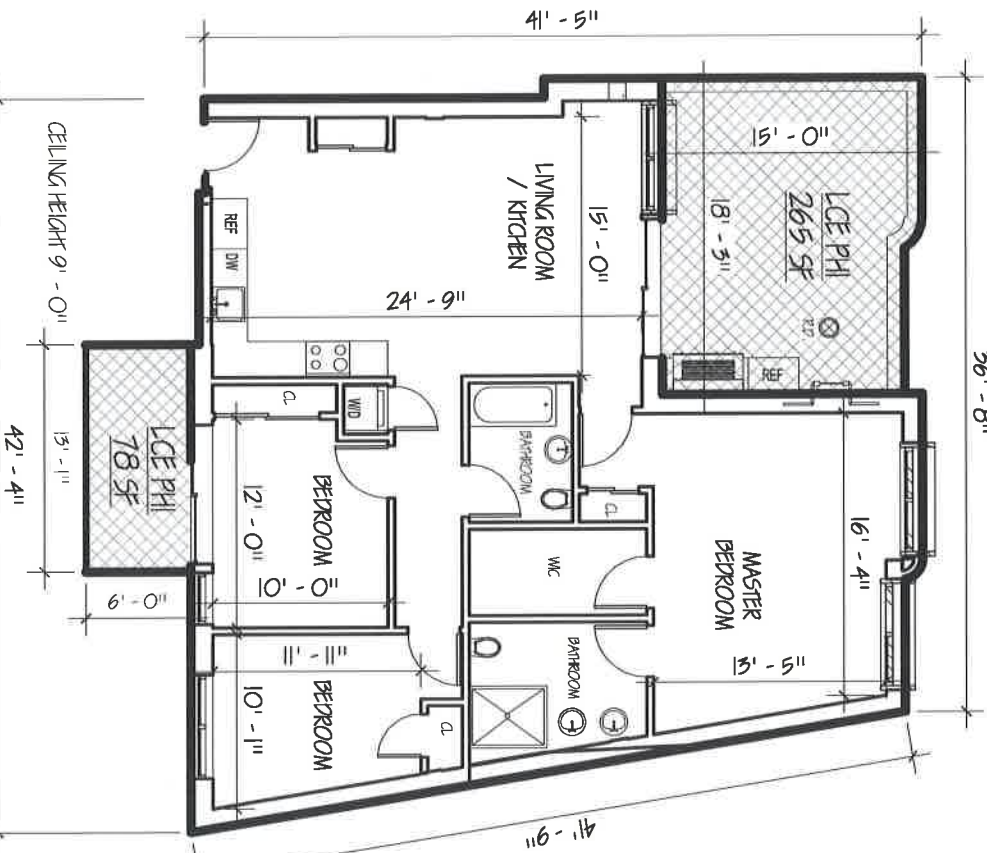
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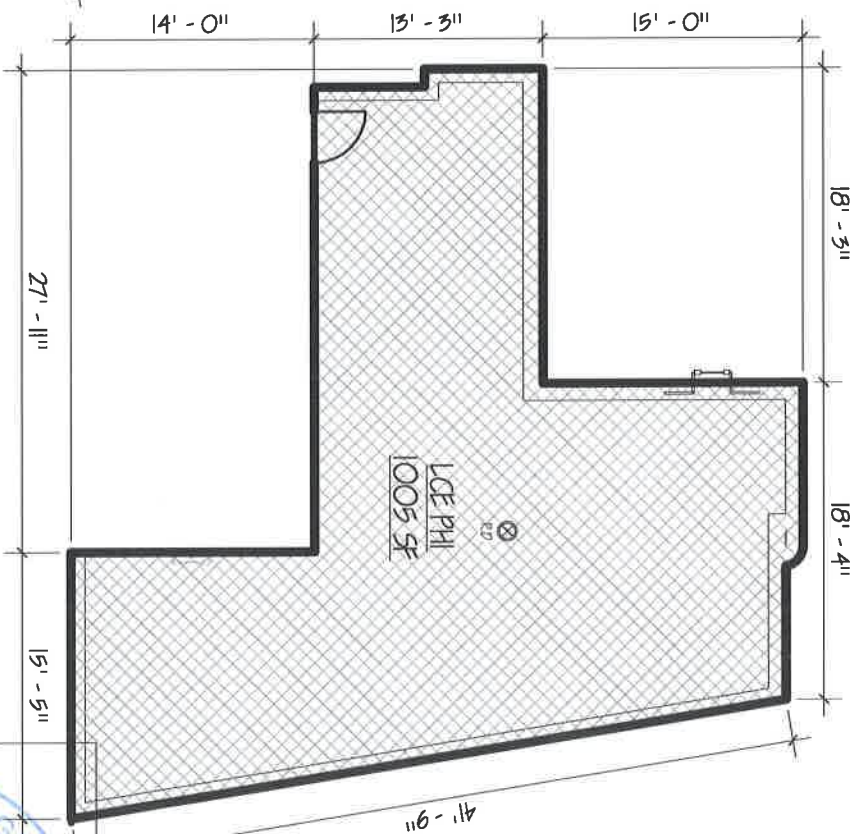
AREA OF UNIT TYPE PH1 1373 SF
 AREA OF LCE's 1348 SF



3 KEY PLAN - UNIT PH1
 1" = 60'-0"



1 UNIT PH1
 3/32" = 1'-0"



2 UNIT PH1 LCE
 3/32" = 1'-0"



DATE:
 12/16/2019
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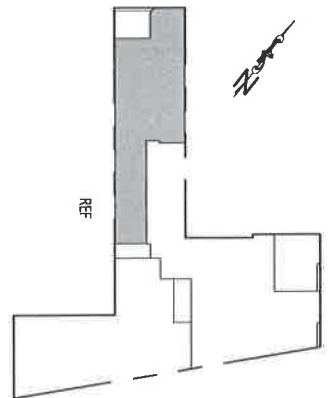
C-022
 UNIT PH1
 As indicated

PROJECT# PROJECT
 17-008 101 E 2ND STREET
 NY, NY

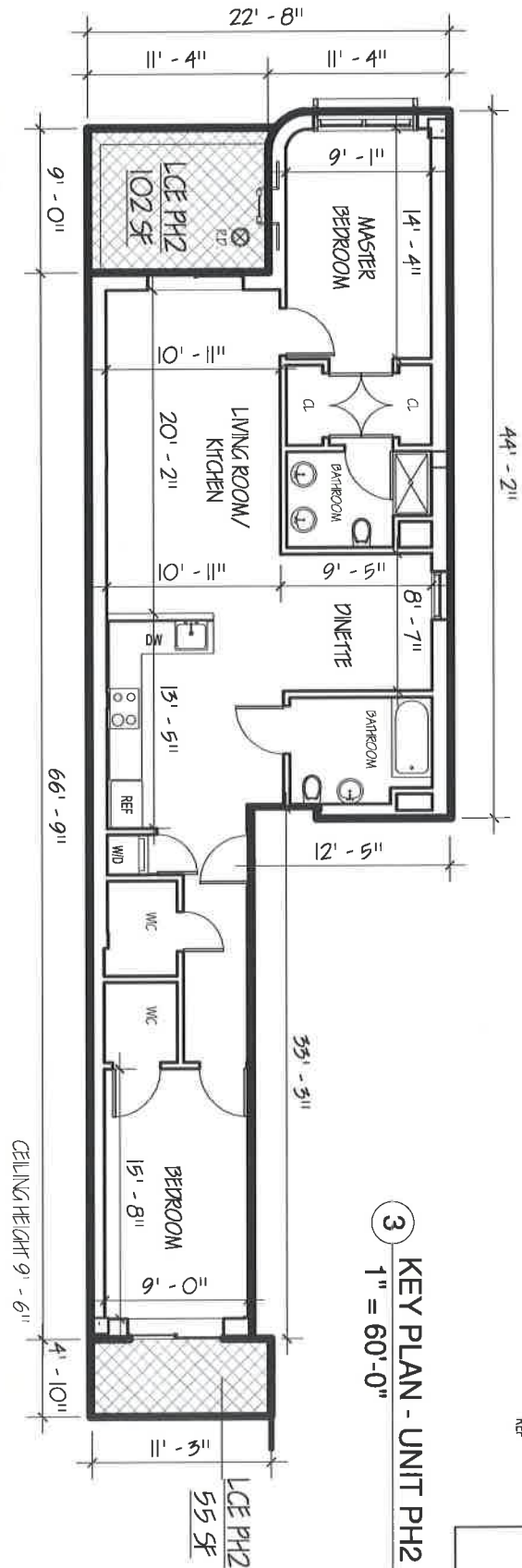
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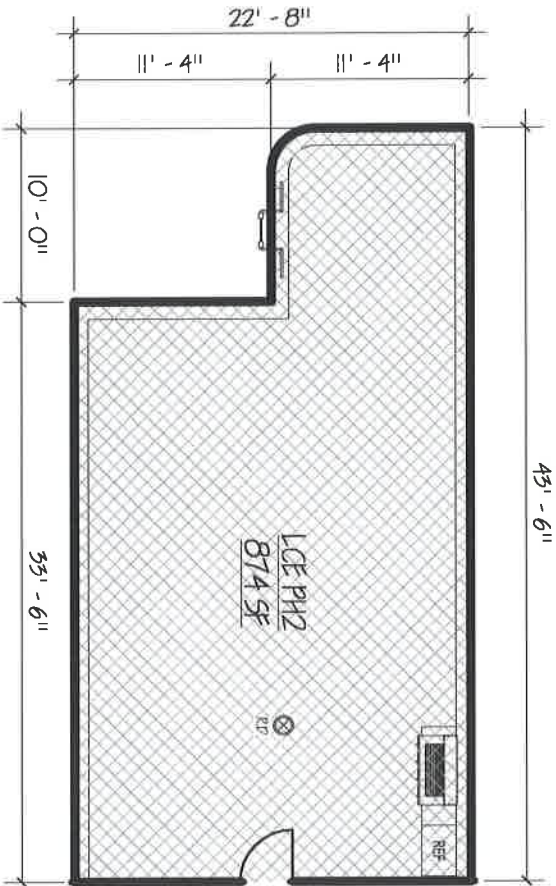
AREA OF UNIT TYPE PH2 1214 SF
AREA OF LCE'S 1031 SF



3 KEY PLAN - UNIT PH2
1" = 60'-0"



1 UNIT PH2
3/32" = 1'-0"



2 UNIT PH2 LCE
3/32" = 1'-0"



DATE:
12/16/2019
9:16:20 AM

C-023
UNIT PH2
As indicated

PROJECT# PROJECT
17-008 101 E 2ND STREET
NY, NY

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FORM OF PURCHASE AGREEMENT

THE 101 CONDOMINIUM 101 East 2nd Street New York, NY 10009

THIS PURCHASE AGREEMENT, (hereinafter called this "Agreement"), made as of the _____ day of _____, 20__, between Sponsor, Purchaser and Escrow Agent, as defined below.

Unit No.: _____
Common Interest: _____ %

Sponsor: 24 1st Avenue Project LLC
1817 Emmons Avenue, 2nd fl., Suite 1
Brooklyn, NY 11235

Sponsor's Attorney Mikhail Litt, Esq.
TSYNGAUZ & ASSOCIATES, P.C.
894 6th Avenue, 3rd fl.
New York, NY 10001
ph. (212) 337-9770; fax (212) 337-9773; e-mail mlitt@nytlaw.com

Purchaser: _____

Soc. Sec. No. _____

Manner in which title to be taken: _____

Purchaser's Attorney _____

Brokers: _____

For good and valuable consideration, receipt of which is hereby acknowledged, Sponsor, Purchaser and Escrow Agent agree as follows:

1. THE PLAN

Sponsor has promulgated a condominium offering plan, (as amended to date hereinafter called the "Plan"), for The 101 Condominium, having an address at 101 East 2nd Street, New York, NY 10009, (hereinafter called the "Building"), pursuant to which the Building and the land upon which the Building is situated, (hereinafter called the "Land"), (the Building and the Land are collectively hereinafter called the "Property"), will be submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act").

Purchaser acknowledges having received and read a copy of the Plan and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, including, without limitation the plans and specifications for the Unit and the Building, the Schedules, the Declaration, By-Laws and Rules and Regulations contained therein, at least three (3) business days prior to Purchaser's signing of this Agreement.

The Plan, including, the plans and specifications for the Unit and the Building, the Schedules, the Declaration, By-Laws and Rules and Regulations contained therein as well as all amendments to the Plan duly filed by Sponsor are incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length.

2. UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit as designated above, together with its undivided interest in the Common Elements appurtenant to the Unit, (the Unit and its undivided interest are collectively hereinafter called the "Unit").

3. PURCHASER'S RIGHT TO RESCIND THIS AGREEMENT

If (i) the actual date of closing of title to the first Residential Unit, or (ii) the projected date of closing of title to the first Residential Unit occurs later than twelve (12) months after the projected date for the first closing, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. If the Plan is amended to provide for a later projected date for the first closing, and the first closing occurs more than twelve (12) months beyond that amended, later date, Sponsor will also offer Purchaser a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day.

In the event however, Sponsor cannot convey title to the Unit on or before twenty four (24) months from the date of this Agreement, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day.

If the actual or projected date of the commencement of the first year condominium operations is delayed by more than six (6) months from the budget year projected in the Plan, Sponsor will amend the Plan to include a revised budget disclosing amended projections. If such amended projections exceed the original projections by 25% or more, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following receipt of Sponsor's offer to rescind. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day.

If there is a material amendment to the Plan that adversely affects Purchaser, Sponsor will offer Purchaser a right of rescission until the midnight of the fifteenth day following service of the amendment. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day.

If this Agreement is rescinded by Purchaser pursuant to this Section 3, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, except that the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be refunded to Purchaser within ten (10) days after receipt of written notice of rescission.

4. PURCHASE PRICE

4.1 Purchaser shall pay to Sponsor the sum of _____ Dollars (\$_____), (hereinafter called the "Purchase Price"), payable as follows:

- (a) _____ Dollars (\$_____) as a downpayment under this Agreement, (hereinafter called the "Deposit"), upon Purchaser's signing and delivering this Agreement, by a check subject to collection;
- (b) _____ Dollars (\$_____) as an advance for upgrades, extras, special or custom work in the Unit ordered by Purchaser, (hereinafter called the "Advance"), upon Purchaser's signing and delivering this Agreement, by a check, subject to collection, if any;
- (c) _____ Dollars (\$_____), (hereinafter called the "Balance of the Purchase Price"), at the Closing hereinafter defined, by a certified or bank check.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit and the Advance, if any, shall be made payable to the direct order of "TSYNGAUZ & ASSOCIATES, P.C., as Escrow Agent". The Balance of the Purchase Price shall be made payable to the direct order of "24 1st Avenue Project LLC" (or such other party as Sponsor directs to Purchaser, in writing, at least one (1) business day prior to the Closing).

5. DEPOSIT TO BE HELD IN ESCROW ACCOUNT

5.1 The law firm of TSYNGAUZ & ASSOCIATES, P.C., having an address at 894 6th Avenue, 3rd fl., New York, NY 10001 and telephone number (212) 337-9770, shall serve as escrow agent, (hereinafter called "Escrow Agent"), for Sponsor and Purchaser.

5.2 Escrow Agent has established the escrow account at Capital One, N.A., having an address at 6521 18th Avenue, Brooklyn, NY 11204, a bank authorized to do business in the State of New York. The escrow account is entitled "TSYNGAUZ & ASSOCIATES, P.C., Escrow Account, IOLA", (hereinafter called the "Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000.00 per deposit. Any deposit in excess of \$250,000.00 will not be insured.

5.3 The Escrow Account is a non-interest bearing account established pursuant to Section 497(4)(a) of the Judiciary Law of the State of New York. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

5.4 Escrow Agent has designated Yevgeny Tsyngauz and Mikhail Litt to serve as signatories. All designated signatories are admitted to practice law in the State of New York. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent (as those terms defined in the Plan), or any principal thereof, or has any beneficial interest in any of the foregoing.

5.5 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 or release of the Deposit and the Advance, if any, from the Escrow Account.

5.6 All Deposits and Advances, if any, received from Purchaser shall be in the form of a check and shall be made payable directly to the order of "TSYNGAUZ & ASSOCIATES, P.C., as Escrow Agent". Any check payable to, or endorsed other than as required hereby, and which cannot be deposited in the Escrow Account shall be returned to Purchaser promptly, but in no event more than five (5) business days following receipt of such check by the Escrow Agent. In the event of such return of the Deposit and/or the Advance, if any, the check shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

5.7 Within five (5) business days after this Agreement has been tendered to Escrow Agent along with the Deposit and the Advance, if any, Escrow Agent shall sign this Agreement and place the Deposit and the Advance, if any, into the Escrow Account. Within ten (10) business days of the placing the Deposit and the Advance, if any, in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the deposit and disclosing the account number. The Advance, if any, shall be initially deposited into the Escrow Account, and released in accordance with the terms of this Agreement.

5.8 Escrow Agent is obligated to send notice to Purchasers once the Deposit and Advance, if any, are placed in the Escrow Account. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit and the Advance, if any, Purchaser may cancel this Agreement within ninety (90) days after tender of this Agreement and the Deposit and the Advance, if any, to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the Department of Law of the State of New York Real Estate Finance Bureau, 28 Liberty Street, New York, NY 10005, (hereinafter called the "Department of Law"). Rescission shall not be afforded where proof satisfactory to the Department of Law is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the Department of Law's regulations concerning deposits and requisite notice was timely mailed to Purchaser.

5.9 All Deposits, but not the Advance received in connection with this Agreement, are and shall continue to be Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, as per Section 352-h of the General Business Law of the State of New York. Advances for upgrades cease to be Purchaser's money when the funds are used in commission of the upgraded work.

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

5.11 Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in this Agreement upon the Closing; 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 Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and Escrow Agent shall provide further written notice to both parties informing them of said release. If Escrow Agent receives a written notice from either party objecting to the release

of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) 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 New York County and shall give written notice to both parties of such deposit.

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

- (a) if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; or
- (b) 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. Escrow Agent shall make available to the Department of Law, upon request, all books and records of the Escrow Agent relating to the funds deposited and disbursed hereunder.

5.12 Any provision of this Agreement or separate agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of Escrow Agent holding any Deposit in trust is absolutely void. The provisions of applicable regulations of the Department of Law and Sections 352-e(2-b) and 352-h of the General Business Law of the State of New York concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in this Agreement, Plan, or any amendment thereto.

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

5.14 A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to Sections 352(e)(2-b) and 352(h) of the General Business Law of the State of New York.

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

5.16 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in Sections 352-(e)(2-b) and 352-(h) of the General Business Law of the State of New York and applicable regulations of the Department of Law.

5.17 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.

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

5.19 Escrow Agent shall maintain all records concerning the Escrow Account for seven (7) years after release of the Deposit.

5.20 Upon 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 Department of Law of such transfer.

5.21 Sponsor agrees that Sponsor and its agents, including Selling Agent, shall deliver the Deposit and the Advance, if any, received by them to Escrow Agent within two (2) business days of tender of the Deposit and the Advance, if any, by Purchaser.

5.22 Sponsor shall have the right to cancel designation of Escrow Agent to act in said capacity by written notice given by Sponsor to Escrow Agent. The 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 Department of Law. Purchaser shall be deemed to have consent to such cancellation.

5.23 Escrow Agent shall have the right to resign. The resignation of Escrow Agent 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 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.

5.24 Upon termination of the duties of Escrow Agent as described in paragraph 5.22 or 5.23 above, Escrow Agent shall deliver the Deposit held by Escrow Agent and any other documents maintained by Escrow Agent relating to the Deposit to the successor escrow agent.

6. CLOSING DATE AND PLACE

6.1 The Closing shall be held at the offices of Sponsor's attorney, as defined above, or such other place in the City and State of New York as Sponsor may designate and:

Strike Inapplicable:

- () on such date and hour as Sponsor may designate on not less than thirty (30) days' prior written notice, (hereinafter called the "Initial Closing Notice").
- () on _____, at _____

If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorney at the Closing an extra fee as set forth in the Plan. After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for the Closing on not less than five (5) business days' notice to Purchaser, which new closing notice shall fix a new date, hour and place for the Closing and which date shall not be earlier than the date set forth in the Initial Closing Notice.

Only the Initial Closing Notice shall require thirty (30) day prior written notice. Notwithstanding anything to the contrary, if a firm closing date is set forth in this Agreement, and such date is within thirty (30) days of the execution of this Agreement, Purchaser shall be deemed to have waived thirty (30) day notice requirement. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser.

6.2 The term "Closing" shall mean the date on which the deed to the Unit is delivered to Purchaser upon payment of the Balance of the Purchase Price.

7. CLOSING DOCUMENTS

7.1 At the Closing, Sponsor shall deliver to Purchaser the following:

- (a) bargain and sale deed with covenants against grantor's acts substantially in the form set forth in Part II of the Plan conveying to Purchaser title to the Unit free and clear of all liens, encumbrances and title exceptions other than Permitted Exceptions set forth in Exhibit A to this Agreement. The deed shall be executed and acknowledged by Sponsor and Purchaser in proper statutory form for recording;
- (b) a statement by the Condominium or its managing agent that the common charges and any assessments then due and payable the Condominium have paid to the date of the Closing;
- (c) New York City Real Property Transfer Tax Return (NYC-RPT), prepared, executed and acknowledged by Sponsor in proper statutory form for submission;
- (d) Combined Real Property Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from Payment of Estimated Personal Income Tax (TP-584), prepared and executed by Sponsor in proper statutory form for submission;
- (e) Real Property Transfer Report (RP-5217NYC), prepared and executed by Sponsor in proper statutory form for submission;

- (f) affidavit that a single station smoke detecting alarm device is installed pursuant to Section 378(5) of the Executive Law of the State of New York, prepared, executed and acknowledged by Sponsor in proper statutory form for submission;
- (g) certification that Sponsor is not a foreign person in compliance with Section 1445 of the Internal Revenue Code, as amended, or any successor provision or regulation promulgated thereunder, prepared, executed and acknowledged by Sponsor;
- (h) such affidavits and/or evidence as the title company, (hereinafter called the "Title Company") from which Purchaser has ordered a title insurance report and which is authorized to do business in the State of New York shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against Sponsor and persons or entities whose names are similar to Sponsor's name;
- (i) all keys to the doors of, and mailbox for, the Unit;
- (j) the assignment by Sponsor to Purchaser of the right to proceed under any existing assignable warranties actually received by Sponsor, its agents, affiliates, employees or contractors, covering appliances, equipment or fixtures installed in the Unit. Neither Sponsor nor its principals, managers, members, agents, designees or affiliates make any representation as to which, if any, of the warranties will continue to remain in force upon the Closing. If any warrantor is unable to perform under its warranty due to inability, unwillingness or any other reason, neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall under any circumstances be considered a successor warrantor. Neither Sponsor nor its principals, managers, members, agents, designees or affiliates shall have any obligations or responsibilities with respect to such warranties, or the work or item warranted, even if the warrantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty. Recourse is only to the warrantor and not to Sponsor, its principals, managers, members, agents, designees or affiliates.

7.2 At the Closing, Purchaser shall deliver to Sponsor the following:

- (a) power of attorney in the form set forth in Part II of the Plan. The power of attorney shall be executed and acknowledged by Purchaser in proper statutory form for recording;
- (b) New York City Real Property Transfer Tax Return (NYC-RPT), executed and acknowledged by Purchaser in proper statutory form for submission;
- (c) Combined Real Property Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from Payment of Estimated Personal Income Tax (TP-584), executed by Purchaser in proper statutory form for submission;
- (d) Real Property Transfer Report (RP-5217NYC), executed by Purchaser in proper statutory form for submission;

- (e) affidavit that a single station smoke detecting alarm device is installed pursuant to Section 378(5) of Executive Law of the State of New York, executed and acknowledged by Purchaser in proper statutory form for submission;
- (f) affidavit in lieu of registration pursuant to the Multiple Dwelling Law of the State of New York, each in proper form for submission, executed and acknowledged by Purchaser in proper statutory form for submission;
- (g) such affidavits and/or evidence as the Title Company shall reasonably require;
- (h) checks in payment of the Balance of the Purchase Price;
- (i) checks in payment of all closing adjustments and closing costs required to be paid by Purchaser as set forth in the Plan or in this Agreement, including, without limitation, checks in payment of all applicable New York City and New York State real property transfer taxes.

7.3 The executed deed, power of attorney and all transfer tax forms shall be delivered to the Title Company for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium.

7.4 Purchaser's payment of the Balance of the Purchase Price and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to the Closing. However, nothing herein contained shall excuse Sponsor from performing those obligations, if any, expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of Purchaser's rights under Article 23-A of the General Business Law of the State of New York, the Plan, and applicable regulations of the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing, Sponsor shall convey to Purchaser, and Purchaser shall accept such fee title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in the deed and Schedule A, annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in the deed or Schedule A shall not be an objection to title if:

- (a) the instrument required to remove it of record is delivered at or prior the Closing to the Title Company, together with the attendant recording or filing fee, if any, or
- (b) the Title Company is or would be willing, in a policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

Sponsor shall not be obligated to cause the Title Company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exceptions.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in the deed or Schedule A. However, if such defect existed at least ten (10) days prior to the Closing, and Purchaser or Purchaser's attorney failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the Closing, then, for purposes of Section 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.3 If, subsequent to the Closing, Purchaser claims that Sponsor did not convey title to the Unit in accordance with the Plan, Purchaser must first seek recovery against the Title Company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by the Title Company. If Purchaser did not obtain the title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from the Title Company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law of the State of New York.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of the midnight of the day preceding the Closing with respect to the Unit:

- (a) real estate taxes and assessments, if any, on the basis of the period for which assessed;
- (b) common charges and assessments for the month in which the Closing occurs; and
- (c) if Purchaser is allowed to occupy the Unit prior to the Closing, accrued occupancy fees and any other charges pursuant to an interim lease, if any, covering the Unit.

9.2 In the event that the Units have not been separately assessed for real estate tax purposes prior to the 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 real estate taxes attributable to the Unsold Units, which will be levied against them for the six (6) month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers shall pay the real estate taxes from the escrow account when taxes are due and payable, and Sponsor shall be entitled to reimbursement from Unit Owners to the extent of the actual assessment. If the Unit has not been separately assessed for real estate taxes as of the Closing for the then current tax period, the adjustment will be based upon the assessment for the Property and the percentage interest in the Common Elements

appurtenant to the Unit. Installments for tax assessments due after delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

9.3 Purchaser agrees that, if Sponsor obtains a refund for real property taxes paid, or there is a deficiency in the taxes, Purchaser and Sponsor will apportion the refund/deficiency (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit. The provisions of this Section 9.3 shall survive the Closing.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing:

- (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of the midnight of the day preceding the originally scheduled Closing, regardless of when the actual Closing occurs, and
- (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from and including the originally scheduled Closing to and including the day before the actual Closing. The interest rate charged will not exceed maximum legal usury limits.

If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing, these provisions shall apply to the rescheduled Closing if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be.

9.6 Any errors or omissions calculating apportionments at the Closing shall be corrected, and any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing.

10. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Real Property Law of the State of New York, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at the Closing, Purchaser obtaining a financing secured by the Unit will be required to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount.

11. CLOSING COSTS

In addition to those costs and adjustments described in Sections 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in "Unit Closing Costs and Adjustments" Section of the Plan. All such closing costs shall be paid by Purchaser at the Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association. No personal check shall exceed \$500.00.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Building or the Unit as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses.

At the time of conveyance of the Unit, each mortgagee will either:

- (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to the Unsold Units;
- (b) subordinate the lien of its mortgage to the Declaration of the Condominium; or
- (c) release its lien on the Unit being conveyed and its interest in the Common Elements.

The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgages are subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

- (a) Purchaser's failure to pay the Balance of the Purchase Price, or any closing adjustment or closing costs required to be paid by Purchaser as set forth in

- the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or
- (b) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or
 - (c) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay occupancy fees or to otherwise comply with some other terms of interim lease; or
 - (d) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or
 - (e) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or
 - (f) if a judgment or tax lien is filed against Purchaser, and Purchaser does not pay or bond the judgment or lien; or
 - (g) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or
 - (h) Purchaser's listing the Unit for resale or rental with any broker or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent; or
 - (i) Purchaser's refusal to execute and deliver the power of attorney to Sponsor; or
 - (j) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit in the Building.

13.2 TIME IS OF THE ESSENCE with respect to Purchaser's obligations to pay the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to cancel this Agreement. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the written notice of cancellation to cure the specified default.

If the default is not cured within said thirty (30) days, **TIME BEING OF THE ESSENCE**, then this Agreement will be deemed cancelled, and Sponsor will have the right to retain the Deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages. Upon the cancellation of this Agreement, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

Sponsor shall not seek the remedy of specific performance in connection with this Agreement.

13.3 Except in connection with the exercise of the Purchaser's right to specific performance, Purchaser hereby waives any right or privilege to place a lis pendens upon the Unit and, accordingly, notwithstanding anything contained herein to the contrary, Purchaser shall be liable for all damages, including, without limitation, treble damages, relating to the Purchaser's failure to comply with the terms of this Section 13.3. This Section 13.3 shall survive the termination of this Agreement.

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be returned to Purchaser within five (5) days of the acceptance of the abandonment amendment. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, this Agreement shall be deemed cancelled and the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be returned to Purchaser within five (5) days of Sponsor's notification to Purchaser that it cannot convey title. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property, which are described in the Plan as being included in the Unit, are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION OF THE BUILDING AND THE UNIT

17.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the plans and specifications, subject to the right of Sponsor to amend the Plan and the plans and specification in order to substitute materials, equipment or fixtures of equal or better quality,

provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a permanent certificate of occupancy for the Building shall be deemed rebuttable evidence that the Building and the Unit have been fully completed in accordance with the Plan and the plans and specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in "Rights and Obligations of Sponsor" Section of the Plan.

17.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and plans and specifications as indicated in "Rights and Obligations of Sponsor" Section of the Plan and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

17.3 The Closing shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" Section of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the entire Balance of the Purchase Price, without credit or set-off and without provision for escrow, notwithstanding any construction items noted on Purchaser's Inspection Statement (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the first closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in "Terms of Sale" Section of the Plan. Purchaser acknowledges that construction of the Building may be delayed by acts of God, inclement weather conditions, restrictions imposed by any governmental agency, labor strikes, material shortages, late delivery of material or equipment, unavailability of trades, and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the first closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the entire Balance of the Purchase Price, without credit or set-off and without provision for escrow, and shall have no claim against Sponsor for damages or losses, in the event that the first closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Unit within seven (7) days prior to the Closing. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement in the form set forth as Schedule B to this Agreement and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within seven (7) days prior to the

Closing or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor" Section of the Plan.

18.2 Any work set forth on the Inspection Statement may be completed by Sponsor in a reasonable period of time following the Closing and shall not be grounds for delaying the Closing. Purchaser will be required to provide Sponsor with reasonable access to the Unit subsequent to the Closing in order to complete punch-list work. Sponsor has no obligation under the Plan to deposit any monies in escrow at the Closing as a result of any punch-list items.

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing the Unit is damaged by fire or other casualty, the following shall apply:

19.1 Risk of loss from fire or other casualty remains with Sponsor until legal title to the Unit has been conveyed to Purchaser, unless Purchaser, with the prior written consent of Sponsor, takes possession of the Unit before the closing pursuant to the Interim Lease. In such a case, Purchaser will assume risk of loss not covered by insurance.

Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be in its sole discretion and made within sixty (60) days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall complete the repair or restoration within ninety (90) days after the notice. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board of Managers of the Condominium and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within sixty (60) days of the damage to the Unit), or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and the Deposit, the Advance and all other monies paid on account of the Purchase Price shall be returned to Purchaser within thirty (30) business days of Sponsor's notification to Purchaser that it does not elect to repair or restore the Unit or Unit Owners' notification that they do not intend to repair or restore the Unit pursuant to the By-Laws, whichever is sooner. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain the Deposit and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated proportionate real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

Except as otherwise set forth in the Plan, Purchaser agrees that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error.

The provisions of this Section 20 shall survive the Closing.

21. PROHIBITION AGAINST ADVERTISING

Prior to the Closing, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Section 22 shall survive the Closing.

23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, which consent may be withheld for any reason. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor and be deemed a default of Purchaser. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor.

Sponsor may not withhold permission for the assignment of the Purchase Agreement based upon race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

24. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been sent out to Purchaser or Purchaser's attorney.

Within thirty (30) days after delivery by Purchaser of an executed copy of this Agreement, together with the Deposit and the Advance, if any, Sponsor shall either:

- (a) accept this Agreement and cause to be returned to Purchaser the fully executed counterpart thereof, or
- (b) reject this Agreement offer and refund the Deposit and the Advance, if any, tendered.

If Sponsor takes no action within said thirty (30) day period, this Agreement shall be deemed null and void. Upon refund of the Deposit and the Advance, if any, to Purchaser, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser.

Notwithstanding anything to the contrary, this Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other grounds proscribed by law.

25. NOTICES

25.1 Any notice, election, demand, request, letter, consent or other communication to Purchaser, hereunder or under the Plan, shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed or via facsimile with a confirmation letter, to Purchaser's attorney at the address given at the beginning of this Agreement.

Any notice, election, demand, request, letter, consent or other communication to Sponsor, hereunder or under the Plan, shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed or via facsimile with a confirmation letter, to Sponsor's attorney at the address given at the beginning of this Agreement.

Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent.

Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected, or in the case of mailing, three (3) business days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

25.2 Any notice given by the other party's attorney shall be deemed to be notice from such party itself. Any notice given to the other party's attorney shall be deemed to be notice to such other party.

25.3 The parties hereunder authorize their attorneys to modify this Agreement on behalf of the parties and such modification shall be have the same force and effect as if given by the parties.

26. JOINT PURCHASERS

The term "Purchaser" shall be read as "Purchasers" if more than one person are Purchasers, in which case their obligations shall be joint and several.

27. LIABILITY OF SPONSOR

Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. AGREEMENT CONTINGENT UPON FINANCING

(a) The obligation of Purchaser to purchase under this Agreement is conditioned upon issuance, on or before forty five (45) days after a fully executed copy of this Agreement is given to Purchaser or Purchaser's attorney in the manner set forth in Section 25 or 29(j), (hereinafter called the "Commitment Date"), of a written commitment from:

Popular Mortgage
85 Broad Street, 12th fl.
New York, NY 10004
Attn.: Phillip J. Robles
Tel: (917) 405-4536
Fax: (212) 417-6874
Email: Probles@popular.com

(hereinafter called the "Preferred Lender"), pursuant to which the Preferred Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, in the amount of \$_____ for a term of at least thirty (30) years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms, (hereinafter called the "Commitment"). To the extent a Commitment is conditioned on Preferred Lender's approval of an appraisal, the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met. Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this Agreement even if the Commitment lapses or expires prior to the Closing, except as mentioned in Section 29(c), the Preferred Lender fails or refuses to fund the loan or revokes the Commitment for any reason, including, but not limited to, a change in Purchaser's financial condition or employment, or Purchaser's inability or refusal to pay all required costs, fees and expenses to extend the Commitment up to the Closing.

PURCHASER UNDERSTANDS THAT PURCHASER IS FREE TO SEEK FINANCING DIRECTLY FROM OTHER LENDERS, EITHER SOLELY OR PARALLEL WITH THE APPLICATION TO THE PREFERRED LENDER, BUT THE CONTINGENCY CONTAINED IN THIS SECTION 29 SHALL ONLY APPLY IF AN APPLICATION ON THE ABOVE-SPECIFIED TERMS IS MADE IN GOOD FAITH TO THE PREFERRED LENDER AND IS DILIGENTLY PURSUED. THEREFORE,

REFUSAL BY ANY LENDER TO MAKE A COMMITMENT TO PURCHASER WILL NOT ENTITLE PURCHASER TO CANCEL THIS AGREEMENT OR RECEIVE A REFUND OF THE DEPOSIT.

(b) Purchaser shall (i) make prompt application to the Preferred Lender, for such mortgage loan within five (5) days after the fully executed copy of this Agreement is given to Purchaser or Purchaser's attorney in the manner set forth in Section 25 or 29(j), (ii) furnish to the Preferred Lender accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with the Preferred Lender. Purchaser shall accept a Commitment meeting the terms set forth in Section 29(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). **IF PURCHASER FAILS TO COMPLY WITH THESE OBLIGATIONS AND REQUIREMENTS, PURCHASER SHALL BE DEEMED TO HAVE WAIVED PURCHASER'S RIGHT TO CANCEL THIS AGREEMENT AND TO RECEIVE A REFUND OF THE DEPOSIT BY REASON OF THE CONTINGENCY CONTAINED IN THIS SECTION 29.** Purchaser shall furnish Sponsor with a copy of the Commitment promptly after receipt thereof.

(c) If a Commitment was issued but it lapsed or expired prior to the Closing, Purchaser shall make a good faith effort to extend the Commitment and pay all required costs, fees and expenses to extend the Commitment up to the Closing. In no event whatsoever will Sponsor be liable for any costs, fees or expenses relating to the extension of the Commitment, even if the lapse or expiration of the Commitment resulted from a delay in the closing caused by Sponsor. If a Commitment was issued but its terms were not materially and adversely changed prior to the closing, Purchaser shall nevertheless be required to purchase a Unit.

Notwithstanding anything to the contrary stated anywhere in this Agreement, if a Commitment was issued but it lapsed or expired prior to the Closing, and Purchaser has made a good faith effort to extend the Commitment, but the Preferred Lender nevertheless refused or failed to extend the Commitment, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Preferred Lender of its failure or refusal to extend the Commitment. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel this Agreement and to receive a refund of the Deposit by reason of the contingency.

Notwithstanding anything to the contrary stated anywhere in this Agreement, if Purchaser acts in good faith and the Preferred Lender revokes a Commitment after the Commitment Date, Purchaser will have a right of rescission until the midnight of the fifteenth day following notice from the Preferred Lender of its revocation of the Commitment. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt

requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day. If Purchaser fails to give timely notice of cancellation, then Purchaser will be deemed to have waived Purchaser's right to cancel this Agreement and to receive a refund of the Deposit by reason of the contingency.

(d) If the Preferred Lender denies such application in writing prior to the Commitment Date, Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date, provided that Purchaser has complied with all his obligations under this Section 29. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day.

(e) If no Commitment is issued by the Preferred Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from the Preferred Lender that does not conform to the terms set forth in Section 29(a), Purchaser will have a right of rescission until the midnight of the fifteenth day following the Commitment Date, provided that Purchaser has complied with all his obligations under this Section 29. Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent prior to the midnight of said fifteenth day or mail the notice of rescission by certified or registered mail, return receipt requested, to Sponsor or Selling Agent so that mailing is post-marked by post-office prior to the midnight of said fifteenth day.

(f) If this Agreement is canceled by Purchaser pursuant to Sections 29(c), (d) or (e), neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan, except that the Deposit shall be promptly refunded to Purchaser and except as set forth in Section 22.

(g) If Purchaser fails to give timely notice of cancellation pursuant to Sections 29(c), (d) or (e) or if Purchaser accepts a written commitment from the Preferred Lender that does not conform to the terms set forth in Section 29(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this Agreement and to receive a refund of the Deposit by reason of the contingency contained in this Section 29.

(h) If Sponsor has not received a copy of a Commitment from the Preferred Lender accepted by Purchaser by the Commitment Date, Sponsor may cancel this Agreement by giving notice to Purchaser within five (5) business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such Commitment to Sponsor within five (5) business days after the Commitment Date. After such cancellation, neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this Agreement, except that the Deposit shall be promptly refunded to Purchaser (provided Purchaser has complied with all of his obligations under this Section 29) and except as set forth in Section 22.

(i) The attorneys for the parties are hereby authorized to give and receive on behalf

of their clients all notices and deliveries under this Section 29.

(j) For purposes of Sections 29(a) and (b), Purchaser shall be deemed to have been given a fully executed copy of this Agreement, when personal delivery or delivery by overnight courier is effected, or in the case of ordinary or regular mailing, three (3) business days after the date of mailing.

30. COSTS OF ENFORCING AND DEFENDING AGREEMENT

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

31. SEVERABILITY

If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. STRICT COMPLIANCE

Any failure by either party to insist upon the strict performance by the other of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such party.

33. GOVERNING LAW

The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

34. WAIVER OF JURY TRIAL

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. HOUSING MERCHANT IMPLIED WARRANTY.

The Housing Merchant Implied Warranty (Article 36-B of the General Business Law of the State of New York), does not apply to this offering because the Building consists of more than five (5) stories. Thus, Sponsor will not provide the warranty required by that Article.

NO DISCLAIMER OR LIMITATION OF LIABILITY ON SPONSOR'S PART SHALL APPLY TO SPONSOR'S OBLIGATIONS UNDER ALL APPLICABLE STATUTES, LAWS AND REGULATIONS.

36. SMOKING POLICY OF THE CONDOMINIUM. No smoking shall be permitted in front of the Building and anywhere in the Limited Common Elements and Common Elements. Smoking will be permitted in the Residential Units and Commercial Unit.

37. ENTIRE AGREEMENT

This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

In the event of any inconsistency or conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding.

38. CERTAIN REFERENCES

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

39. CAPTIONS

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

40. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall be binding on Sponsor, Escrow Agent and their respective successors and assigns, and upon Purchaser and Purchaser's permitted successors and assigns.

41. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the Plan.

42. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

43. COUNTERPARTS

This Agreement may be executed in any number of counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement. A PDF, facsimile or electronic signature shall be deemed an original.

IN WITNESS WHEREOF, the parties have duly executed this Agreement the day and year first above written.

Purchaser(s):

Sponsor

24 1st Avenue Project LLC

By:

Escrow Agent

TSYNGAUZ & ASSOCIATES, P.C.

By: Yevgeny Tsyngauz/Mikhail Litt

Exhibit A - Permitted Exceptions

(a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.

(b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.

(c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.

(d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.

(e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.

(f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.

(g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.

(h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.

(i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.

(j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.

(k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.

(l) Zoning Lot Description as recorded in CRFN 2018000173492.

(m) Zoning Lot Certificate as recorded in CRFN 2018000173493.

Exhibit B – Inspection Statement

Date: _____

24 1st Avenue Project LLC
1817 Emmons Avenue, 2nd fl., Suite 1
Brooklyn, NY 11235

Re: Residential Unit No. _____, (hereinafter called the "Unit") in
The 101 Condominium
101 East 2nd Street, New York, NY 10009

Ladies and Gentlemen:

1. On the date hereof, the undersigned, _____,
Purchasers of the Unit, (hereinafter collectively called "Purchaser"), inspected the Unit and have found
the Unit to be in good condition, except as otherwise noted below:

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet
doors, shower heads, toilet seats, kitchen cabinets, vanity knobs, plumbing fixtures, electrical trims and
mechanical chimes will be installed just prior to the date Purchaser moves into the Unit. Purchaser agrees
to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or
items listed above after the closing, Sponsor will be relieved of any and all obligations related to the items
listed herein.

Purchaser

Purchaser

FORM OF INTERIM LEASE

**THE 101 CONDOMINIUM
101 East 2nd Street
New York, NY 10009**

THIS PRE-CLOSING POSSESSION AGREEMENT, (hereinafter called this "Possession Agreement"), made as of the _____ day of _____, 20__, between Sponsor and Purchaser, as defined below.

Unit No.: _____
Common Interest: _____ %

Sponsor: 24 1st Avenue Project LLC
1817 Emmons Avenue, 2nd fl., Suite 1
Brooklyn, NY 11235

Purchaser: _____

Date of
Purchase Agreement: _____

Purchaser desires to have possession of the Unit prior to the Closing, and the parties have agreed to same upon the following terms and conditions:

1. **POSSESSION.** Purchaser shall be entitled to possession as of _____.
2. **CONDITION OF PREMISES.** Purchaser accepts in all respect the Unit in the condition that now exists and will promptly close the purchase of the Unit as provided in the above-mentioned Purchase Agreement.
3. **RISK OF LOSS.** Once Purchaser takes possession of the Unit, Purchaser shall assume risk of loss from fire or other casualty not covered by insurance.
4. **OCCUPANCY FEES.** Purchaser shall pay Sponsor the sum of \$_____ per month in advance commencing on the above possession date, through and including the date of the Closing. Any excess prepaid sums shall be refunded at the Closing or upon Purchaser vacating the Unit as provided herein.
5. **UTILITIES.** Purchaser shall be responsible for all utilities as of the date of possession until the Closing or return of possession to Sponsor.
6. **INSURANCE.** Purchaser shall obtain liability insurance coverage and fire insurance to protect Purchaser's personal belongings as of the date of possession.

7. **ALTERATION OF UNIT.** If Purchaser vacates the Unit without completing the purchase of same, Purchaser shall return the Unit in substantially the same condition in which it was delivered to Purchaser by Sponsor. Purchaser shall be liable for any damages or repairs, ordinary wear and tear excepted, caused by Purchaser during this occupancy of the Unit. Purchaser shall not make any repairs, additions, alterations or improvements without the express written consent of Sponsor, which under no circumstances shall result in any cost or charge to Sponsor even if the above-mentioned Purchase Agreement is terminated.

8. **PERSONAL USE.** Purchaser shall not rent or allow use of the Unit except as a residence for the immediate family of Purchaser.

9. **DEFAULT.** If at any time Purchaser defaults under the above-mentioned Purchase Agreement or this Interim Lease and fails to cure said default within thirty (30) days after receipt of written notice to cure, Sponsor may give written notice to vacate the Unit within (30) days after receipt of written notice of termination of this Interim Lease. Upon receipt of said termination notice, Purchaser shall vacate the Unit within thirty (30) days after receipt of said termination notice and return possession of the Unit, free of any occupants, to Sponsor. Sponsor will continue to retain all of its other rights under the above-mentioned Purchase Agreement and this Interim Lease.

An uncured default under this Interim Lease shall be a default under the Purchase Agreement.

10. **RETURN OF POSSESSION.** If the above-mentioned Purchase Agreement is no longer in effect for any reason, Purchaser shall, within thirty (30) days thereafter, vacate the Unit and return possession of the Unit, free of any occupants, to Sponsor.

For all the purposes of this Interim Lease, even though Purchaser may vacate the Unit, Purchaser shall be deemed to remain in possession until (1) Purchaser delivers the Unit in substantially the same condition as now exists, (2) delivers all keys to Sponsor and (3) removes all property of Purchaser from the Unit.

11. **PENALTIES.**

(a) if Purchaser fails to vacate the Unit and return possession to Sponsor in accordance with this Interim Lease, then Purchaser shall become immediately obligated to pay Sponsor the sum of \$500.00 per day of liquidated damages for each day, or part of each day, that Purchaser continues in possession thereafter.

(b) If legal action becomes necessary for Sponsor to retake possession or recover damages because of Purchaser's breach, Sponsor shall also be entitled to recover reasonable legal fees and disbursements.

(c) If Purchaser defaults under the above-mentioned Purchase Agreement or this Interim Lease, Seller shall have the right to retain the Deposit under the above-mentioned

Purchase Agreement and actual costs incurred by Sponsor for any upgrades, extras, special or custom work in the Unit ordered by Purchaser, as and for liquidated damages.

12. NO LANDLORD-TENANT RELATIONSHIP. This Interim Lease is intended only to give Purchaser the right of possession pending the Closing, and is not intended to establish a Landlord-Tenant relationship.

13. NOTICES. Section 25 of the above-mentioned Purchase Agreement is incorporated herein in its entirety.

14. INCORPORATION. This Interim Lease is in all respects subject to the Purchase Agreement and the Plan. Capitalized terms used but not defined in this Agreement shall have the meanings given to them in the Purchase Agreement and Plan.

15. SMOKING POLICY OF THE CONDOMINIUM. No smoking will be permitted in front of the Building and anywhere in the Limited Common Elements and Common Elements. Smoking will be permitted in the Residential Units and Commercial Unit.

IN WITNESS WHEREOF, the parties have duly executed this Agreement the day and year first above written.

Purchaser(s):

Sponsor

24 1st Avenue Project LLC

By:

FORM OF POWER OF ATTORNEY

The undersigned, _____, the owner of the Condominium Unit _____, (hereinafter called the "Unit"), in the condominium known as The 101 Condominium, having an address at 101 East 2nd Street, New York, NY 10009, (hereinafter called the "Building"), said Unit being known as and by the street number 101 East 2nd Street, Unit No. _____, New York, NY 10009, and designated as Unit No. _____, in that certain declaration dated the _____ day of _____, 20____, made by 24 1st Avenue Project LLC, (hereafter called "Sponsor"), under Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act"), establishing the plan for the condominium ownership of the Building and the land upon which the Building is situated, (hereinafter called the "Land"), (the Building and the Land are collectively hereinafter called the "Property"), recorded in the Office of the Register of the City of New York on the _____ day of _____, 20____ in CRFN _____, (hereinafter called the "Declaration"), and also designated as Tax Lot No. _____ in Block 429 on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by Igor Zaslavskiy, R.A., on the _____ day of _____, 20____, and filed simultaneously with the Declaration in the Office of the Register of the City of New York in CRFN _____ as Map No. _____, (hereinafter called the "Floor Plans"), do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The 101 Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire, in their own name, as members of the Board of Managers, or in the name of its designee, corporate or otherwise on behalf of all Owners of Units in the Property, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, or in the proceeds of the sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall, in their sole discretion, deem proper, and thereafter to convey, sell, lease, sublease, mortgage or otherwise deal with any such Units so acquired by them (but not to vote the votes appurtenant thereto), on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

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

The undersigned do further hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The 101 Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) 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 Sponsor-designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an institutional lender 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 this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as Sponsor or Sponsor-designee shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this _____ day of _____, 20__.

Purchaser

Purchaser

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s) or the person(s) upon behalf of which individual(s) acted, executed the instrument.

Notary Public

FORM OF RESIDENTIAL UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between 24 1st Avenue Project LLC, having an address at 1817 Emmons Avenue, 2nd fl., Suite 1, Brooklyn, NY 11235, (hereinafter called the “Grantor”), and _____, having an address at _____, (hereinafter called the “Grantee”),

W I T N E S S E T H:

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

The Condominium Unit _____, (hereinafter called the “Unit”), in the condominium known as The 101 Condominium, having an address at 101 East 2nd Street, New York, NY 10009, (hereinafter called the “Building”), said Unit being known as and by the street number 101 East 2nd Street, Unit No. _____, New York, NY 10009, and designated as Unit No. _____, in that certain declaration dated the _____ day of _____, 20__, made by the Grantor under Article 9-B of the Real Property Law of the State of New York, (hereinafter called the “Condominium Act”), establishing the plan for the condominium ownership of the Building and the land upon which the Building is situated, which land is described in Schedule A annexed hereto and made a part hereof, (hereinafter called the Land), (the Building and the Land are collectively hereinafter called the “Property”), recorded in the Office of the Register of the City of New York on the _____ day of _____, 20__ in CRFN _____, (hereinafter called the “Declaration”), and also designated as Tax Lot No. _____ in Block 429 on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by Igor Zaslavskiy, R.A., on the _____ day of _____, 20__, and filed simultaneously with the Declaration in the Office of the Register of the City of New York in CRFN _____ as Map No. _____, (hereinafter called the “Floor Plans”).

TOGETHER with an undivided _____% interest in the Common Elements of the Property described in the Declaration, (hereinafter called the “Common Elements”);

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 Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and **SUBJECT TO** all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

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

SUBJECT ALSO TO an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

SUBJECT ALSO TO the transferable development rights which the Grantor has retained for itself, its successors and assignees;

SUBJECT ALSO TO the permitted exceptions set forth in Exhibit A annexed hereto and made a part hereof;

TOGETHER with and **SUBJECT TO** covenants, easements, rights of way, consents, restrictions and encumbrances created by the Declaration;

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, 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, which 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;

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements 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.

This conveyance is made in the regular course of business actually conducted by the Grantor herein.

The term "Grantee" shall be read as "Grantees" whenever the sense of this deed so requires.

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

24 1st Avenue Project LLC

By:

Grantee

Grantee

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which individual acted, executed the instrument.

Notary Public

[illegible]

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s) or the person(s) upon behalf of which individual(s) acted, executed the instrument.

Notary Public

Exhibit A - Permitted Exceptions

- (a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.
- (b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.
- (c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.
- (d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.
- (e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.
- (f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.
- (g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.
- (h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.
- (i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.
- (j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.
- (k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.
- (l) Zoning Lot Description as recorded in CRFN 2018000173492.
- (m) Zoning Lot Certificate as recorded in CRFN 2018000173493.

FORM OF COMMERCIAL UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between 24 1st Avenue Project LLC, having an address at 1817 Emmons Avenue, 2nd fl., Suite 1, Brooklyn, NY 11235, (hereinafter called the "Grantor"), and _____, having an address at _____, (hereinafter called the "Grantee"),

W I T N E S S E T H:

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

The Condominium Unit _____, (hereinafter called the "Unit"), in the condominium known as The 101 Condominium, having an address at 101 East 2nd Street, New York, NY 10009, (hereinafter called the "Building"), said Unit being known as and by the street number 101 East 2nd Street, Unit No. _____, New York, NY 10009, and designated as Unit No. _____, in that certain declaration dated the _____ day of _____, 20__, made by the Grantor under Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act"), establishing the plan for the condominium ownership of the Building and the land upon which the Building is situated, which land is described in Schedule A annexed hereto and made a part hereof, (hereinafter called the Land), (the Building and the Land are collectively hereinafter called the "Property"), recorded in the Office of the Register of the City of New York on the _____ day of _____, 20__ in CRFN _____, (hereinafter called the "Declaration"), and also designated as Tax Lot No. _____ in Block 429 on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by Igor Zaslavskiy, R.A., on the _____ day of _____, 20__, and filed simultaneously with the Declaration in the Office of the Register of the City of New York in CRFN _____ as Map No. _____, (hereinafter called the "Floor Plans").

TOGETHER with an undivided _____% interest in the Common Elements of the Property described in the Declaration, (hereinafter called the "Common Elements");

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 Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and **SUBJECT TO** all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

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

SUBJECT ALSO TO an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

SUBJECT ALSO TO the transferable development rights which the Grantor has retained for itself, its successors and assignees;

SUBJECT ALSO TO the permitted exceptions set forth in Exhibit A annexed hereto and made a part hereof;

TOGETHER with and **SUBJECT TO** covenants, easements, rights of way, consents, restrictions and encumbrances created by the Declaration;

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, 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, which 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;

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for any legal use permitted by the certificate of occupancy of the Building, the Zoning Resolution of the City of New York or other applicable laws, including without limitation, as restaurant, offices and retail spaces;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements 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.

This conveyance is made in the regular course of business actually conducted by the Grantor herein.

The term "Grantee" shall be read as "Grantees" whenever the sense of this deed so requires.

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

24 1st Avenue Project LLC

By:

Grantee

Grantee

STATE OF NEW YORK)
) ss:
 COUNTY OF)

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which individual acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss:
 COUNTY OF)

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the individual(s) or the person(s) upon behalf of which individual(s) acted, executed the instrument.

 Notary Public

Exhibit A - Permitted Exceptions

(a) Zoning laws and regulations and landmark, historic or wetlands designations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.

(b) Consents for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.

(c) The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney to the Board of Managers of the Condominium and the Floor Plans of the Condominium, all as may be amended from time to time.

(d) Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.

(e) Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, copings and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.

(f) Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not render title unmarketable.

(g) The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing.

(h) The lien of any unpaid assessments to the extent of installments thereof payable after the closing.

(i) Liens, encumbrances and title conditions affecting the Common Elements, which do not materially and adversely affect the rights of the Unit Owner to use and enjoy the Common Elements.

(j) Notes or notices of violations of law or governmental orders, ordinances or requirements affecting the Building or the Common Elements (other than the Unit), which the other Unit Owner or the Board of Managers of the Condominium are obligated to correct.

(k) Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Owner's title to the Unit.

(l) Zoning Lot Description as recorded in CRFN 2018000173492.

(m) Zoning Lot Certificate as recorded in CRFN 2018000173493.

DECLARATION

**Establishing the Plan for the Condominium Ownership,
Pursuant to Article 9-B of the Real Property Law of the State of New York, of**

THE 101 CONDOMINIUM

101 East 2nd Street
New York, NY 10009

Declarant:

24 1st Avenue Project LLC
1817 Emmons Avenue, 2nd fl., Suite 1
Brooklyn, NY 11235

Date of Declaration: _____

Record & return to:

Yevgeny Tsyngauz, Esq.
TSYNGAUZ & ASSOCIATES, P.C.
894 6th Avenue, 3rd fl.
New York, NY 10001

The land affected by the within instrument lies

In Block 429, f/k/a Lots 8 and 12
n/k/a Lots: _____

DECLARATION
Establishing the Plan for the Condominium Ownership,
Pursuant to Article 9-B of the Real Property Law of the State of New York, of
THE 101 CONDOMINIUM

24 1st Avenue Project LLC, having an address at 1817 Emmons Avenue, 2nd fl., Suite 1, Brooklyn, NY 11235, (hereinafter called "Sponsor") does hereby declare:

1. SUBMISSION OF PROPERTY. Sponsor hereby submits the land, described on Schedule A annexed hereto and made a part hereof, (hereinafter called the "Land"), together with the building and improvements thereon erected, (hereinafter called the "Building"), (the Building and the Land are collectively hereinafter called the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the "Condominium Act").

Sponsor owns the Property in fee simple absolute.

2. NAME OF CONDOMINIUM. This condominium shall be known as "The 101 Condominium", (hereinafter called the "Condominium").

The Board of Managers of the Condominium is hereinafter called the Board of Managers.

3. AREA OF LAND. The Land has an area of approximately 5,322.00 square feet square feet.

4. DESCRIPTION OF BUILDING. The Building consists of seven (7) floors, a cellar and a sub-cellar. There are twenty two (22) residential units, (hereinafter called the "Residential Units" or "Residential Unit"), and one (1) Commercial Unit, (hereinafter called the "Commercial Unit"), in the Building. The Residential Units and Commercial Unit are collectively hereinafter called the "Units", or the "Unit", where applicable.

5. UNITS. (a) Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; location; permitted usage; percentage of interest in the Common Elements; number of bedrooms and bathrooms; approximate area of appurtenant Limited Common Elements and approximate area of the Unit.

(b) The location of each Unit is more clearly designated on the floor plans, as hereinafter defined, and reference should be made thereto for the statement of the location of each Unit. As shown on the floor plans of the Building, (hereinafter called the "Floor Plans"), certified by Igor Zaslavskiy, R.A., and intended to be filed in the Office of the Register of the City of New York simultaneously with the recording of this Declaration, the horizontal physical dimensions of each Residential Unit and Commercial Unit consist of the floor area enclosed by the outside face of the masonry work at the exterior walls of the Building and the non-unit side of the walls and partitions (dividing the Units from corridors, stairs and mechanical space). The

vertical physical dimensions of each Residential Unit and Commercial Unit will consist of the area enclosed vertically from the centerline of the floor slab to the centerline of the ceiling slab.

The Limited Common Elements are not included in the dimensions.

Any Common Elements located within a Unit will not be considered a part of such Unit.

(c) A Commercial Unit may be subdivided into two (2) or more Commercial Units without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers provided, however, that all such subdivision must comply with all applicable codes, rules and regulations.

(d) If a Commercial Unit is subdivided, (i) a dividing wall or walls will be deemed Limited Common Elements for the exclusive use of the Commercial Unit Owners whose Commercial Units are separated by such walls and will be maintained, repaired or replaced by the Owners of the subdivided Units at their sole expense and as their joint and several obligation and (ii) all pipes, wires, ducts, cables, conduits, public utility lines and mechanical equipment (except equipment installed by the Owner of the subdivided Commercial Unit or tenant of such Owner) used in common by two or more Commercial Unit Owners will maintained, repaired and replaced by the Owners of the subdivided Commercial Units at their sole expense and as their joint and several obligation.

(e) In no case may the subdivision of a Commercial Unit result in a greater percentage of Common Interest for the total of the new Commercial Units created by such subdivision than existed for the original Commercial Unit before the subdivision.

6. COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

A. The Common Elements mean and include:

- (a) The Land on which the Building is located;
- (b) The foundations, columns, girders, beams, supports, chutes, bearing walls, those portions of the exterior walls and insulation beyond the interior exposed face of the exterior wall, those portions of the walls and partitions dividing the Units from corridors, lobbies, stairs, and other mechanical spaces located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the subfloor and framing joists including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkhead; skylights (other than those located in the Unit), if any; roofs, halls, vestibules, corridors, lobbies, stairways, fire escapes, and entrances and exits of the Building;
- (c) The basements, cellars, gardens, utility rooms, mechanical rooms, compactor rooms, pump rooms, meter rooms, sprinkler rooms, boiler rooms, hot water heater rooms, recreation and storage areas outside the Units;

- (d) The premises for the lodging or use of janitors and other persons employed for the operation of the Property;
- (e) The central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning;
- (f) The garbage compactors, elevators, escalators, tanks, pumps, motors, fans compressors, water storage tanks, vents, trash chutes, detention tanks, ducts and in general all apparatus and installations existing for common use;
- (g) The sewer pipes and drainage pipes;
- (h) The water meter and electrical meters;
- (i) The condensing units, cooling towers, boiler plants; and
- (j) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

B. The Limited Common Elements mean and include the balconies and terraces appurtenant to the Units in the Building as shown on Schedule B annexed hereto and made a part hereof.

7. USE OF THE BUILDING, THE UNITS, THE COMMON ELEMENTS AND THE LIMITED COMMON ELEMENTS. The Building shall be used solely for the purposes for which the Units may be used.

Each Residential Unit may be used as a residence only.

The Commercial Unit may be used for any legal use permitted by the certificate of occupancy of the Building, the Zoning Resolution of the City of New York or other applicable laws, including, without limitation, as restaurant, offices and retail spaces.

Notwithstanding the foregoing, Sponsor or Sponsor-designee shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages:

- (a) to maintain general, sales or leasing offices in one or more or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property;
- (b) to have its employees, contractors and sales agents present on the Property;
- (c) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building or Units and to comply with its obligations.

The Common Elements and the Limited Common Elements may only be used for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. However, the Common Elements and the Limited Common Elements may not be used as a dwelling space, and for kindling, building, maintaining or using an open fire, including, without limitation, charcoal, piped natural gas, LPG fired or

electrical barbeques. The use of roof terraces as contemplated in the Plan will comply with the requirements set forth in the New York City Department of Building's Buildings Bulletin 2018-002.

8. DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS. The percentage 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 for exclusive or shared use, and the overall dimensions of the particular Unit. The aggregate percentage of Common Interest is 100%.

9. ENCROACHMENTS. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

10. EASEMENTS.

A. Each Unit Owner shall have an easement in common with the Owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his or her Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit, all Common Elements and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

B. Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants shall have an easement in, on, over and across the Property for:

- (a) construction, installation and development thereon, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the Property, and
- (b) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and
- (c) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

C. Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants:

- (a) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the condominium offering plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and
- (b) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility 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 if Sponsor, Sponsor-designees, successors, assigns, invitees, licensees, contractors, employees and tenants shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, if any, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for its intended purpose. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units, and provided that affected Unit Owners are given at least seven (7) day prior written notice of such access.

All Unit Owners, affected by Sponsor's right to access any Unit, will be given at least seven (7) day prior written notice of such access.

D. The Commercial Unit Owner and any of its tenant or tenants pursuant to the terms of any lease pertaining thereto, shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to install, repair and maintain either within or in the immediate location of such particular Unit at the facade of the front of the Building a sign or signs, which may be illuminated, for advertising or identification purposes. Such Unit Owners and any tenant of space in such Units shall comply with all of the laws,

orders, rules and regulations of the governmental authorities having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or any of its tenant or tenants shall obtain and pay for all permits required for such signs and any necessary renewal fees.

E. Users of any easement granted by subparagraphs B, C and D of this Article 10 shall have the responsibility of repairing any damage resulting therefrom.

11. POWER OF ATTORNEY TO BOARD OF MANAGERS. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to any Unit whose owner desires to surrender the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired.

12. ACQUISITION OF UNITS BY BOARD OF MANAGERS. In the event any Unit Owner shall surrender his or her Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium, (hereinafter called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Shared Percentages of Common Interests. The lease covering any Unit leased by the Board of Managers or its designee, corporate or otherwise shall be held by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, in proportion to their respective Shared Percentages of Common Interests.

13. PERSON TO RECEIVE SERVICE. For the period during which Sponsor is in control of the Board of Managers, 24 1st Avenue Project LLC, having an address at 1817 Emmons Avenue, 2nd fl., Suite 1, Brooklyn, NY 11235, is hereby designated to receive notice of process in any action, which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action, which may be brought against the Condominium, shall be served on the President of the Condominium at the office of the Condominium, having an address at 101 East 2nd Street, New York, NY 10009.

14. UNITS SUBJECT TO DECLARATION, BY-LAWS, AND RULES AND REGULATIONS. All present and future Owners, tenants, subtenants 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 the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and

Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

15. AMENDMENT TO DECLARATION. This Declaration may be amended, modified, added to or deleted from by the affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by 66 2/3% in number and in Common Interest of all Unit Owners, provided, however:

- (a) no amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagees of such Unit, or Units, if any;
- (b) no amendment, modification, addition or deletion of or to the Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee shall consent thereto in writing;
- (c) no amendment of a material adverse nature to mortgagees shall be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages.

A mortgagee shall be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested.

Sponsor hereby reserves to itself and its designees the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the Real Property Law of the State of New York for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p. No such amendment shall be effective until recorded in the Office of the Register of the City of New York.

16. CHANGES IN UNSOLD UNITS. For any Unit owned by Sponsor or Sponsor-designees, if not prohibited by the Condominium Act, Sponsor or Sponsor-designees shall have

the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to:

- (a) make alterations, additions, or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon the Unit;
- (b) change the layout or number of rooms in the Unit;
- (c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and
- (d) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that Sponsor or Sponsor-designees shall comply with all rules, 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.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with Sponsor or Sponsor-designees for a Unit adversely affected as a result of the above changes, if they have not consented to such changes, will be given the right to rescind their Purchase Agreements and receive a refund of any deposit or downpayment. The above changes, if made, will be disclosed in an amendment to the condominium offering plan for the Property. The provisions of this Article 16 may not be added to, amended or deleted without the prior written consent of Sponsor or Sponsor-designees.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

17. INVALIDITY.

A. If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this

Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

B. Subject to the terms of paragraph A of this Article 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of the Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

18. TERMINATION OF CONDOMINIUM. The Condominium may be terminated by casualty loss, condemnation or eminent domain in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the Condominium Act, if authorized by an affirmative vote of Unit Owners who own not less than 80% in number and in Common Interest of the Units. Sponsor or Sponsor-designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least 80% in number and in Common Interests of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Shared Percentages of Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his or her share of such net proceeds all liens on his or her Unit, in the order of priority of such liens.

Notwithstanding anything stated anywhere to the contrary, any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons must be agreed to by mortgagees that represent at least 51% of the votes of the Unit estates that are subject to mortgages. A mortgagee shall be deemed to have consented to any action, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an action within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a "return receipt" requested.

19. COMMON EXPENSES. Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of the Condominium Act, this Declaration or the By-Laws.

20. DEFINITION OF “SPONSOR-DESIGNEE”. The term “Sponsor-designee” as used in this Declaration shall mean any person or entity designated by Sponsor to acquire title to a Unit. A “Sponsor-designee” shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a “Sponsor-designee”.

21. WAIVER. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. CAPTIONS. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

23. 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 shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

24. DEVELOPMENT RIGHTS. Sponsor reserves the right, for itself, its successors and assigns, to sell and transfer floor area, as defined in the Zoning Resolution of the City of New York, (hereinafter called the “Zoning Resolution”), and development rights to other buildings and to retain the entire consideration for such transfer. The term “development rights” shall mean any right under the present or any applicable future zoning law to use such floor area to increase the size of the Building and any rights appurtenant thereto.

Neither any Unit Owner nor the Board shall have any right, title or interest in such floor area and development rights. Neither any Unit Owner nor the Board shall be deemed to be a “party in interest,” as defined in Section 12-10 of the Zoning Resolution of the City of New York, for the purpose of any such transfer, and should not be listed in a Certification of Parties in Interest thereto. Neither a Unit Owner nor the Board shall be a party to any documents for the purpose of any such transfer, including, without limitation, Purchase and Sale of Development Rights Agreement, Zoning Lot Development and Easement Agreement, Declaration of Zoning Lot Restrictions, Waiver of Declaration of Zoning Lot Restrictions, Light and Air Easement.

IN WITNESS WHEREOF, Sponsor has duly executed this Declaration the _____ day of _____, 20__.

24 1st Avenue Project LLC

By:

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____, 20__, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which individual acted, executed the instrument.

Notary Public

**SCHEDULE A
TO THE DECLARATION**

THE 101 CONDOMINIUM
101 East 2nd Street
New York, NY 10009
Block: 429, Lots:

Legal Description of Land

ALL that certain plot, piece or pared of land situate, lying and being in the Borough of Manhattan, County of New York, City and Stale of New York, being bounded and described as follows:

BEGINNING at a point on the easterly side of First Avenue, distant 44 feet southerly from the southeasterly corner of First Avenue and Second Street;

RUNNING THENCE southerly, along First Avenue, 23 feet;

THENCE easterly parallel with Second Street, 100 feet;

THENCE southerly parallel to First Avenue, 33 feet to the southerly boundary of lands conveyed to 24 First Avenue Realty Corp. by a certain deed recorded in Reel 246 at page 9;

THENCE along said southerly boundary, 27.25 feet to the easterly boundary of said lands conveyed to 24 First Avenue Realty Corp.;

THENCE along said easterly boundary, 101.35 feet to the southerly line of Second Street;

THENCE along same, 36.75 feet to a point that is distant 74 feet easterly from the intersection formed by the southerly side of Second Street and the easterly side of First Avenue;

THENCE southerly, along the westerly boundary of the second parcel of lands conveyed to 24 First Avenue Realty Corp. by deed recorded in Reel 192 at page 631, the following courses and distances:

1. Southerly at right angles to Second Street, 22 feet;
2. Easterly parallel with the southerly side of Second Street, one (1) foot; and
3. Southerly and parallel with First Avenue, 22 feet to the northerly line of the first parcel conveyed to 24 First Avenue Realty Corp., by said deed recorded in Reel 192 at page 631;

THENCE westerly, along the northerly line of said first parcel and parallel to Second Street, 75 feet, more or less, to the easterly side of First Avenue, at the point or place of BEGINNING.

**SCHEDULE B
TO THE DECLARATION**

**SCHEDULE C
TO THE DECLARATION**

The 101 Condominium
101 East 2nd Street
New York, NY 10009
Block: 429, Lots:

Description of Units

Unit No.	Tax Lot No.	Floor Location	Usage	Bdrs/Bths	Sq. ft. of Units	Sq. ft. of Limited Common Elements				Shared % of Common Interests	Residential % of Common Interests	Commercial % of Common Interests
						Balcony	Terrace	Roof Terrace	Total			
C1		Cellar/First	Commercial	N/A	5,110.00	None	None	None	0.00	19.35	0.00	100.00
2A		Second	Residential	1/1	614.00	None	None	None	0.00	2.68	3.32	0.00
2B		Second	Residential	2/2	993.00	None	None	None	0.00	4.40	5.46	0.00
2C		Second	Residential	0/1	450.00	None	None	None	0.00	2.06	2.55	0.00
2D		Second	Residential	1/1	856.00	None	None	None	0.00	3.68	4.56	0.00
3A		Third	Residential	1/1	614.00	None	None	None	0.00	2.74	3.40	0.00
3B		Third	Residential	2/2	993.00	78.00	None	None	78.00	4.47	5.54	0.00
3C		Third	Residential	0/1	450.00	55.00	None	None	55.00	2.12	2.63	0.00
3D		Third	Residential	1/1	856.00	None	None	None	0.00	3.74	4.64	0.00
4A		Fourth	Residential	1/1	614.00	None	None	None	0.00	2.80	3.47	0.00
4B		Fourth	Residential	2/2	993.00	78.00	None	None	78.00	4.53	5.62	0.00
4C		Fourth	Residential	0/1	450.00	55.00	None	None	55.00	2.18	2.70	0.00
4D		Fourth	Residential	1/1	856.00	None	None	None	0.00	3.80	4.71	0.00
5A		Fifth	Residential	1/1	614.00	None	None	None	0.00	2.84	3.52	0.00
5B		Fifth	Residential	2/2	993.00	78.00	None	None	78.00	4.56	5.65	0.00

The 101 Condominium
101 East 2nd Street
New York, NY 10009
Block: 429, Lots:

Description of Units

Unit No.	Tax Lot No.	Floor Location	Usage	Bdrs/Bths	Sq. ft. of Units	Sq. ft. of Limited Common Elements				Shared % of Common Interests	Residential % of Common Interests	Commercial % of Common Interests
						Balcony	Terrace	Roof Terrace	Total			
5C		Fifth	Residential	0/1	450.00	55.00	None	None	55.00	2.22	2.75	0.00
5D		Fifth	Residential	1/1	856.00	None	None	None	0.00	3.86	4.79	0.00
6A		Sixth	Residential	1/1	614.00	None	None	None	0.00	2.89	3.58	0.00
6B		Sixth	Residential	2/2	993.00	78.00	None	None	78.00	4.60	5.70	0.00
6C		Sixth	Residential	0/1	450.00	55.00	None	None	55.00	2.26	2.80	0.00
6D		Sixth	Residential	1/1	856.00	None	None	None	0.00	3.90	4.84	0.00
PH1		Seventh	Residential	3/2	1,373.00	78.00	265.00	1,005.00	1,348.00	7.60	9.42	0.00
PH2		Seventh	Residential	2/2	1,214.00	55.00	102.00	874.00	1,031.00	6.72	8.33	0.00
TOTALS:					22,262.00					100.00	100.00	100.00

BY-LAWS OF
THE 101 CONDOMINIUM
101 East 2nd Street
New York, NY 10009

TABLE OF CONTENTS

Article	Title	Page
I.	Plan of Unit Ownership	1
	Sec. 1. Unit Ownership	1
	Sec. 2. Applicability of By-Laws	1
	Sec. 3. Application	1
	Sec. 4. Office	1
II.	Board of Managers	
	Sec. 1. Number, Qualification and Term	1
	Sec. 2. Powers and Duties	2
	Sec. 3. Managing Agent and Manager	5
	Sec. 4. First Board of Managers	5
	Sec. 5. Removal of Members of the Board of Managers	5
	Sec. 6. Vacancies	5
	Sec. 7. Organization Meeting	6
	Sec. 8. Regular Meetings	6
	Sec. 9. Special Meetings	6
	Sec. 10. Waiver of Notice	6
	Sec. 11. Quorum of Board of Managers	6
	Sec. 12. Fidelity Bonds	7
	Sec. 13. Compensation	7
	Sec. 14. Liability of the Board of Managers	7
	Sec. 15. Executive Committee	7
	Sec. 16. Other Committees	8
III.	Unit Owners	
	Sec. 1. Annual Meetings	8
	Sec. 2. Place of Meetings	8
	Sec. 3. Special Meetings	8
	Sec. 4. Notice of Meetings	9
	Sec. 5. Adjournment of Meetings	9
	Sec. 6. Order of Business	9
	Sec. 7. Title to Units	9
	Sec. 8. Voting	9
	Sec. 9. Majority of Unit Owners	10
	Sec. 10. Quorum	10
	Sec. 11. Majority Vote	10
	Sec. 12. Action Without Meeting	10
IV.	Officers	
	Sec. 1. Designation	10
	Sec. 2. Election of Officers	11
	Sec. 3. Removal of Officers	11

	Sec. 4. President	11
	Sec. 5. Vice President	11
	Sec. 6. Secretary	11
	Sec. 7. Treasurer	11
	Sec. 8. Agreements, Contracts, Deeds, Checks, etc.	11
	Sec. 9. Compensation of Officers	12
	Sec. 10. Liability of Officers	12
V.	Notices	
	Sec. 1. Definition	12
	Sec. 2. Service of Notice Waiver	12
	Sec. 3. Service on Mortgagee	12
VI.	Operation of the Property	
	Sec. 1. Determination of Common Expenses and Fixing of Common Charges	12
	Sec. 2. Insurance	14
	Sec. 3. Repair or Reconstruction After Fire or Other Casualty	15
	Sec. 4. Payment of Common Charges	16
	Sec. 5. Collection of Common Charges and Assessments	16
	Sec. 6. Default in Payment of Common Charges or Assessments	17
	Sec. 7. Foreclosure of Liens for Unpaid Common Charges	17
	Sec. 8. Statement of Common Charges and Assessments	17
	Sec. 9. Abatement and Enjoinment of Violations by Unit Owners	17
	Sec. 10. Maintenance and Repairs	18
	Sec. 11. Restrictions on Use of the Units, the Common Elements and the Limited Common Elements	18
	Sec. 12. Additions, Alterations or Improvements by the Board of Managers	20
	Sec. 13. Additions, Alterations or Improvements by Unit Owners	20
	Sec. 14. Use of Common Elements and Facilities	21
	Sec. 15. Right of Access	21
	Sec. 16. Rules of Conduct	22
	Sec. 17. Water Charges and Sewer Rents	22
	Sec. 18. Utilities	22
	Sec. 19. Vault Charges	23
VII.	Mortgages	
	Sec. 1. Notice to the Board of Managers	23
	Sec. 2. Notice of Unpaid Common Charges	23
	Sec. 3. Notice of Default	23
	Sec. 4. Examination of Books	23

VIII.	Sales, Leases, Gifts and Mortgages of Units	
	Sec. 1. Sales and Leases	23
	Sec. 2. No Severance of Ownership	23
	Sec. 3. Financing of Purchase of Units by the Board of Managers	24
	Sec. 4. Gifts and Devises, etc.	24
	Sec. 5. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its designee, on Behalf of All Unit Owners as Tenants in Common	24
	Sec. 6. Payment of Common Charges and Assessments	24
	Sec. 7. Mortgage of Units	24
IX.	Condemnation	
	Sec. 1. Condemnation	24
X.	Records	
	Sec. 1. Records and Audits	25
XI.	Miscellaneous	
	Sec. 1. Invalidity	25
	Sec. 2. Captions	25
	Sec. 3. Gender	25
	Sec. 4. Waiver	25
	Sec. 5. Insurance Trustee	26
	Sec. 6. Definition of "Mortgagee"	26
XII.	Amendments to the By-Laws	
	Sec. 1. Amendment to By-Laws	26
XIII.	Conflicts	
	Sec. 1. Conflicts	26
XIV	Arbitration	
	Sec. 1. Procedure	27
	Sec. 2 Variation by Agreement	27
	Sec. 3 Binding Effect	27
	Sec. 4. Costs and Expenses	27
	Schedule A--Rules and Regulations	28

ARTICLE I PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The land situated in the Borough of Manhattan, City and State of New York, (hereinafter called the “Land”), together with the building and improvements thereon erected, (hereinafter called the “Building”), (the Building and the Land are collectively hereinafter called the “Property”), has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York, (hereinafter called the “Condominium Act”), by the Declaration recorded in the Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby shall hereinafter be known as The 101 Condominium.

The Residential Units and Commercial Unit are collectively hereinafter called the “Units”, or the “Unit”, where applicable.

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term “Property” as used herein shall include the Land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of the Condominium Act.

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Rules and Regulations attached hereto as Schedule A and the provisions of the Declaration.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupying a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations attached hereto and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II BOARD OF MANAGERS

Section 1. Number, Qualification and Term. The affairs of the Condominium shall be governed by a Board of Managers. The number of Managers, which shall constitute the whole Board of Managers, shall be three (3). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners.

Thereafter, all Managers, other than representatives of Sponsor, shall be individuals over 18 years of age who is either a Unit Owner or his or her spouse or a domestic partner residing in the Unit, or a partner in a partnership, if the partnership is a Unit Owner, or a principal of a

corporation, association, trust or other legal entity that may legally own real property in the State of New York, if such entity is a Unit Owner. The Managers shall be elected by the Unit Owners at their annual meetings. There shall always be an odd number of Managers.

The Managers shall be elected by the Unit Owners at their annual meetings. There shall always be an odd number of Managers.

Managers designated by Sponsor shall serve until the election and qualification of Managers elected at the first meeting of Unit Owners. Managers elected at the first meeting of Unit Owners, and at meetings subsequent thereto, shall serve until the next annual meeting of Unit Owners and until the election and qualification of their respective successors.

After the expiration of initial sponsor voting control period, 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.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- (a) contracting for necessary services for the operation, care, upkeep and maintenance of the Common Elements;
- (b) determining the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property;
- (c) collecting the Common Charges and expenses of the Condominium from the Unit Owners;
- (d) employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements;
- (e) adopting and amending the Rules and Regulations covering the details of the operation and use of the Property subject to the right of the Unit Owners to overrule the Board (See Article VI, Section 16);
- (f) opening bank accounts on behalf of the Condominium and designating the signatories required therefor;
- (g) purchasing or otherwise acquiring, in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered surrendered by their Owners to the Board of Managers;
- (h) purchasing Units at foreclosure or other judicial sale in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners;
- (i) acquiring in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation

of the Property as a condominium, as described in the Declaration and these By-Laws;

- (j) selling, leasing, mortgaging (but not voting the votes appurtenant thereto), or otherwise dealing with Units acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners;
- (k) organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners;
- (l) obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof;
- (m) making repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;
- (n) negotiating and settling all claims and actions relating to the Condominium;
- (o) borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that
 - (a) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of \$50,000 and
 - (b) 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 Unit Owner.

If any sum borrowed by the Board of Managers on behalf of the Condominium, pursuant to the authority contained in this paragraph (o), is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his or her interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit;
- (p) levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges;
- (q) notwithstanding anything to the contrary contained in these By-Laws, [i] for a period of five (5) years following the closing date of the first Unit, or [ii] so long as Sponsor or any Sponsor-designee, separately, will continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than 25%, whichever is earlier, the Board of Managers may not, without Sponsor's or Sponsor-designee's prior written consent, as the case may be:
 - (a) increase the number, or change the type, of employees provided for in Schedule B;

- (b) make any addition, alteration or improvement to the Common Elements or to any Unit;
- (c) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the condominium offering plan for the Property to the extent that the aggregate amount of such fund does not exceed 10% of the budgeted expenses of the Condominium; or
- (d) borrow money on behalf of the Condominium (except where necessary to perform work required by applicable law or regulations, or remedy violations or a mortgagee's work order(s) to the extent that existing reserves are insufficient).

If both Sponsor and Sponsor-designee, individually, continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than 25%, they are both entitled to veto power.

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

- (a) amend the Declaration, the By-Laws or the Rules and Regulations attached hereto so as to limit in any way or eliminate rights of Sponsor or Sponsor-designee under the Declaration, the By-Laws or the Rules and Regulations attached hereto; or
- (b) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor or Sponsor-designee.

Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 2(q), Sponsor or Sponsor-designee shall not withhold its consent, or use its veto power:

- (a) to the making of capital repairs or replacements to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations;
- (b) to remedy any notice of violation;
- (c) to remedy any work order by an insurer; or
- (d) to preserve the safety of the Building or the safety and health of its occupants.

Sponsor or Sponsor-designee may not exercise veto power over expenses in Schedule B.

- (r) establishing the reserve fund, which will be used only for capital expenditures. The amount of the reserve fund will be equal to 10% of the projected annual budget of the Condominium, including the reserve amount.

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager, at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the managing agent or manager, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (n), (o) and (p) of Section 2 of this Article II.

Section 4. First Board of Managers. The first Board of Managers shall consist of persons designated by Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds 50% of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created.

At any regular or special meeting of the members of the Board of Managers, any one or more of the members of the Board of Managers may be removed for cause by the affirmative vote of the remaining members of the Board of Managers, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed for cause shall be given an opportunity to be heard at the meeting.

If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is Sponsor or Sponsor-designee, he or she shall be deemed to have resigned, effective as of the date such ownership interest ceased.

If a member of the Board of Managers designated by Sponsor or Sponsor-designee is removed by either the Board of Managers or Unit Owners, then only Sponsor or Sponsor-designee shall have the right to designate a replacement.

Section 6. Vacancies. Vacancies on the Board of Managers caused by any reason, other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of the majority of the remaining members at a special meeting of the Board of Managers held for that purpose, promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor is elected and qualified at the next annual meeting of the Unit Owners. If all members of the Board of Managers die or resign, any Unit Owner may call a special meeting of Unit Owners as provided herein, and Managers for the unexpired term may be elected at such special meeting in the manner provided for their election at the annual meeting. Notwithstanding the foregoing, vacancies of members designated by

Sponsor or Sponsor-designee shall be filled only by a person designated by Sponsor or Sponsor-designee.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers, elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order to legally constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail, at least five (5) business days prior to the day named for such meeting. The business to be transacted at any regular meeting of the Board of Managers need not be specified in the notice of such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Notice of special meetings shall be given by mail or personal delivery to each member of the Board of Managers and shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If, at any meeting of the Board of Managers, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

If there are non-Sponsor members of the Board of Managers, and there is a vote on whether to sue Sponsor, the Sponsor's board representative cannot lawfully vote on that issue.

Section 12. Fidelity Bonds. The Board of Managers may obtain fidelity bonds in the amount of \$50,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent. The premiums on such bonds, if obtained, shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any salary or compensation from the Condominium for his or her services as Manager.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall severally indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. A Unit Owner's liability is limited to such proportionate share of the total liability as the Common Interests of such Unit Owner bear to the aggregate Common Interest of all Unit Owners and such Unit Owner's interest in his or her Unit's and its appurtenant Common Interest, unless otherwise provided by law. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is possible that the original Board of Managers may contract with Sponsor and affiliated corporations without fear of being charged with self-dealing, however the Board shall at all times uphold its fiduciary duty to the Unit Owners, notwithstanding anything to the contrary. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager, on behalf of the Condominium, shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 15. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) members of the Board of Managers, at least one of whom shall be a member designated by Sponsor or Sponsor-designee, so long as Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee may not exercise any of the powers set forth in subdivisions (b), (e), (g), (h), (i) and (o) of Section 2 of Article II.

Section 16. Other Committees. The Board of Managers may, by resolution, create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by Sponsor or Sponsor-designee, so long as Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act, which the Executive Committee may not do under Section 15 of Article II.

ARTICLE III UNIT OWNERS

Section 1. Annual Meetings.

A. Within thirty (30) days after the closing of title to Units whose aggregate Common Interest equals more than 50%, or one (1) year after the first closing, whichever is sooner, Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting, the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

B. Sponsor or Sponsor-designee will retain voting control of the Board of Managers for one (1) year after the closing of title to the first Unit or whenever the Unsold Units constitute, less than 50% of the Common Interests, whichever is sooner. Sponsor or Sponsor-designee, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor or Sponsor-designee will not use such vote to elect a particular individual to the Board of Managers, which would, by the election of such individual, give Sponsor or Sponsor-designee voting control of the Board. So long as Sponsor or Sponsor-designee will continue to own Unsold Units Sponsor or Sponsor-designee will have the right to elect one (1) member of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting

and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice for such meeting.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) days but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided for in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. No such adjourned meeting shall be held earlier than 48 hours from the time the prior meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) call to order;
- (b) roll call and presentation and examination of proxies;
- (c) presentation of proof of due calling of meeting;
- (d) reading of minutes of previous meeting;
- (e) reports of officers;
- (f) report of Board of Managers;
- (g) reports of committees;
- (h) appointment of inspectors of election (when so required);
- (i) election of members of the Board of Managers (when so required);
- (j) unfinished business;
- (k) new business;
- (l) adjournment.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on their behalf, who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing but need not be acknowledged or

witnessed and shall be filed with the Secretary at or previous to the time of the meeting and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of Unit Owners. The Owners of each Unit (including Sponsor or Sponsor-designee, if Sponsor or Sponsor-designee shall then own one or more Units) shall be entitled to cast one vote for each 1% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each 0.01% of Common Interest attributable to his or her Unit per member to be elected, and (ii) shall not have the right to cumulate his or her votes in favor of any one or more members to be elected. If one or more Units are owned by more than one person as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership or other entity permitted for herein, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee, corporate or otherwise shall not be entitled to vote.

Section 9. Majority of Unit Owners. As used in these By-Laws the term “majority of Unit Owners” shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided for in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law, consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to, the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Compensation of Officers. No officer shall receive any salary or compensation from the Condominium for his or her services as officer.

Section 10. Liability of Officers. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 14 of these By-Laws.

ARTICLE V NOTICES

Section 1. Definition. Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, any manager, Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. Service of Notice Waiver. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Service on Mortgagee. The Board of Managers shall give the mortgagee and guarantor of the mortgage on any Unit in the condominium timely written notice of:

- (a) any condemnation or casualty loss that affects either a material portion of the condominium or the Unit securing its mortgage;
- (b) 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;
- (c) a lapse, cancellation, or material modification of any insurance policy maintained by the homeowners' association; and
- (d) any proposed action that requires the consent of a specified percentage of mortgagees.

ARTICLE VI OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Shared Percentages of Common Interests, except as otherwise indicated. The Board of Managers, in apportioning expenses for insurance

on the Building may take into consideration higher premium rates on some units than on others. The Common Expenses 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 of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any.

The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for capital expenditures only, the amount of reserve fund will be equal to 10% of the projected annual budget of the Condominium.

The Common Expenses may also include such amounts as may be required for the purchase by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, of any Unit, which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Units.

The Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the first Unit closing until such Unit is sold to a bona fide purchaser.

Notwithstanding anything to the contrary stated anywhere in these By-Laws or the Declaration of the Condominium, the Common Charges allocated to the Residential Units shall be apportioned among the Residential Units based on the Residential Percentages of Common Interests allocated to each as set forth in Schedule B.

Notwithstanding anything to the contrary stated anywhere in these By-Laws or the Declaration of the Condominium, the Commercial Unit will only be responsible for 19.35% of the Common Expenses, except for the costs of common water charges and sewer rents. The Commercial Unit will not be responsible for the costs of common water charges and sewer rents.

The Commercial Unit will be billed separately by the Board of Managers for water charges and sewer rents based on actual amount used. The Commercial Unit will be required to install and maintain a water sub-meter and shall be responsible for the payment of all water charges and sewer rents actually used as per sub-meter reading. The Board of Managers shall bill and collect payment from the Commercial Unit for all water charges and sewer rents as levied by the Department of Environmental Protection.

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance:

- (a) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty 80% of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit 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, if any, as herein provided;
- (b) directors and officers liability insurance;
- (c) worker's compensation insurance if the Condominium has employees; and
- (d) such other insurance as the Board of Managers may determine.

All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than \$50,000.00), and that the total proceeds thereof, if \$50,000.00 or less, shall be payable to the Board of Managers, and if more than \$50,000.00, shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insured as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall also appear. Such policies may not be cancelled 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 if so requested in writing by them.

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, the manager and each Unit Owner. Such public liability coverage shall also cover cross-liability

claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least \$1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed so as to state that they will in no way conflict with any insurance carried by the Board of Managers.

If, by reason of the occupancy or use of a Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

During the time in which Sponsor is in control of the Board of Managers, the insurance coverage will not be less than that required by the Department of Law.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of a fire or other casualty which damages or destroys less than 75% of the Building containing the Units, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by Sponsor, but not including any wall, ceiling or floor decorations or coverings or other improvements, furniture, furnishings, fixtures, appliances or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals 75% in the aggregate of the total Common Interest 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 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his or her Unit, in the order of the priority of such liens.

Whenever in this Section the words “promptly repair” are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notified said Board of Managers and Unit Owner or Unit Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjuster retained by the Board of Managers. Wherever the words, “promptly resolve” are used it shall mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his or her Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his or her Unit, together with the “Appurtenant Interests” to the Board of Managers or its designee, corporate or otherwise on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. Purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit.

However, 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 (6) months of the Unit's unpaid regularly budgeted common charges accrued before acquisition of the title to the Unit by the mortgagee. Any first mortgagee who obtains title to a condominium Unit pursuant to the remedies in the mortgage or through foreclosure will be liable for any fees or costs related to the collection of the unpaid common charges.

Section 5. Collection of Common Charges and Assessments. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charges due from any Unit Owner, which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner, which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges and assessments shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late. The Board of Managers shall have the right to place a lien against a Unit whose Owner fails to pay common charges for the Unit within fifteen (15) days of same becoming due and payable.

Section 6. Default in Payment of Common Charges or Assessments. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa of the Real Property Law of the State of New York. A Unit Owner defaulting in the payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

SPONSOR SHALL CAUSE THE BOARD OF DIRECTORS TO FILE A LIEN AS PROVIDED FOR IN SECTION 339-aa OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK 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.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not to vote the votes appurtenant to). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges and Assessments. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws:

- (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that 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 the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or

- (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and
- (c) in any event, to charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation, which costs and fees shall be deemed a Common Charge against the Unit Owner.

Section 10. Maintenance and Repairs.

A. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except the painting of the exterior side of Unit entrance door), windows (except the painting and cleaning of the exterior side of windows), electrical (except the Common Elements), plumbing (except the Common Elements) and heating fixtures, air conditioning units and appliances, if any, within the Unit or belonging to the Unit Owner will be at the Unit Owner's expense, except as otherwise specifically provided herein.

B. All maintenance, repairs and replacements to the Common Elements as defined in the Declaration, and the painting, decorating, maintenance and repairs of the exterior side of Unit entrance doors and windows, and the cleaning of the exterior side of windows and the replacements of the windows and Unit entrance doors will be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense will be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed:

- (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or
- (b) the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or railings and/or means of terrace or balcony access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

Section 11. Restrictions on Use of the Units, the Common Elements and the Limited Common Elements. In order to provide for congenial occupancy of the Property and for the

protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

A. Each Residential Unit may be used as a residence only.

The Commercial Unit may be used for any legal use permitted by the certificate of occupancy of the Building, the Zoning Resolution of the City of New York or other applicable laws, including, without limitation, as restaurant, offices and retail spaces.

Notwithstanding the foregoing, Sponsor or Sponsor-designee shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages:

- (a) to maintain general, sales or leasing offices in one or more or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property;
- (b) to have its employees, contractors and sales agents present on the Property;
- (c) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building or Units and to comply with its obligations.

B. The Common Elements and the Limited Common Elements may only be used for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units. However, the Common Elements and the Limited Common Elements may not be used as a dwelling space, and for kindling, building, maintaining or using an open fire, including, without limitation, charcoal, piped natural gas, LPG fired or electrical barbeques. The use of roof terraces as contemplated in the Plan will comply with the requirements set forth in the New York City Department of Building's Buildings Bulletin 2018-002.

C. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

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

E. With the exception of the Commercial Unit, no portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto, may be rented. Portions of the Commercial Unit may be rented to the same or different persons or entities

Section 12. Additions, Alterations or Improvements by the Board of Managers.

Subject to the provisions of Section 2 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of \$50,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing \$50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. Additions, Alterations or Improvements by Unit Owners. Except as provided below, no Unit Owner shall make any addition, alteration or improvement in or to his or her Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. Any requests for consent to make additions, alterations or improvement in a Unit which is structural in nature, or affects the exterior of the Building of the value of other Unit, must be made via certified mail with return receipt. The Board of Managers must grant or deny such consent within thirty (30) days of receiving a request for such consent. If such request is neither granted nor denied within forty five (45) days of receipt of the notice, such request shall be deemed granted. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of this Section 13, such consent shall be deemed to provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition,

alteration, or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 13, which require the consent of the Board of Managers in connection with an addition, alteration or improvement in or to a Unit, which is structural or which affects the exterior of the Building or the value of other Units shall not apply to Units owned by Sponsor or Sponsor-designee or a Commercial Unit Owner. Sponsor or Sponsor-designee or a Commercial Unit Owner shall not need such consent. All other provisions of this Section 13 shall apply to all Units. For example, with respect to such addition, alteration or improvement to a Sponsor-owned Unit or a Commercial Unit Owner, such work shall be at the sole cost and expense of Sponsor or Sponsor-designee or a Commercial Unit Owner, and shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and Workers Compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by Sponsor or Sponsor-designee or a Commercial Unit Owner, as the case may be, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any addition, alteration, or improvement, or due to improper design or construction of the structural addition, alteration, or improvement. Additionally, Sponsor or Sponsor-designee or a Commercial Unit Owner, as the case may be, shall reimburse the Board of Managers any reasonable out-of-pocket expenses incurred by the Board of Managers for any services provided in connection with such addition, alteration, or improvement.

Non-structural additions, alterations or improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers except that the Board of Managers may require that the Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work as required for additions, alterations or improvements which require the consent of the Board of Managers, prior to commencing such work.

Section 14. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. Sponsor and Sponsor-designee shall have the right to use the Common Elements, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, for the purposes set forth in Section 11 of this Article VI.

Section 15. Right of Access. A Unit Owner shall grant a right of access to his or her Unit, to the manager and/or the managing agent and/or any other person authorized by the Board

of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his or her Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his or her Unit or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by these By-Laws, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. Rules of Conduct. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. The vote of a majority of Unit Owners at a meeting may overrule the Board. Copies of such Rules and Regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial Rules and Regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or Sponsor-designee remains the Owner of one or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or Sponsor-designee without Sponsor's prior written consent.

Section 17. Water Charges and Sewer Rents. Water shall be supplied to all of the Units and the Common Elements through one building meter and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed by the Units together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to Purchaser of such Unit or to Purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit, promptly after such charges shall have been billed.

The Commercial Unit shall be billed separately by the Board of Managers for water charges and sewer rents based on actual amount used. The Commercial Unit shall be required to install and maintain a water sub-meter and shall be responsible for the payment of all water charges and sewer rents actually used as per sub-meter reading. The Board of Managers shall bill and collect payment from the Commercial Unit for all water charges and sewer rents as levied by the Department of Environmental Protection.

Section 18. Utilities. Except for telephone, cable and air-conditioning service, gas and electricity in each Unit all utilities shall be paid for by the Condominium as a Common Expense.

Section 19. Vault Charges. All license fees and all periodic taxes and charges for street vaults or other protrusions, if any, beyond the lot line shall be paid by the Board of Managers as a Common Expense.

ARTICLE VII MORTGAGES

Section 1. Notice to the Board of Managers. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Notice of Unpaid Common Charges. The Board of Managers 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.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium, during business days, at reasonable times, upon reasonable notice to the manager, managing agent or Board of Managers.

ARTICLE VIII SALES, LEASES, GIFTS AND MORTGAGES OF UNITS

Section 1. Sales and Leases. Each Unit Owner has the right to sell or lease his or her Unit without any restrictions, unless specifically set forth herein.

Section 2. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his or her Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 3. Financing of Purchase of Units by the Board of Managers. Acquisition of Units by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his or her ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired or leased by the Board of Managers.

Section 4. Gifts and Devises, etc. Each Unit Owner has the right to convey or transfer his or her Unit by gift or to devise his or her Unit by will, or pass the same by intestacy, without any restrictions, unless specifically set forth herein.

Section 5. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 6. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his or her Unit unless and until he or she shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his or her Unit and until he or she shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 7. Mortgage of Units. Each Unit Owner has the right to mortgage his or her Unit without any restrictions, unless specifically set forth herein.

Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

ARTICLE IX CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$50,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than \$50,000.00. If 75% or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such

repair and restoration in appropriate progress payments. In the event that 75% or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words “promptly approve” shall mean not more than sixty (60) days from the date of such taking.

ARTICLE X RECORDS

Section 1. Records and Audits. The Board of Managers or the managing agent or manager shall keep detailed records of the actions of the Board of Managers and the managing agent or manager, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

- (a) the financial statement of the Condominium prepared by a certified public accountant or, public accountant within one hundred fifty (150) days after the end of each calendar year for the prior fiscal year;
- (b) prior notice of the annual Unit Owner's meeting;
- (c) a copy of the proposed annual budget, if any, of the Condominium.

ARTICLE XI MISCELLANEOUS

Section 1. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of Unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the condominium.

Section 6. Definition of “Mortgagee”. As used in these By-Laws, the term “mortgagee” or “holder of a first mortgage” shall include the holder of any construction loan mortgage, which shall be a lien on a Unit.

ARTICLE XII AMENDMENTS TO THE BY-LAWS

Section 1. Amendment to By-Laws. These By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose.

No amendment of a material adverse nature to mortgagees shall be made unless agreed to by mortgagees that represent at least 51% of the votes of Units that are subject to mortgages. A mortgagee shall be deemed to have consented to any amendment, which requires the consent of such mortgagee when the mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided that the notice was delivered by certified or registered mail, with a “return receipt” requested.

However, for as long as Sponsor or Sponsor-designee remains the Owner of one or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or Sponsor-designee, in Sponsor's sole discretion, without Sponsor's prior written consent.

ARTICLE XIII CONFLICTS

Section 1. Conflicts. These By-Laws are set forth to comply with the requirements of the Condominium Act. In case any of these By-Laws conflict with the provisions of the Condominium Act or of the Declaration, the provisions of the Condominium Act or of the Declaration, as the case may be, shall control.

ARTICLE XIV ARBITRATION

Section 1. Procedure. Any matter arising out of the Condominium Documents, except for an action to foreclose a lien for unpaid common charges by the Board of Managers or an action seeking injunctive relief, shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Board of Managers, one arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction.

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 Civil Practice Law and Rules of the State of New York 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 Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 3.1 hereof shall be non-binding.

Section 4. Costs and Expenses. (A) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. (B) All costs and expenses paid or incurred by the Board of Managers in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

**SCHEDULE A
RULES AND REGULATIONS
OF
THE 101 CONDOMINIUM**

1. Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements or Limited Common Elements, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Limited Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by Sponsor, Sponsor-designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any unsold or unoccupied Unit, and such right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Additionally, Sponsor and Sponsor-designee shall have the right, without any limitation whatsoever and without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building. Sponsor or Sponsor-designee shall be responsible for installing and removing such signs.

2. Except as elsewhere provided, no exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements or the Limited Common Elements shall be painted or decorated by any Owner or in any manner without the prior written consent of the Board of Managers.

3. No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other Common Elements.

4. No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

5. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness. Nothing shall be hung or shaken from any doors or windows and no Unit Owner shall sweep or throw or permit to be swept or thrown, any dirt or other substances therefrom.

6. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers, or as required by law.

7. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

8. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct.

9. No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without the prior written consent of the Board of Managers.

10. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

11. No radio or television aerial shall be attached to or hung from the exterior of the Building without the written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units. 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.

12. The agents of the Board of Managers, and any contractor or workmen authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

13. The Board of Managers 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 of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If a Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an 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 of Managers or the Managing Agent, then the Board of Managers, 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).

14. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid for by the Unit Owner responsible for the presence of such article.

15. No Unit Owner shall interfere in any manner with any portion of the heating, air-conditioning, or lighting apparatus, which are part of the Common Elements and not part of the Unit Owner's Unit.

16. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance for the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Limited Common Elements, which 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 or her family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit or Limited Common Elements any flammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

17. Any damage to the Building or equipment caused by Unit Owners, their guests, tenants, or visitors shall be repaired at the expense of the said Unit Owner.

18. Complaints regarding the management of the Property or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

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

20. Children shall not play in the public halls, cellar space, Building exists, Building entrances, stairways, roof or roof landings.

21. The agents of the Board of Managers or the Managing Agent, and any contractor or workmen authorized by the Board of Managers or the Managing Agent, may enter any room in the Building or Unit at any reasonable hour of the day, on at least three (3) days 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.

22. Unit Owners will not clean nor require, permit, suffer or allow any windows to be cleaned from the outside in violation of Section 202 of the Labor Law of the State of New York or the rules of the Board of Standards and Appeals or of any other board or body having or asserting jurisdiction thereof.

23. Each Residential Unit Owner shall notify the Board of Managers or Managing Agent of the Condominium, if any, in writing when a child, or children, under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Residential Unit Owner shall install, at such Unit Owner's expense, the required window guards (or safety "stops" in lieu of window guards, designated specifically to prevent a child from falling out of a window) in all windows of the Residential Unit in compliance with all applicable New York City Administrative Code requirements. The Residential Unit Owner should maintain all window guards (or stops) installed in the Unit and shall not remove same until permitted by applicable law and in any event, without prior written notice to the Managing Agent.

24. Refuse should not be placed on the sidewalk except on days of collection. Placing refuse on the sidewalk on days other than days of collection may result in a fine or

penalty being levied against the Building. In turn, the Board of Managers will seek compensation for said fine or penalty from the Unit Owner, who caused said fine or penalty.

25. Subject to provisions of the By-Laws, these Rules and Regulations may be added to or repealed at any time by the Board of Managers. Further, any consent or approval given under these Rules and Regulations may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature, or may be amended, modified, added to or repealed at any time by resolution of the Board of Managers.

26. The below-grade cellar space, which shall include equipment spaces, may not be used for any residential uses including bedroom, dining room, or any other use considered to be a habitable space as defined by the New York City Building Code. Any use of the cellar space as a living or sleeping space may result in a violation being issued against the Building and/or the imposition of fines against the Building.

27. There are no pets, animals or birds restrictions in the Building.

28. No smoking is permitted in front of the Building and anywhere in the Limited Common Elements and Common Elements. Smoking is permitted in the Residential Units and Commercial Unit.

Section 339-kk of the Real Property Law of the State of New York

§339-kk. Rents

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty (60) days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty (30) days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

TAX ESCROW AGREEMENT

AGREEMENT made this 18th day of July, 2019, by and among 24 1st Avenue Project LLC, (hereinafter called the "Sponsor"), and The Board of Managers of The 101 Condominium, (hereinafter called the "Board").

WITNESSETH:

WHEREAS, the Sponsor has filed the offering plan, (hereinafter called the "Plan"), with the Attorney General to offer for sale condominium units, (hereinafter called the "Units" or "Unit"), at the property, located at 101 East 2nd Street, New York, NY 10009 and known as The 101 Condominium, (hereinafter called the "Condominium"), subject to the terms and conditions set forth in the Plan; and

WHEREAS, the Board is charged with governing the operation of the Condominium; and

WHEREAS, the Units have not been separately assessed for real estate tax purposes prior to the closing of the first Unit; and

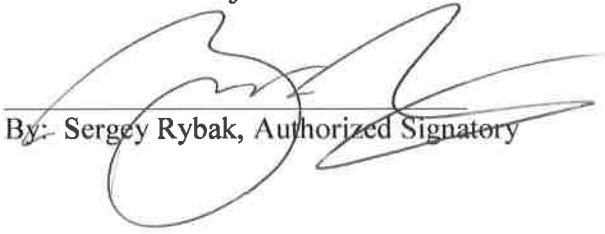
WHEREAS, pursuant to the terms of the Plan, the Sponsor desires to secure its obligation to pay real estate taxes for the Unsold Units.

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

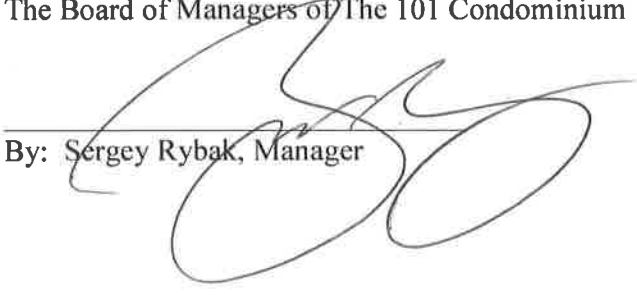
1. On the first closing of a Unit, the Sponsor will deposit in escrow with the Board in a special segregated escrow account to be maintained by the Board in its own name, an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against the premises for the 6-month period following the first closing, or until the Units are separately assessed, whichever is sooner.
2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.
3. Upon each subsequent closing of the Units, the Sponsor may collect the estimated amount of taxes attributable to such Units for the balance of the six (6) month period from Purchasers thereof.
4. If the escrow is kept in an interest-bearing account, the interest earned thereon shall belong to the Sponsor.
5. The escrow account shall be maintained in accordance with the laws, rules, and regulations of the State of New York; specifically including, but not limited to, the General Business Law of the State of New York and, shall be deemed held for the benefit of the Condominium.

IN WITNESS WHEREOF, the parties set their hands the date above first written.

24 1st Avenue Project LLC


By: Sergey Rybak, Authorized Signatory

The Board of Managers of The 101 Condominium


By: Sergey Rybak, Manager

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL
PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

Re: The 101 Condominium
 101 East 2nd Street
 New York, NY 10009

Dear Sir/Madam:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law of the State of New York, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us, which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;

- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law of the State of New York.

24 1st Avenue Project LLC

By: 
Sergey Rybak
Authorized Signatory

Subscribed and sworn to before me this
18 day of July, 2019


Notary Public




Sergey Rybak

Subscribed and sworn to before me this
18 day of July, 2019

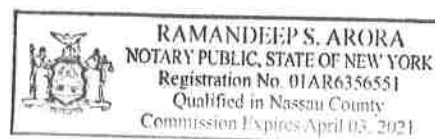

Notary Public




Jason Reznik

Subscribed and sworn to before me this
18 day of July, 2019

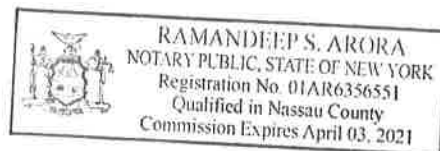

Notary Public



Subscribed and sworn to before me this
1st day of July, 2019


Semyon Vays


Notary Public



ZPROEKT**Architecture, Planning & Consulting**

1817 Emmons Ave, Brooklyn, New York 11235

Phone/Fax: 718-934-2322

Email: igor@zproekt.com

CERTIFICATION BY SPONSOR'S ARCHITECT
PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

Re: The 101 Condominium
101 East 2nd Street
New York, NY 10009

Dear Sir/Madam:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of property (hereinafter called the "Report"). I visually inspected the property on July 5, 2019. I prepared the plans and specifications dated March 11, 2019 and January 8, 2020, and the Report dated January 8, 2020. A copy of the Report is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the State of New York.

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 in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

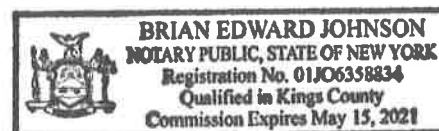
- (i) sets forth in narrative form the description and physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I prepared;
- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I prepared;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Subscribed and sworn to before me this
27th day of January, 2020


 Igor Zaslavskiy, R.A.


 Notary Public





CERTIFICATION BY SPONSOR'S EXPERT ON ADEQUACY OF BUDGET
PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

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

Re: The 101 Condominium
101 East 2nd Street
New York, NY 10009

Dear Sir/Madam:

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B, containing projections of income and expenses for the first year of condominium operation, and Schedule B-1, containing projections for individual energy costs for the first year of condominium operation. I am familiar with prices, practices and procedures in the area of this condominium. I am the principal of FIDY Management Inc. FIDY Management Inc. is a management company. FIDY Management Inc. has managed five (5) residential and mixed-use buildings in Brooklyn since its formation in 2015.

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 Schedules B and B-1, (hereinafter collectively called the "Schedules").

I have reviewed the Schedules and investigated the facts set forth in the Schedules 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 projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.



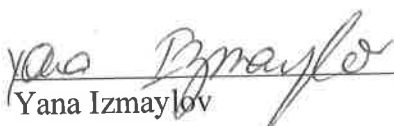
I certify that the Schedules:

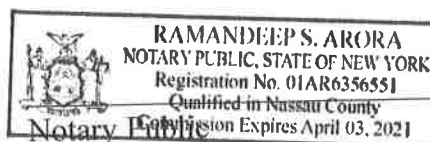
- (i) set forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment, or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law of the State of New York.

Subscribed and sworn to before me this
18 day of July, 2019


 Yana Izmaylov





**CERTIFICATION BY THE SPONSOR'S EXPERT ON ADEQUACY OF
COMMON CHARGES PAYABLE BY THE OWNERS OF THE COMMERCIAL UNIT
PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED
PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED**

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

Re: The 101 Condominium
101 East 2nd Street
New York, NY 10009

Dear Sir/Madam:

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B which includes projections of common charges payable by the owners of the commercial unit. I am the principal of FIDY Management Inc. FIDY Management Inc. is a management company. FIDY Management Inc. has managed five (5) residential and mixed-use buildings in Brooklyn since its formation in 2015.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

I have reviewed Schedule B as it impacts upon the commercial unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedule B for common charges payable by the owners of the commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit also reflects special or exclusive use or availability or exclusive control of particular common areas.



I certify that the estimates in Schedule B for the common charges payable by the owners of the commercial unit:

- (i) set forth in detail the projected common charges for the commercial unit 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 common charges payable by the owners of the commercial unit;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment, or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Subscribed and sworn to before me this
18 day of July, 2019


 Yana Izmaylov


 Notary Public

