
**CONDOMINIUM OFFERING PLAN FOR THE SALE
OF UNITS IN A CONDOMINIUM TO BE KNOWN AS**

108 JACKSON CONDOMINIUM

108 Jackson Street
Brooklyn, Kings County, New York 11211

6 Residential Units - \$ 7,500,000

TOTAL OFFERING - \$ 7,500,000

SPONSOR/SELLING AGENT

**V DEVELOPMENT GROUP LLC
107-23 71st Road, Suite 186
Forest Hills, New York 11375**

SPONSOR'S ATTORNEY

**MORITT HOCK & HAMROFF LLP
1407 Broadway, 39th Fl.
New York, New York 10018**

The Date of Acceptance for Filing is _____, 2020. The Offering Plan
May Not Be Used After _____, 2021 Unless Extended by Amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (iv).

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL THE RESIDENTIAL 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 1 OF THE OFFERING PLAN. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS.

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

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SPECIAL RISKS

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.

1. The Sponsor has the right to maintain a majority of the Board of Managers of the Condominium "Sponsor Initial Control Period" for a period ending (i) three (3) years from date of the closing of the first Residential Unit, or (ii) thirty (30) days after the closing of seventy-five (75%) percent of all Residential Units in the Condominium, whichever is earlier. Thereafter, the Sponsor shall retain the right to designate one (1) Member of the Board of Managers until such time as Sponsor no longer owns a Residential Unit. In any event, Sponsor shall not be entitled to designate a majority of the Board after expiration of the Control Period. During said time the individual Residential Unit Owners will not be able to enforce Sponsor's obligations through the Board of Managers. Notwithstanding said fact, Sponsor has the right to voluntarily relinquish a majority of the Members of the Board of Managers before the closing of title to the last Residential Unit. The Board of Managers, whether or not controlled by the Sponsor, assumes a fiduciary duty to act in the best interests of the Condominium and its Unit Owners. See Sections XVI and XVII of the Offering Plan.

2. If Sponsor relinquishes control of the Board of Managers there is no provision in the By-Laws that requires a majority of the Board of Managers to be owner occupants who are unrelated to the Sponsor or its principals. As such, Purchasers for their own occupancy may never gain control of the Board of Managers. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a result of their different reasons for purchasing, i.e. purchasing a Residential Unit to live in as opposed to purchasing as an investment. See Sections XVI and XVII of the Offering Plan.

3. If Sponsor does not voluntarily relinquish control of the Board of Managers, the Sponsor will have the right to retain control over certain expenditures and fiscal actions of the Board of Managers of the Condominium for a period ending not more than five (5) years after the closing of the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner. During this period, the Sponsor will have control of maintenance, facilities and services to be provided, will determine the Common Charges to be paid by all Unit Owners, including the Sponsor, and will also have control over the enforcement of the Sponsor's obligations. During this period, Sponsor will have the right to control all decisions including but not limited to the determination of Common Expenses, management of the Condominium, the hiring and termination of employees of the Condominium, placing easements on the property and making improvements to Common Elements. Purchasers individually or as a group may take legal or administrative action to enforce the Sponsor's obligations to the Condominium. However, they will be unable to do so in the name of the Condominium. In addition, the funds utilized for such actions will either have to be obtained by a special assessment of all Unit Owners excluding the

Sponsor or obtained through independent funds of the Unit Owners. In the event the Unit Owners are unsuccessful in an action against the Sponsor, Sponsor has the right to request that the court or administrative department hearing the action grant the Sponsor reimbursement of legal fees, which would be payable by the Unit Owners, excluding the Sponsor. Any provisions that give the Sponsor control over the enforcement of the Sponsor's obligations are not lawful. In addition, if there are non-sponsor members of the Board of Managers, and there is a vote on whether to sue the Sponsor, the Sponsor's Board representatives cannot lawfully vote on that issue. The members of the Board of Managers will work in the best interest of the Condominium and its Unit Owners. The Sponsor and/or its principals will not engage in "sweetheart" deals. At no time may Sponsor exercise veto power over expenses described in Schedule B or over expenses required to (i) comply with applicable laws or regulations, (ii) to remedy any notice of violation, (iii) to remedy any work order by an insurer, or (iv) remedy a matter regarding the health and safety of the occupants of the Building. See Section XVI of the Offering Plan and Schedule B.

4. Sponsor will endeavor in good faith to sell the Residential Units in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell the Residential Units, upon consummation of the Plan. Because Sponsor is retaining the unconditional right to rent rather than sell the Residential Units, this plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell the Residential Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent (1 Unit) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium.

5. Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Residential Units being offered for sale (1 Unit). Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close Residential Units with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Residential Unit. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as seventy (70%) percent. 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 ten (10%) percent or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close, the Sponsor will re-declare the Plan effective if all Purchase Agreements are either rescinded or terminated prior to the date of first Unit Closing, regardless of whether the Condominium Declaration has been recorded.

See Section XII as to the requirements of declaring the Plan effective.

6. Although normally a Sponsor's expense, pursuant to contractual agreement the following obligations have been transferred to Purchasers and shall be at Purchaser's sole expense: New York State Transfer Tax of 0.4% of the Purchase Price where the consideration is less than \$3,000,000 and 0.65% of the Purchase Price where the consideration is \$3,000,000 or greater; New York City Real Property Transfer Taxes of one (1%) percent of the Purchase Price where the consideration is less than \$500,000 and 1.425% where the consideration use real property when the consideration for the entire property is \$2 million or more. Tax is computed only on the consideration attributed to the residential portion of the property. Both taxes are considered additional consideration on which the respective tax is based. In addition, the Purchaser will be responsible for New York State Mansion Tax pursuant to Section 1402-a of the Tax Law of one (1%) percent of the Purchase Price for any Residential Unit which has a combined sales price of \$1,000,000 or more. See Section XIV of the Offering Plan as to how the above taxes are calculated. See the Purchase Agreement set forth as Schedule D.

7. Sponsor has not been required to post a completion bond with the City of New York covering the Common Elements. In addition, no bond has been posted to secure Sponsor's obligations under the Offering Plan. See Section XV.

8. Although all funds received by Sponsor for upgrades or extras to a Residential Unit will initially be placed in the Escrow Account as described in Section X of the Offering Plan, such funds may be released from the Escrow Account as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor, and actually expended, for upgrades or extras. In the event of rescission, Purchasers will not receive a refund of the custom work funds to the extent that it has been expended by Sponsor. In the event the Offering Plan is abandoned, the Sponsor will return funds received for upgrades or extras. See Section X of the Offering Plan.

9. The first annual meeting of the Residential Unit Owners may not be held until one (1) year after the date of the closing of title to the first Residential Unit in the Condominium. During this time period the Sponsor will be actively undertaking its sales efforts and the Sponsor is reserving adequate time to allow for a sufficient number of Units to be transferred to residential purchasers.

10. Sponsor is reserving the right to delay the collection of Common Charges for an indeterminate time. During any such period of delay, Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any reserve fund payments. Such expenses shall not include individual Unit Owner expenses

such as real estate taxes, utility charges, etc. Upon commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to update the budget for the Condominium as required by the Department of Law governing regulations. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such fact in the post-closing Amendment to the Offering Plan as a benefit to subsequent Purchasers. Such Amendment shall also disclose the period of delay. Prior to commencing the collection of Common Charges, Sponsor will notify all Unit Owners by written notice of the expiration of the delay period. Notice shall be given to Unit Owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. Sponsor will disclose such fact in the next substantive Amendment to the Offering Plan. See Section XV of the Plan.

11. No Residential Unit Owner will be permitted to make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, or any Residential Unit Limited Common Element, without the prior written approval of the Board of Managers. Said provision requiring the written consent of the Board of Managers does not apply to the Sponsor. See Article Twenty of Schedule I and Article VIII of Schedule J.

12. The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of their inability to obtain a mortgage, the down payment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages.

13. In the event Sponsor is unable to convey title to a Residential Unit twelve (12) months after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the down payment advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the twelve (12) month period. Failure to so notify Sponsor shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Sponsor shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Sponsor shall return all monies being held in escrow within thirty (30) days thereafter.

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

However, if the first closing occurs before November 30, 2021, the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFOR CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

See Paragraph 6 of the Purchase Agreement in Part II of the Plan.

14. All deposits received from Purchaser will initially be deposited into an escrow account of the law firm of Moritt Hock & Hamroff LLP (the "Escrow Agent") located at 1407 Broadway, 39th Floor, New York, New York 10018, as described in Section X of the Offering Plan. The Escrow Account will be opened with Popular Bank, 85 Broad Street, New York, New York 10006. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

15. The Board of Managers has the right to borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements provided, however, that 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 Owners of said Unit.

16. The projections for the first year of operation of the Condominium contained in the budget are only estimates and the actual expenses may vary from the amounts shown. Purchasers should further note that premiums for insurance have been extremely volatile and have increased substantially in recent years. Sponsor cannot predict whether the insurance rates will continue to increase or stabilize. Sponsor makes no representation that the premium costs for the insurance reflected in the proposed first year budget will be applicable at the time of the first closing of a Residential Unit in the Condominium. Director's and Officer's Liability is not included in the budget but is available at an additional cost. See Schedule B, the proposed first year budget and the footnotes immediately following thereto.

17. Purchasers should note that it shall be the responsibility of each Purchaser to pay the following additional closing costs: (a) an initial non-reimbursable capital

contribution of an amount equal to two months Common Charges to the Condominium; and (b) \$2,500 to Sponsor's attorney for the preparation of the closing documents. In addition, if a closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of \$250. See Section XIV of the Offering Plan.

18. If through no fault of Sponsor, Purchaser fails for any reason to close title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing Date (as the case may be).

In addition, Purchaser shall pay to Sponsor at or prior to the actual closing an amount equal to .0438% per day (which equals an annual rate of 16%) of the purchase price for the Unit for each day beyond such originally scheduled or Sponsor adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges. The interest rate shall not surpass the legal limit under applicable law. See Section XIV of the Offering Plan.

19. Purchasers should note that if a Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default, **time being of the essence**. Time of the essence indicates that failure to cure the default by a certain date will constitute and incurable default under the Purchase Agreement and Sponsor shall be entitled to cancel the Purchase Agreement and retain a Purchaser's downpayment as liquidated damages. See Paragraph 21 of the Purchase Agreement in Part II of the Offering Plan.

20. The square footage of each Residential Unit is based on the area measured horizontally from the outside face of exterior walls to the centerline of the walls separating adjacent Units, to the centerline of drywalls and/or interior walls separating the Units from the utility rooms/closets and stairs, and to centerline of the walls separating a Unit from the corridors. Doors and windows, which open from or create a border to a Unit shall be deemed part of the Unit. As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual, usable, floor area comprising the Residential Unit may be significantly less than the area listed in Schedule A.

21. Purchasers should note that a decrease in a Unit's area of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. See Section IX of the Offering Plan.

22. Purchasers should note that the Sponsor reserves the right to select the ultimate location of kitchen and bathroom cabinets, which may differ from the locations, set forth on the floor plans. In the event an affected Unit is under contract, Sponsor shall first obtain consent from the Purchaser of said Unit. Sponsor is obligated to construct the premises in accordance with building plans and specifications. Any modification to or variation therefrom will be first disclosed in an amendment to the Offering Plan. See Section XV of the Offering Plan.

23. Purchasers should note Sponsor excludes the specific warranties of Article 36-B of the GBL and all other warranties and is instead providing each purchaser with a Limited Warranty.

This Condominium is subject to the New York State Housing Merchant Implied Warranty Law, Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new Residential Units (See Section N of Part II of the Offering Plan). This law is applicable to all Residential Units offered for sale under this Plan. Pursuant to the terms of this law, the Sponsor is giving a Limited Warranty to Purchasers, which provides for a Limited Warranty on certain items. The limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first Residential Unit Buyer only, not to subsequent purchasers; Sponsor's liability is limited to Fifty Thousand (\$50,000.00) Dollars; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to Sponsor, and for commencing a lawsuit against Sponsor.

Purchasers are advised to review Section XV of the Offering Plan, entitled Rights and Obligations of the Sponsor, which discusses items that are not considered material adverse conditions.

24. Sponsor retains the risk of loss on the Unit until Purchaser either closes title or takes possession of the Unit. Purchasers should note that any person who takes possession of a Unit prior to closing assumes the risk of losses not covered by Condominium insurance.

25. Regardless of any limitations in the warranty or in this Offering Plan, Sponsor's obligation cannot go below the duty to construct the premises in accordance with all applicable codes, filed plans and specifications, as same may be amended and locally accepted building practices for items, which are not covered by codes. See Section XV of the Plan.

26. Neither Sponsor nor any of its Principals have an option or right to acquire any of the adjoining areas. The Sponsor does not currently have any other projects in the immediate vicinity, nor has Sponsor been made aware of same. Any changes 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. See Section I of the Plan.

27. There are no restrictions on who may purchase a Residential Unit in the Condominium except that this offer is made only to persons over eighteen (18) years of age. Each Residential Unit Owner can sell their Residential Unit to whomever they desire.

28. The accessory units appurtenant to Units 1A and 1B on the cellar are not to be used for sleeping, cooking and/or living purposes and will not be rented or sold independently. To do so may result in a building code violation being issued for the building. The cellar space has less light and air than ordinary living space and it is more susceptible to dampness.

29. The balconies and/or terraces are not to be used for sleeping, cooking and/or living purposes and are not permitted to be enclosed. To do so may result in a building code violation being issued for the building.

30. The rooftop appurtenant to Unit PH is not to be used for sleeping, cooking and/or living purposes. To do so may result in a building code violation being issued for the building.

31. The Condominium will be built in accordance with the building plans and specifications identified in the Plan. Local Law 11/98 is applicable. Building Façade Inspection Precautionary Report will be filed with the Department of Building annually by a professional engineer and the relevant façade inspection cycle is between February 21, 2017- February 21, 2019. Façade inspection (local law 11) should be done every 5 years. The cost of inspection by an architect or engineer is expected to be incurred anytime within the 5-year period after TCO has been issued. The condominium will draw the money from the reserve to pay the inspection. The initial fee to file the facade report with DOB is \$265; amended and subsequent report is \$100. The building has 5 years to file the initial report from the date when TCO is issued. The Sponsor has no plan to file the report on the first year of its 5-year period; therefore, the cost is not included in the Schedule B. Any substantial modification to or variation therefrom will first be disclosed in an amendment to the Offering Plan. Approximate costs associated with the inspection are \$5,000 for rigging/scaffold (filing, design and rental) and \$5,000 for engineering/inspection (filing and design). There should not be any repair for the first inspection but for the next cycle.

32. 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. Accordingly, the tax information and projections disclosed in this offering plan may be inaccurate because such are based on federal tax law as it existed prior to 2018. 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 offering plan addressing taxes without first consulting a tax expert. See Section XXII of the Plan.

33. All amenities, such as the storage room, will be fully operational as of the date of commencement of Condominium operation.

34. Sponsor has obtained construction financing (the "Construction Loan") from Taiwan Cooperative Bank, Ltd. ("Construction Lender"), 88 Pine Street, 31st Floor, New York, New York 10005, which has enabled Sponsor to construct the Development. Sponsor will be obligated to pay off and otherwise comply with the terms of the Construction Loan on the entire Condominium. After the recording of the Declaration and before the closing of title to the first Unit, any Construction Loan mortgage will be satisfied, or released, or subdivided, extended and consolidated with the individual permanent mortgages, which will be placed on the Units of those Purchasers obtaining a mortgage. In addition, before the closing of title to the first Unit, all liens and mortgages affecting the Condominium shall be paid and satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded.

35. Sponsor's is reserving the right to seek assignment and assumption by Purchaser's mortgage lender ("subdivided with the individual permanent mortgages"). The severance and assignment of a portion of the mortgage on the Property, as contemplated herein would not result in any additional risk or cost to the Purchaser. Any severance/assignment transaction will be initiated only after financing has been procured by Purchaser. Should this transaction fail to take place and result in the loss of Purchaser's financing commitment, then Purchaser will be entitled to an opportunity to obtain new financing, if Purchaser so elects.

36. It is anticipated that the closing to the first Residential Unit will occur on or about December 1, 2020. In the event said date is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission.

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

However, if the first Unit closing occurs before November 30, 2021, the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

37. At this time the Condominium will not be entering into an agreement with an attorney but shall do so if the need arises after commencement of Condominium operation. This could result in an additional cost for legal fees, if required.

38. Purchaser acknowledges that they may be living in an active construction site after Closing on the Unit. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences, which are normal in a community undergoing construction. Purchaser further acknowledges that other units and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall continue until the Condominium project is completed in accordance with the Plan. Any such construction will not render the Unit uninhabitable nor materially affect Purchaser's use of the Unit. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of the Unit after Closing. Sponsor anticipates completion of construction by July 1, 2020. This Paragraph shall survive Closing and the delivery of the deed.

39. Purchaser represents that no broker other than Seller, as Sponsor will be acting as its own broker, (the "Broker") brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission based upon Purchaser's acts. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith, and Seller shall not be responsible for any co-broker commission.

40. Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful.

Purchaser and Seller hereby waive trial by jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase

Agreement, shall be instituted in a court in Kings County and all motions in any such action shall be made in Kings County.

41. Purchasers should note, there is a one (1) year warranty for the modified bitumen membrane roofing material from Firestone Building Products Company or approved equal. The estimated useful life of roof is fifteen (15) years, and there shall be a one (1) year warranty on workmanship from the roofing contractor. Additionally, there is a one (1) year warranty for the membrane roofing material (as set forth above). The warranty periods shall commence on or about July 1, 2020. See the Description of Property report in Part II of the Plan.

108 JACKSON CONDOMINIUM PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the "Plan") for the sale of six (6) Residential Units (the "Residential Units") in a Condominium to be known as 108 Jackson Condominium, located at 108 Jackson Street, Brooklyn, New York 11211.

The purpose of the Plan is to set forth all material terms of the offer for the benefit of Prospective Purchasers.

The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on prospective Purchasers, Purchasers in contract and Residential Unit Owners.

A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Residential Unit by the Sponsor. The property will be subject to the Condominium Act. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect the Purchaser. This Offering Plan and the accompanying documentation should be carefully studied by Prospective Purchasers and their attorneys prior to the purchase of a Residential Unit. The Condominium is subject to and complies with the New York Condominium Act.

The Sponsor of the Offering Plan is V Development Group LLC. V Development Group LLC, acquired the property by deed dated April 24, 2018. At the time, the property was conveyed to Sponsor it was a vacant building. The prior use of the property was that of a two family residential dwelling.

The Condominium will contain six (6) Residential Units located in a five (5) story building with penthouse and cellar level. The Building contains a cellar, which includes Mechanical Rooms and Accessory Rooms. Residential Units 1A and 1B are duplex units on the 1st floor and the cellar, with accessory rooms appurtenant thereto located on the cellar level ("Accessory Room"). The Accessory Room is accessible by stairs from the interior of each said Residential Unit and constitutes part of said each Residential Unit (Units 1A and 1B). Unit 1A also has access to a terrace and private garden. Each Residential Unit (Units 2A, 2B, 3) on the 2nd through 3rd floors has access to a balcony. Residential Unit PH on the 4th and 5th floors is a duplex unit with Penthouse, which has access to a balcony, terrace and rooftop on the top of the Building. Accessory Unit, Private Garden, Terraces, Balconies and Rooftop are considered as Limited Common Elements. The Condominium will consist of a total lot area of approximately 2,500 square feet. The Building is expected to be completed on or about July 1, 2020. There will be no parking included within the Condominium.

Sponsor has obtained construction financing (the "Construction Loan") from Taiwan Cooperative Bank, Ltd. ("Construction Lender"), which has enabled Sponsor to construct the Development. Sponsor will be obligated to pay off and otherwise comply with the terms of the Construction Loan on the entire Condominium. After the recording of the Declaration and before the closing of title to the first Unit, any Construction Loan mortgage will be satisfied, or released, or subdivided, extended and consolidated with the individual permanent mortgages, which will be placed on the Units of those Purchasers obtaining a mortgage. In addition, before the closing of title to the first Unit, all liens and mortgages affecting the Condominium shall be paid and satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded. Other than the requirements stated herein above, Lender has not imposed any additional requirements as to release prices, etc.

The purpose of the Plan is to set forth all the terms of the offer for the benefit of prospective Purchasers.

All portions of the Condominium, excluding the Units, are Common Elements of the Condominium. The Common Elements are divided into General Common Elements for use by all Unit Owners and Limited Common Elements which are Common Elements irrevocably restricted in use to specified Residential Units and Residential Unit Owners.

The Sponsor has not reserved any air development rights.

A. General Common Elements - General Common Elements are those shared by all Unit Owners and include all portions of the Condominium except for the individual Units and the Limited Common Elements and include without limitation the following:

1. The land on which the Building is erected and all other land within the boundaries of the property;
2. All foundations, columns, girders, beams and supports;
3. Those portions of the walls and partitions dividing Units located between the unexposed faces of the sheetrock walls enclosing the Units; those portions of the ceilings of the highest floor above the unexposed face of the sheetrock;
4. Roofs, stairs and stairways, which are not located wholly within a Unit and entrances to and exits from a Building other than entrances to the individual Units;
5. All improved and unimproved areas of the property outside the boundary of an individual Unit except for any Limited Common Elements;

6. All central and appurtenant installations in the Building or Property that provide service to the entire Building, such as power, light, telephone, television, gas, hot and cold water and heat (including all pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces;
7. All sewer pipes and drainage pipes and facilities that provide service to the entire Building or two (2) or more Units;
8. All meter rooms, compactor rooms, refuse rooms, power room, utility rooms, equipment rooms and any other mechanical rooms or areas that service two (2) or more Units;
9. All pedestrian walkways, intended for the common use of all Unit Owners; and
10. The intercom system;
11. The lobby;
12. The elevator;
13. The storage room located in the Cellar;
14. All other parts of the property and all apparatus and installations existing in a Building or on the property for common use to all Units or necessary or convenient to the existence, maintenance or safety of the property.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Unit or Common Element and subject to the rules of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements, which is not restricted in use, may be used by any Unit Owner. Following are detailed descriptions of the irrevocably restricted common elements:

1. The balconies appurtenant to Units 2A, 2B, 3 and PH.
2. The terraces appurtenant to Units 1B and PH.
3. The private garden appurtenant to Unit 1B.
4. The rooftop appurtenant to Unit PH.

5. Any heating, cooling or other mechanical system servicing an individual Unit that is located in or on the Common Elements.
6. All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit a Unit exclusively.

All general maintenance, repairs and replacements to a balcony, terrace, private garden or rooftop that is a Limited Common Element, including cleaning, snow removal and all repairs not structural in nature, including the repair of leaks and the repair or replacement of the surface of balcony, terrace, private garden or rooftop shall be the responsibility of the Unit Owner whose balcony, terrace, private garden or rooftop is appurtenant to their Unit and is a Limited Common Element of their Unit.

All repairs, maintenance and any replacement of any heating, cooling or other mechanical system servicing an individual Unit that is located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Unit shall be the responsibility of the Unit Owner for such equipment services, etc.

The balconies and/or terraces and/or rooftop are not permitted to be used for storage or trash storage and are not permitted to be enclosed.

No flammable, combustible or explosive fluid, material, chemical or substance is permitted to be stored in the balconies and/or terrace.

C. Provisions Applicable to All Common Elements -

1. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.
2. The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law.
3. The percentage of the undivided interest in the Common Elements established herein shall not be changed except with the consent of all of the Unit Owners affected expressed in a duly recorded amendment to this Declaration.
4. The undivided interest in the Common Elements shall not be separated from the Units to which it appertains and shall be deemed conveyed or encumbered with the Units even though such interest is not expressly mentioned or described in the conveyance or other instrument.

There are a variety of different model types of Residential Units. See Schedule G in Part II of the Plan for a detailed description of each model. The land and all improvements to be erected thereon are hereinafter referred to as the "Development" or the "Condominium".

Sponsor will endeavor in good faith to market and sell the Units in the Condominium, however, Sponsor is retaining the unconditional right to rent rather than sell Units after consummation of the Plan. Because Sponsor is retaining the unconditional right to rent rather than sell Units this Plan may result in the creation of a condominium in which a majority of the Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent (1 Unit) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. In the event Sponsor makes a bulk sale of all or some of its unsold Residential Units, the transferee successor Sponsor will be bound by Sponsor's representations regarding its commitment to sell Units and will also be responsible for all Sponsor's obligations under the Offering Plan with respect to such Units.

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

The Building is under construction and is expected to receive a temporary certificate of occupancy (TCO) on December 1, 2020 and a final certificate of occupancy (FCO) by January 1, 2021.

It is anticipated that the closing to the first Residential Unit will occur on or about December 1, 2020. In the event said date is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission.

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

However, if the first Unit closing occurs before November 30, 2020, the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

As in the ownership of a private one (1) family home, the Purchaser of a Residential Unit in a Condominium (the "Residential Unit Owner") owns their Residential Unit in fee simple absolute and is entitled to exclusive possession of their Residential Unit. Each Purchaser of a Residential Unit will also own an undivided interest in and right to use the General Common Elements and a right to use the Limited Common Elements that pertain to an individual Residential Unit or to all the Residential Units. A full description of the General and applicable Limited Common Elements is described above.

Each Residential Unit includes the inside face of the exterior walls of the Building, approximately (within reasonable tolerances) to the apartment side of the facade at the halls and partitions dividing the Residential Units from corridors and stairs, and the centerline of the walls separating one Residential Unit from another. For a detailed description of the Residential Unit to be conveyed see Schedule J, Article Third in Part II of the Plan.

A Unit Owner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339-i and 339-m of the New York Condominium Act. Monthly Common Charges may commence with the closing of the first Residential Unit, which is expected to be on or about December 1, 2020, however, see Section XVIII as to the right of the first Board of Managers to commence the collection of Common Charges at a subsequent date. Until title to a Residential Unit has passed to a Purchaser, the Sponsor will pay such Common Charges and special assessments as are assessed by the Board of Managers on the Units to which title has not passed. Once title has passed to a Purchaser, the Purchaser will be responsible for all costs, including all Common Charges and individual expenses associated with the Unit, as well as any costs associated with the Limited Common Elements that pertain to the Purchasers' Unit.

Sponsor reserves the right to delay the commencement of collection of Common Charges. During any such delay, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments. Upon commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in governing regulations. In the event Sponsor elects to delay the collection of Common Charges, it will disclose such a fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Owners in writing the expiration of the delay period at least thirty (30) days prior to the commencement of

collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan.

A Unit Owner, upon acquiring title to their Unit, will be obligated to comply with the Declaration of Condominium, Condominium By-Laws and its rules and regulations and any other requirements of the Board of Managers of the Condominium.

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit, however, may only be for residential purposes as described in Section XVIII of the Offering Plan. Units, after consummation of the Plan, can be sold by a Residential Unit Owner, provided that the Unit Owner is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the Grantee or provided for out of the proceeds of the sale) and subject to restrictions contained in the mortgage, if any, covering their Unit. A Purchaser is free to make a gift of their Unit to anyone during their lifetime or to devise their Unit by will, or to have it pass by intestacy without any restriction. No Unit can be sold without a simultaneous sale of the undivided interest in the Limited Common Elements that pertain to the Unit.

Each Residential Unit Owner can sell their Residential Unit to whomever they desire. Residential Unit Owners may lease their Residential Units subject to the conditions contained in Section XVIII of the Offering Plan. The Board of Managers does not have the right to approve or disapprove Purchasers.

The Units can be purchased for all cash or may be purchased partly for cash and partly by mortgage. The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of their inability to obtain a mortgage, the down payment plus the cost of any custom work ordered, and incurred by Sponsor, will be retained by Sponsor as liquidated damages. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

A Unit Owner may mortgage their Unit at any time after they acquire title to the Unit in whatever amount and under whatever terms they can obtain. Any Unit Owner may also, upon the resale of their Unit, grant a purchase money mortgage to a Purchaser of their Unit. A Unit Owner may mortgage their Unit only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Primary responsibility for operating the Condominium rests with the Board of Managers who is elected by the Residential Unit Owners. See Schedule J, Article III in

Part II of the Plan. For information concerning Sponsor's initial control of the Board of Managers, see Section XVI of the Offering Plan.

Each Residential Unit Owner, upon obtaining title, will automatically have one (1) vote at all meetings of the Unit Owners for each of the Residential Units owned by such Residential Unit Owner.

Each Unit will be taxed separately for real estate tax purposes and may be separately mortgaged. Therefore, no Unit Owner is liable for the payment of real estate taxes or mortgage payments on any other Unit. In the opinion of counsel, a Residential Unit Owner is presently entitled to deductions for income tax purposes for payments for real estate taxes applicable to their Residential Unit. In addition, **provided the Residential Unit will be the Purchaser's principal residence or one (1) other residence selected pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, a Residential Unit Owner may also deduct the interest on the mortgage they procure to finance the purchase of their Residential Unit for income tax purposes.** Each Residential Unit Owner will be entitled under present law to a deduction for Federal, New York State and New York City income tax purposes for the real estate taxes paid by each Residential Unit Owner covering their Residential Unit, up to a maximum of \$10,000 per year, and, provided the Residential Unit is used as the Residential Unit Owners primary residence or one (1) other residence that the Residential Unit Owner selects pursuant to Section 163(h) of the Internal Revenue code of 1986 and the Tax Cuts and Jobs Act of 2017, for the interest paid by the Residential Unit Owner on any mortgage covering the Residential Unit Owner's Residential Unit up to \$750,000. Purchasers should note that the \$10,000 per year tax deduction is for the combined New York State income taxes, New York City (or local) income taxes and real estate taxes. Accordingly, in the event the Unit Owner's combined New York State income taxes, New York City (or local) income taxes and real estate taxes exceed the \$10,000 threshold, a Unit Owner may not be able to realize a deduction for amounts over the \$10,000 threshold. See Section XX of the Offering Plan.

Fire and liability insurance covering the General Common Elements are included with other items as part of Common Charges, but fire and liability insurance for the Purchaser's personal effects, the interior of the Residential Unit and the Limited Common Elements for an individual Residential Unit Owner's exclusive use must be carried by the individual Purchaser. Common Charges are levied in proportion to the interest in the "Common Elements" appurtenant to each Unit. For possible increases in Common Charges upon default in payment by a Unit Owner see Section XVIII of the Offering Plan. Each Residential Unit Owner is responsible for the cost of their own interior repairs and decoration in their Residential Unit after closing.

The price of the Residential Units will include only the appliances and fixtures detailed in the Description of Property Report contained in Part II of the Plan. There is one (1) washer and one (1) dryer installed in each Residential Unit. There is no public laundry room in the Condominium. The installation and cost of any upgraded appliance or appliance not provided is the sole responsibility of each Residential Unit Owner.

The prices for the Units are set forth in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

This Offering Plan contains all of the material terms of this transaction. Parts I and II along with Parts A, B, C and D of the Exhibits submitted along with the Offering Plan together constitute the entire Offering Plan. Copies of the Plan and Parts A, B, C and D of the Exhibits will be available for inspection by Prospective Purchasers and their attorneys without charge and for copying at a reasonable charge at the Condominium site whenever the on-site sales office is open, at the office of the Sponsor, or any Selling Agent engaged by Sponsor and at the New York State Department of Law, 28 Liberty Street, New York, NY 10005.

There are no restrictions on who may purchase a Residential Unit in the Condominium except that this offer is made only to persons over eighteen (18) years of age. Each Residential Unit Owner can sell their Residential Unit to whomever they desire.

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.

II. DEFINITIONS

The following words as hereinafter referred to shall be defined as follows:

1. "Area Median Income" ("AMI") – For the purposes of this project, the AMI shall mean 130%. As defined by U.S. Department of Housing and Urban Development (HUD), the 2019 AMI for the New York City region is \$124,930 for a three-person family (130% AMI).
2. "Board of Managers" - The governing body of the Condominium responsible for its affairs.
3. "Board Member" - Each individual representative elected, designated or appointed to the Board of Managers.
4. "Building" – The five (5) story building with penthouse and cellar level, containing six (6) Residential Units.
5. "By-Laws" - The document governing the operation of the Condominium.
6. "Common Charges" - Each Unit Owner's proportionate share of the General Common Expenses as determined in accordance with the Common Interest appurtenant to the Unit.

7. "Common Elements" - All portions of the Condominium, other than the Units. Common Elements are divided into General Common Elements which are Common Elements shared by all Unit Owners, including all sewer and drainage pipes for the Building, and Limited Common Elements which are Common Elements that are irrevocably restricted for the exclusive use of an individual Residential Unit Owner.
8. "Common Expenses" - (a) Expenses incurred by all Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.
9. "Common Interest" - The proportionate, undivided interest each Unit Owner has in the Common Elements.
10. "Condominium" - 108 Jackson Condominium, which is comprised of the Common Elements, Residential Units and Unit Owners.
11. "Declaration of Condominium" - The instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time is amended, consistent with the provisions of the Condominium Act and of the By-Laws.
12. "Development" - As used herein refers to 108 Jackson Condominium.
13. "Equal or Better Quality" - As used herein shall mean comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classification, as applicable.
14. "Escrow Account" - The attorney's account where a Purchaser's initial deposit will be held as provided for in Section X of the Offering Plan.
15. "Escrow Agent" - The attorney or law firm overseeing the Escrow Account as provided for in Section X of the Offering Plan.
16. "Limited Common Elements" - A Common Element appurtenant to a particular Residential Unit or Units, the use of which is restricted to the Owners of such Residential Unit or Units.
17. "Purchaser" - The person(s) who have entered into a Purchase Agreement to acquire a Residential Unit in the Condominium.
18. "Purchase Agreement" - The document to be executed by the Purchaser which will obligate the Purchaser to acquire the Residential Unit in the

Condominium and which will obligate the Seller to sell to Purchaser the Residential Unit in the Condominium.

19. "Residential Units" or "Units"- The six (6) Residential Units designated in the Declaration of Condominium for residential use. As used herein the terms "Residential Unit" is equivalent to the term "Unit" in Article 9-B of the Real Property Law of the State of New York.

The approximate physical dimensions of each Residential Unit shall consist of the area measured horizontally by the exterior face of the exterior walls of the Building and by the unit sides of the walls and partitions which separate the Residential Unit from the corridors, stairs and mechanical equipment spaces, and by the centerline of the walls which separate a Residential Unit from other Residential Units, and enclosed vertically by the underside of the Residential Unit's finished flooring and the unexposed side of the Residential Unit's drywall ceiling where applicable. The doors and windows which open from the Residential Unit shall be deemed part of the Residential Unit. No Residential Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines or Common Elements running through the Residential Unit which are utilized for or serve more than one (1) Residential Unit. The Description of Residential Units set forth herein pertains to the location of the walls, floors and roof of the Residential Units as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

20. "Sponsor" – V Development Group LLC, a New York limited liability company with an address at 107-23 71st Road, Suite 186, Forest Hills, New York 11375, and its successors and/or assigns.
21. "Unit Owner" or "Residential Unit Owner" – A Unit Owner includes all the Unit Owners in the Condominium.
22. "Unsold Unit" or "Unsold Residential Unit"- Any Residential Unit in which title is retained by the Sponsor and any successors or assigns until such time as the same has been sold and title conveyed to a third party. It shall not include a Residential Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns.

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Improvements - General Description/Topographical Features

The Building is under construction and is expected to receive a TCO on or about December 1, 2020 and a FCO on or about January 1, 2021. The Condominium will consist of six (6) Residential Units (Units 1A, 1B, 2A, 2B, 3, and PH) located in a five (5) story building (1st, 2nd, 3rd, 4th and 5th floors) with penthouse and cellar level. Certain

Residential Units will have balconies, terraces, private garden and/or rooftop terraces as Limited Common Elements. The cellar floor contains storage and Utility Rooms. The 1st floor contains one (1) studio duplex Unit (Unit 1A) and one (1) bedroom duplex Unit (Unit 1B), each of which has access to an Accessory Unit located on the cellar level of the Condominium. The Accessory Room is accessible by stairs from the interior of each said Residential Unit and constitutes part of said Residential Unit (Units 1A and 1B). Unit 1B also has access to a terrace and private garden. The 2nd floor contains two (2) one-bedroom Units (Units 2A and 2B), each of which has access to a balcony. The 3rd floor contains one (1) three-bedroom Unit (Unit 3), which has access to a balcony. Residential Unit PH on the 4th and 5th floors is one (1) three-bedroom penthouse duplex Unit, which has access to a balcony, terrace and rooftop. Balconies, terraces, Accessory Room, private garden and rooftop are considered as Limited Common Elements. All six (6) Residential Units are offered for sale. There is no parking in the Condominium. There is one (1) washer and one (1) dryer installed in each Residential Unit and there is no public laundry room in the Condominium. The installation and cost of any upgraded appliance or appliance not provided is the sole responsibility of each Residential Unit Owner.

There are a variety of types of Residential Units. The types and number of rooms, layouts and variations of the Residential Units are set forth in the Description of Property Report in Part II of the Plan. The site consists of one (1) building over flat land.

The Offering Plan and building plans are available for inspection at the Sponsor's office at without charge.

The Residential Units, the Building containing them and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules and regulations and other governmental requirements pertaining thereto. Construction of the Condominium will comply with the Building Code of the City of New York

Construction Data for Residential Units and Common Elements

The Condominium will be built in accordance with the building plans and specifications identified in the Plan and filed with Building Department of the City of New York. For a detailed description see Schedule G in Part II of the Plan.

The Building is still under construction. A TCO is expected to be issued on or about December 1, 2020 and a FCO is expected to be issued on or about January 1, 2021. Closing of title to the first Residential Unit is expected to occur on or about December 1, 2020, barring acts of God, sales activity or other unforeseen delays beyond the control of the Sponsor. All measurements within the Condominium and Units are approximate (within reasonable tolerances) and Sponsor retains the right to make changes to the Condominium as long as they comply with the City of New York Department of Buildings.

A decrease in a Unit's area of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material.

The Condominium will be built in accordance with the building plans and specifications identified in the Plan. Local Law 11/98 is applicable. Building Façade Inspection Precautionary Report will be filed with the Department of Building annually by a professional engineer and the relevant façade inspection cycle is between February 21, 2017- February 21, 2019. Façade inspection (local law 11) should be done every 5 years. The cost of inspection by an architect or engineer is expected to be incurred anytime within the 5-year period after TCO has been issued. The condominium will draw the money from the reserve to pay the inspection. The initial fee to file the facade report with DOB is \$265; amended and subsequent report is \$100. The building has 5 years to file the initial report from the date when TCO is issued. The Sponsor has no plan to file the report on the first year of its 5-year period; therefore, the cost is not included in the Schedule B. Any substantial modification to or variation therefrom will first be disclosed in an amendment to the Offering Plan. Approximate costs associated with the inspection are \$5,000 for rigging/scaffold (filing, design and rental) and \$5,000 for engineering/inspection (filing and design). There should not be any repair for the first inspection but for the next cycle.

Purchasers should note that the Sponsor reserves the right to select the ultimate location of kitchen and bathroom cabinets, which may differ from the locations, set forth on the floor plans. In the event an affected Unit is under contract, Sponsor shall first obtain consent from the Purchaser of said Unit. Sponsor is obligated to construct the premises in accordance with building plans and specifications. Any modification to or variation therefrom will be first disclosed in an amendment to the Offering Plan.

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements, including any Limited Common Elements, or located in other Units and servicing the Unit Owner's Unit. Each Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacements thereof and additions thereto and an easement of necessity, and each Unit will be subject to an easement of support and necessity in favor of all other Units and the Common Elements. Further, each Unit Owner will have an easement for the continuance of any encroachment by their Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Building or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceeding, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of

Mangers, its agents and employees shall have a right of access to the Units and the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Unit Owners' percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges. Each Unit Owner has the percentage of Common Interest in the Condominium set forth on Schedule A. Such allocation has been made 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. Said method of determining the percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i (1) (iv) of the Real Property Law of the State of New York.

Parking Facilities

The Condominium will not include any parking.

IV. LOCATION AND AREA INFORMATION

Location and Acreage

The Condominium is located at 108 Jackson Street, Brooklyn, New York 11211. Access to the Condominium faces 108th Street, a New York City public street. The Condominium will consist of a total lot area of approximately 2,500 square feet. The property is zoned R6B, which permits construction of the Condominium. R6B districts permit medium density residential dwelling buildings.

Area Information

The Condominium property is located on the southerly side of Jackson Street, distant 150 feet westerly from the corner formed by the intersection of the southerly side of Jackson Street with the westerly side of Manhattan Avenue and faces the public street of 108th Street in Brooklyn, Kings County, New York.

All surrounding areas are fully developed, and comprising of single and multiple dwellings, including condominiums and cooperative apartments, various grocery stores, schools, restaurants and public facilities. This central location offers the availability and advantage of all the nearby convenience.

Public services such as police and fire protection, street maintenance and water service are provided by the City of New York. There are two police stations (90th Precinct

and 94 Precinct) located approximately 0.9 mile away at 211 Union Ave., Brooklyn, NY 11211 and 100 Meserole Ave., Brooklyn, NY 11222, respectively. A fire station (Engine 229/Ladder 146) is located approximately 0.2 mile at 75 Richardson St., Brooklyn, NY 11211.

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

Utilities

The following utilities will service the Condominium:

Water and Sewer Service: Water is obtained from a tap to the water main located in a public street maintained by New York City Water Board and will be metered for the entire Building. All water expenses will be a Common Charge of the Condominium.

Sewer Service: The Building will be connected to the sanitary sewer located on a public street and maintained by the New York City Sewer Department. The Condominium will be responsible to maintain and repair the sewer within the boundary of the Condominium. The sewer tax will be paid as part of the Common Charges of the Condominium.

Gas Service: Gas service will be provided by National Grid. All charges for gas service will be separately metered for individual gas consumption and all costs associated therewith will be the sole responsibility of each Residential Unit Owner.

Electrical Service: Electrical service will be provided by Consolidated Edison of New York, which is a public utility. All Residential Units will be separately metered for individual electric consumption and all costs associated therewith will be the sole responsibility of each Residential Unit Owner. See Schedule B-1 for estimated individual electrical costs. All common electric will be included in the Common Expenses of the Condominium and charged to each Residential Unit Owner as part of their Common Charges. There is no emergency generator in the Building.

Sanitation: Refuse removal will be provided by the City of New York City. There is no refuse chute in the Building. The individual Residential Unit Owners will be responsible for bringing their trash to the curb for pickup. Public sanitation pick-up is provided twice weekly by the NYC Department of Sanitation.

Telephone: Verizon and other service provider will provide telephone service. Each Residential Unit will be separately billed and the telephone service to each Residential Unit will be the sole responsibility of each Residential Unit Owner. The telephone charges with respect to the Common Elements of the Building will be borne by each Residential Unit Owner as a Common Expense.

Cable Television: Time Warner and/or other service provider will provide cable television services. Each Residential Unit will be separately billed and the cable service to each Residential Unit will be the sole responsibility of each Residential Unit Owner.

Internet: Verizon Fios, DSL or cable modem will provide high-speed internet services. Each Residential Unit will be separately billed and the internet service to each Residential Unit will be the sole responsibility of each Residential Unit Owner.

Intercom: A video intercom system with the ability to trigger an electronic door lock on the vestibule door will be provided to each Residential Unit.

Snow Removal/Road Maintenance: Snow removal and road maintenance for all public streets adjoining the Condominium is provided by The New York City Sanitation Department.

Medical, Educational, Transportation and Other Facilities

Hospitals

The NYC Health + Hospitals/Gotham Health, Williamsburg, is located at 279 Graham Ave., Brooklyn, NY 11211, approximately 0.4 mile away. Woodhull Hospital Internal Medicine is located at 760 Broadway, Brooklyn, NY 11206, approximately 1.2 miles away. The Brooklyn Hospital Center is located at 121 Dekalb Ave., Brooklyn, NY 11201, approximately 2.9 miles away.

Schools

The nearest elementary school is P.S. 132 the Conselyea School, located at 320 Manhattan Ave., Brooklyn, NY 11211, approximately 0.2 mile away. PS 110 Monitor Elementary Schools are located at 124 Monitor St., Brooklyn, NY 11222, approximately 0.6 mile away. P.S. 250 George H Lindsey is located at 108 Montrose Ave., Brooklyn, NY 11206, approximately 0.7 mile away.

The nearest Junior High School is John Ericsson Middle School 126, located at 424 Leonard St., Brooklyn, NY 11222, approximately 0.3 mile away. William J. Gaynor Junior High School is located at 223 Graham Ave., Brooklyn, NY 11211, approximately 0.6 mile away. MS 50 is located at 183 S 3rd St., Brooklyn, NY 11211, approximately 0.9 mile away. Intermediate School 318 is located at 101 Walton St., Brooklyn, NY 11206, approximately 1.1 mile away.

The nearest High School is Northside Charter High School, located at 424 Leonard St., Brooklyn, NY 11222, approximately 0.3 mile away. Brooklyn Preparatory High School is located at 257 N 6th St., Brooklyn, NY 11211, approximately 0.5 mile away. Grand Street Campus High School is located at 850 Grand St., Brooklyn,

NY 11211, approximately 0.6 mile away. The Brooklyn Latin School is located at 223 Graham Ave., Brooklyn, NY 11206, approximately 0.6 mile away. Automotive High School is located at 50 Bedford Ave., Brooklyn, NY 11222, approximately 0.7 mile away.

Although the schools referred to above may be the schools that the children of the Condominium will attend, no representation can be made as to the actual schools, nor whether the children will have school bus service provided.

Public Transportation

The Condominium is convenient to all forms of transportation. The L train stops at Lorimer Street Station, which is approximately 0.3 mile away. The G train stops at Metropolitan Av Station, which is approximately 0.4 mile away.

By car, it is about 0.5 mile from Brooklyn Queens Expy.

Various bus stops are located within 5 blocks of the Condominium. Bus stops B43 are located along Graham Avenue. Bus stops B48 are located along Lorimer Street. Bus stops B24 are located along Metropolitan Avenue.

Parks/Playgrounds

There are lots of parks and playgrounds in the neighborhood. The Ericsson Playground is located at Manhattan Ave. & Leonard St., Brooklyn, NY 11222, approximately 0.3 miles away. McCarren Skatepark is located at 61 Bayard St., Brooklyn, NY 11222, approximately 0.3 mile away. McCarren Play Center is located at 776 Lorimer St., Brooklyn, NY 11222, approximately 0.4 mile away. McCarren Park Pool is located at 776 Lorimer St., Brooklyn, NY 11222, approximately 0.4 mile away. McCarren Park Track is approximately 0.4 mile away and McCarren Park is approximately 0.6 mile away. McCarren Park Tennis Courts is approximately 0.7 mile away. Cooper Park is located at Maspeth Ave., Brooklyn, NY 11211, approximately 0.6 mile away.

Library/Museum/Worship/Performance Center

Brooklyn Public Library - Leonard Branch is located at 81 Devoe St., Brooklyn, NY 11211, approximately 0.3 mile away. Brooklyn Art Library is located at 28 Frost St., Brooklyn, NY 11211, approximately 0.3 mile away. Brooklyn Public Library - Williamsburgh Branch is located at 240 Division Ave., Brooklyn, NY 11211, approximately 0.9 mile away.

Museum of Food and Drink (MOFAD) Lab is located at 62 Bayard St., Brooklyn, NY 11222, approximately 0.3 mile away. The City Reliquary Museum is located at 370 Metropolitan Ave., Brooklyn, NY 11211, approximately 0.5 mile away.

Trinity Grace Church Williamsburg is located at 231 Ainslie St., Brooklyn, NY 11211, approximately 0.3 mile away. Devoe Street Baptist Church is located at 140 Devoe St., Brooklyn, NY 11211, approximately 0.3 mile away. Our Lady of Mount Carmel is located at 275 N 8th St., Brooklyn, NY 11211, approximately 0.4 mile away. St John the Evangelist Lutheran Church is located at 195 Maujer St., Brooklyn, NY 11206, approximately 0.6 mile away.

CPR - Center for Performance Research is located at 361 Manhattan Ave., Brooklyn, NY 11211, one block away.

Zoning

The Condominium is zoned R6B which allows for construction of the Condominium. The surrounding areas are basically developed as follows:

North:	Residential and Office/Stores
South:	Residential and Office/Stores
East:	Residential and Office/Stores
West:	Residential and Office/Stores

No representation is made as to the eventual use or zoning of any parcel surrounding the Condominium except as noted above.

Neither Sponsor nor any of its Principals have an option or right to acquire any of the adjoining areas. The Sponsor does not currently have any other projects in the immediate vicinity, nor has Sponsor been made aware of same. Any changes in this information that occurs while sales are continuing shall be disclosed in an amendment within thirty (30) days after the information becomes known to the Sponsor.

V. SCHEDULE A

ESTIMATED INDIVIDUAL EXPENSES FOR THE FIRST FULL YEAR AT

108 Jackson Condominium

For the Period of December 1, 2020 to November 30, 2021

Unit	(1) Price	(2) Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Approximate Floor Area in Square Feet		(3) Percentage of Common Interest	(4) Estimated Monthly Common Charges	(5) Estimate of Monthly Real Estate Taxes	Estimate of Annual Real Estate Taxes	(6) Total Monthly Combined Common Charges & Real Estate Taxes
			Unit	Balcony/Terrace					
1A	\$668,000	Studio/ 1.5 Ba	686	0	10.78%	\$231.37	\$248.85	\$2,986.22	\$480.22
1B	\$1,450,000	1Br/ 1.5 Bth	1,155	936	21.50%	\$461.46	\$406.59	\$4,879.13	\$868.05
2A	\$698,000	1Br/ 1 Bth	556	35	8.88%	\$190.59	\$377.38	\$4,528.59	\$567.97
2B	\$695,000	1Br/ 1 Bth	545	116	9.02%	\$193.60	\$370.50	\$4,446.00	\$564.10
3	\$1,499,000	3Br/ 2 Bth	1,148	181	18.75%	\$402.44	\$780.55	\$9,366.62	\$1,182.99
PH	\$2,490,000	3Br/ 3Bth (Duplex)	1,690	1,148	31.07%	\$666.87	\$1,149.07	\$13,788.84	\$1,815.94
Total	\$7,500,000	N/A	5,780	2,416	100.00%	\$2,146.33	\$3,332.94	\$39,995.40	\$5,479.27

* Two (2) Months Common Charges will be collected from each Purchaser at Closing as Working Capital Contribution.

** Balcony/Terrace may not be legally used as bedroom/living space; to do so may result in a building code violation issued for building.

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

*** Square footage of Unit is interior space ONLY. Square footage of exterior non-habitable space, if any, is shown & calculated separately above.

**** Projected real estate taxes for the first year of operation contained herein are based on an assessment of the building before construction is complete.

Purchasers should be aware that real estate taxes may increase materially when the building is reassessed after construction is complete.

***** Sponsor is transferring its statutory obligation to pay real estate transfer tax to Purchaser. See Footnotes to Schedule A.

FOOTNOTES TO SCHEDULE A

1. No change in the sales prices will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the Offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Unit purchase. See Section IX of the Offering Plan as to other terms of the offering which are negotiable. See Section XIV of the Offering Plan for estimated closing costs and adjustments, which costs are in addition to the sale prices set forth herein.
2. Purchasers should refer to the floor plans in Schedule G of Part II of the Plan for details of each type of Unit. The square footage of each Residential Unit has been based on the area from the exterior side of the exterior walls of the Building, approximately (within reasonable tolerances) to the centerline of the interior partitions separating the Residential Units and to the exterior side of the partitions separating the Residential Units from the public corridors, stairs or elevator. As such the areas are not based upon measurements from interior surfaces of interior walls, the actual floor area comprising the Residential Unit is significantly less than the area listed in Schedule A. The measurement of the Unit, as depicted in Schedule A, includes square footage attributable to Common Elements. All Units will have balconies and/or terraces as Limited Common Elements, as set forth on Schedule A.
3. The Common Interest of each Residential Unit has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. Said method of determining the percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i (1) (iv) of the Real Property Law of the State of New York. This percentage determines the amount that the Residential Unit Owners will pay for their Common Charges. The percentage of Residential Common Interest will determine the amount each individual Unit Owner will pay for their Common Charges.
4. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Units and Common Elements and maintenance and operation of the General Common Elements. Common Charges exclude repair and decoration to the inside of a Residential Unit, utilities for each Residential Unit and insurance for personal belongings. See Schedule B-1 for estimated heating and electrical costs for the Residential Units.
5. The Condominium is not eligible for 421-a tax benefits. Schedule A reflects the estimated taxes for the Residential Units.

Real estate tax estimates are based upon current real estate tax assessment information from the New York City Department of Finance and an opinion letter dated February 5, 2020 from Highpoint Incentives Inc., 769 Empire Avenue, Far Rockaway, New York 11691. As per Rules and Regulations set by the Department of Finance multiple residential Class A units would be categorized as a tax Class 2, with a tax rate of 12.473%. (i.e., \$12.473 per \$100 of assessed value, the final 2019/2020 tax rate [although it is unlikely that the tax rate will remain as it is currently]). The total assessed value and real estate tax liabilities will be approximately as follows:

Unit	SqFt of Unit	Assessed Valuation	Annual Tax
1A	366	23,941.48	\$2,986.22
1B	598	39,117.51	\$4,879.13
2A	556	36,370.12	\$4,528.59
2B	545	35,642.09	\$4,446
3	1,148	75,095.15	\$9,366.62
4	1,690	110,549.48	\$13,788.84

The total assessed value of the property (i.e. the aggregate assessment of all residential area) following completion of construction is estimated to be approximately \$320,715.829 This value is based on an estimate of the building being of a gross zoning square footage of 4903 s/f. Using the foregoing estimate of assessed value upon completion assuming completion to be on or before Dec. 30, 2020 and assuming the tax rate remains the same as the current rate (i.e., \$12.473% per \$100 of assessed value Tax Class 2 2019/2020 tax year) then the estimated real estate taxes for the residential units combined will be \$40,002.893 plus any equalization increases.

Assessed valuations, when actually made, may be lesser or greater based on interpretation of the administrative code and the applicable rules and regulations of the City of New York. The estimates are not intended, and should not be construed as warranties as to future assessed valuations of the Property. In the event actual real estate taxes differ than from the estimates provided herein, Purchasers will not be offered rescission.

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. In addition, pursuant to the provisions of the Internal Revenue Code of 1986 and the Tax Cuts and Jobs Act of 2017, the real estate taxes payable by a Residential Unit Owner, which are assessed against their Residential Unit by any governmental taxing authority, up to a maximum of \$10,000, are a proper deduction in connection with Federal and State Income Taxes payable by such Residential Unit Owner.

Projected tax deductions (where applicable) may vary in future years due to changes in the interest rate on the Residential Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

It is anticipated that the closing to the first Residential Unit will occur on or about December 1, 2020. In the event said date is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission. **The projected real estate taxes for the first year of operation contained in this Offering Plan are based on an assessment of the building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after construction is complete.**

Purchasers should note that the \$10,000 per year tax deduction is for the combined New York State income taxes, New York City (or local) income taxes and real estate taxes. Accordingly, in the event the Unit Owner's combined New York State income taxes, New York City (or local) income taxes and real estate taxes exceed the \$10,000 threshold, a Unit Owner may not be able to realize a deduction for amounts over the \$10,000 threshold.

Purchasers are encouraged to review the projected real estate taxes with counsel and/or a real estate tax professional.

See Section XXI for a full discussion of the real estate taxes applicable to the Units.

6. The Sponsor is not offering and has not procured mortgage financing. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. In the event a Purchaser obtains a mortgage, a Purchaser's monthly carrying charges will increase. Any Purchaser who applies for a mortgage from a lending institution should check with that institution as to the monthly mortgage costs as well as any closing costs that the Purchaser will be obligated to pay the lending institution. In the event a Purchaser of a Residential Unit obtains a mortgage, the interest payable on the mortgage will be deductible for income tax purposes provided the Residential Unit will be the Purchaser's principal residence or one (1) other residence selected pursuant to the Internal Revenue Code. Additionally, projected carrying charges do not include certain costs for which the unit owner is responsible such as (where applicable) repairs to the interior of the unit, separately metered gas, electricity, hot water, heat, air conditioning and cable television service. Purchasers should refer to ScheduleB-1 herein for estimated individual utility charges.
7. In connection with the sale of a Unit, Purchaser shall be required to pay 1) the New York State Transfer Tax of 0.4% of the Purchase Price where the consideration is less than \$3,000,000 and 0.65% of the Purchase Price where the consideration is

\$3,000,000 or greater; and 2) New York City Real Property Transfer Taxes of one (1%) percent of the Purchase Price where the consideration is less than \$500,000 and 1.425% where the consideration is \$500,000 or greater. These taxes are normally an expense of the Sponsor, however, by contractual arrangement they will be paid by Purchaser. See Section XIV.

VI. SCHEDULE B

**108 Jackson Condominium
108 Jackson Street, Brooklyn, New York 11211
Projected Budget for the First Full Year of Condominium Operation
December 1, 2020 – November 30, 2021**

ESTIMATED INCOME

(1) Common Charges	\$25,756
Six (6) Residential Units,	

ESTIMATED EXPENSES

(2) Electricity	\$1,150
(3) Water & Sewer	\$4,976
(4) Janitorial Services	\$2,400
(5) Service Contracts	\$3,120
(6) Insurance	\$3,000
(7) Management Fees	\$6,000
(8) Professional Fees	\$2,100
(9) Other	\$ 667
(10) Reserve	\$2,343
	\$25,756

*In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Plan to include a revised budget. See explanatory footnotes. If amended projections exceed the original projections by twenty-five (25%) percent or more, the Sponsor will offer all purchasers the right to rescind their purchase agreement and have their deposits returned, with interest, if any, provided such election to rescind is received by Sponsor within fifteen (15) days of the date of presentation of the amendment disclosing the revised budget. Sponsor may not declare the Plan effective where there are material changes to the budget if these changes have not been disclosed in a duly filed amendment to the Plan.

FOOTNOTES TO SCHEDULE B

(1) INCOME \$25,756

The estimated common charges to be collected from unit owners during the first year of condominium operation are based upon the assumption that the first year of condominium operation will be the twelve months commencing December 1, 2020. The actual first year of operation may be earlier or later.

In the event the projected commencement date of the first year of condominium operation is to be delayed more than six (6) months from the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. Sponsor will not declare the Plan effective if any material changes to the budget are not yet disclosed in an amendment to the Plan.

If the common charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the sponsor will offer all purchasers the right to rescind their purchase agreements and have their deposits refunded to them, whether or not the sponsor offers to guarantee the earlier budget projections.

(2) ELECTRICITY & GAS \$1,150

Based a report dated on July, 2019 from Galli Engineering, P.C., Pinelawn Road Suite 209E, Melville, NY annual cost for electric of common usage.

Common Charge Electricity will be used for the common hall lighting, central air conditioning and heating, typical common charges. Common Charge Electric consumption is estimated at 5,225 KWH per year, at a rate of \$0.20 per KWH for a total cost of \$1,150 annually with a 10% inflation factor.

<u>Projected Consumption</u>	<u>Average Cost</u>	<u>Projected Cost</u>
5,225 KWH	\$0.20 /KWH	\$1,150

There is no Common Gas usage.

(3) WATER & SEWER \$4,976

Based a report dated on August 14, 2019 from Galli Engineering, P.C., Pinelawn Road Suite 209E, Melville, NY annual cost for water common usage.

<u>Projected Consumption</u>	<u>Average Cost</u>	<u>Projected Cost</u>
Water		
342,764 Gallons	\$3.81 /748 gallon	\$1,921
Sewer		
342,764 Gallons	\$6.06 /748 gallon	<u>\$ 3,055</u>

Totals include a 10% inflation factor. Water and Sewer charges will be commonly metered to the Building and included as part of the Common Expenses.

(4) JANITORIAL SERVICE \$2,400

It is expected that the building will enter into an agreement with a company for cleaning and janitorial services. The services shall include: 1) removing trash twice per week; 2) cleaning of the interior staircase and hallway, once per week; and 3) sweeping the sidewalk and street-front twice per week.

As this agreement will be with an outside janitorial service provider, the Building will not hire a direct employee for this position and will not be required to maintain payroll, etc. Does not include repairs, painting, maintenance, or supplies for individual Units, which are the responsibility of the individual Unit Owners. This complies with all applicable housing and labor laws.

(5) SERVICES CONTRACTS \$3,120

The budgeted amount includes the cost of cleaning equipment and miscellaneous supplies for the common elements, as well as the anticipated cost of service contracts during the first year of condominium operation.

Elevator Maintenance	\$2,700
Based on a proposal from Kone Elevator, 4736 36th Street, Long Island City, NY 11101 for yearly maintenance \$2,700.	

Telephone	\$420
Based on 1 telephone lines service for elevators for yearly.	

(6) INSURANCE \$3,000

Based on a proposal from OIS Oakmont Insurance Service LLC. 30-50 Whitestone Expy, Ste.401, Flushing NY 11354 for yearly premium

Building Replacement	\$1,822,000
A Deductible of	\$1,000
(Limit, Subject to Occurrence)	

Boiler & Machinery	Included
Subject to building deductible	

Maintenance fees - Actual Loss	Included
(No deductible)	

Liability - Comprehensive Form	Included
per occurrence	\$1,000,000

per aggregate \$2,000,000

Fire Damage - Covered Included
Subject to building deductible

Flood Insurance - Covered Included
Subject to building deductible

The above proposed coverages are provided by a New York licensed company and provide for the following:

Director's and Officer's Liability is available at an additional cost
All Unit Owners are listed as an additional insured party.
Waiver of Subrogation Clause is included.
Replacement Cost coverage endorsement is included.
Notice to Owners and Board of Managers in event of cancellation.
Waiver of Subrogation Clause is included.
Waiver of Pro-rata reduction if Unit Owners obtain additional coverage is included.
The fire insurance coverage in the Unit Owners amount of \$1,000,000 budgeted in the Plan is adequate so that insured shall not be a co-insurer if the policy contains a co-insurance provision.

(7) MANAGEMENT FEE \$6,000

Based on a proposal from G Buddy Inc., 2026 60th St. Brooklyn NY annual cost for. The Agent will have normal management responsibility, subject to the directives of the Board of Managers, including engaging personnel; performing bookkeeping services; involvement in collection of assessments; review of contracts to be entered into on behalf of the Condominium (subject to approval of the Board of Managers); causing maintenance and repair of the Property, but, unless provided for in the budget for the Condominium, the Manager shall not obligate the Condominium for any single item of repair, replacement, refurnishing or refurbishing in excess of \$500 without the prior approval of the Board of Managers; maintaining the books and records of the Condominium; assistance in the preparation of annual budgets; attendance at monthly meetings of the Board of Managers; maintenance of bank accounts for the deposit of funds collected from Residential Owners; routine visual inspections of the property and presentation of recommendations to the Board of Managers. The rate indicated for management services is substantially similar to prevailing costs for similar services. Agent is not affiliated with Sponsor.

(8) PROFESSIONAL FEES \$2,100

Based on a proposal from Simon Ou CPA PC., 139 Centre Street PH106 New York NY 10013, for preparation of Annual Corporate tax return and annual audited financial statements.

At this time the Condominium will not be entering into an agreement with an attorney but shall do so if the need arises after commencement of Condominium operation. This could result in an additional cost for legal fees, if required.

(9) OTHER EXPENSES \$ 667

This item is to provide a fund for permits, inspection, taxes, registration fees, violations and unanticipated expenses.

(10) RESERVE FOR EQUIPMENT REPLACEMENT \$2,343

Provides for a reserve to offset future replacement of capital items, such as building façade, and common building elements. An amount equal to at least 10% of the operating income is budgeted towards a capital reserve account. No representation is or can be made that this amount is adequate to cover all such expenses, when required. The reserve fund will be placed in an interest-bearing account separate and apart from the general operating funds and if not used in any specific year will accrue on a yearly basis. In view of the fact this Condominium is a new construction development, although Sponsor cannot make any guarantees, it is unlikely there will be any major capital improvements during the first five (5) years of Condominium operation.

IN THE OPINION OF CHUN HING GARY CHONG LOCATED AT 38-08 UNION ST 8B FLUSHING NY 11354, CONSULTANT (SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," IN PART II OF THIS PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE RESIDENTIAL UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THEIR FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING DECEMBER OF 2020. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN THE SAID BUDGET.

IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

VII. SCHEDULE B-1

The following are the projected individual electrical costs for the Residential Units in the Condominium based on information provided in a letter dated, August 14, 2019, by Galli Engineering, P.C., 35 Pinelawn Road, Melville, New York 11747, as follows:

Unit	Electricity (KWH/yr)	Electricity Cost/year	Electricity Cost /month	Gas (therm/yr)	Gas Cost/year	Gas Cost/month
1A	7,560	\$1,663	\$139	314	\$524	\$44
1B	8,971	\$1,973	\$164	314	\$524	\$44
2A	6,987	\$1,537	\$128	314	\$524	\$44
2B	6,977	\$1,535	\$128	314	\$524	\$44
3	15,495	\$3,409	\$284	453	\$756	\$63
4	14,064	\$3,094	\$258	453	\$756	\$63
4U (PH)	5,312	\$1,168	\$97	0	\$0	\$0

The above electrical cost estimates have been calculated including an inflation factor of ten (10%) percent. During summer months the electric costs may go higher.

The above consumption estimates are based on usage in comparable/similar buildings.

The above costs are estimated only, and are based on conditions outlined herein and the natural gas, electric and water rates currently in effect which include the latest utility company surcharges for fuel adjustments plus applicable taxes. It also takes in account the variation of family size and lifestyle. The above costs may also vary depending upon the setting of the apartments' thermostats and the maintenance of the equipment in good and efficient condition. The projected costs presented herein cannot be guaranteed and should only be used as a guide. A true assessment of the costs can only be made after several years of stable building operation. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity and gas substantially higher than the current or projected rate.

Although the Sponsor is under obligation to provide accurate information to prospective Purchasers, factors beyond its control may substantially affect the cost of electricity and gas after the purchase of a Residential Unit or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at an optimum efficiency at the lowest cost.



**Moritt Hock
& Hamroff** LLP
ATTORNEYS AT LAW

III. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

July 30, 2020

State of New York
Department of Law
28 Liberty Street
New York, New York 10005

Re: **108 Jackson Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property has retained this office to review the percentage of Common Interest applied to the Units contained in Schedule A of the Offering Plan.

Our experience includes the preparation of numerous Condominium Offering Plans and legal representation of several Condominium Boards of Managers in the State of New York.

In reviewing said Schedule A, the percentage of Common Interest for each Unit as contained therein has been determined 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. Said method of determining the percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i (1) (iv) of the Real Property Law of the State of New York.

I hereby authorize inclusion of this opinion in the Offering Plan for 108 Jackson Condominium to be filed with the Department of Law.

Very truly yours,

MORITT HOCK & HAMROFF LLP

By: _____

Anthony J. Ficara, Partner

IX. CHANGES IN PRICES OF RESIDENTIAL UNITS

Sponsor will not make any material change in the size or adverse material change in the quality of Common Elements without the consent of all Residential Unit Owners. However, Sponsor reserves the right to change the model mix of the Residential Units without consent of any Residential Unit Owner as long as the percentage of Common Interest for the Residential Units is not affected, there is no Purchase Agreement in effect for said Residential Unit and as long as the Sponsor does not change the total number of Residential Units being offered for sale, nor the total number of buildings in the development, nor materially change the size of the Residential Unit. A decrease in a Unit's areas of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material.

Sponsor will not make any material change in the Residential Units size, layout, percentage of Common Interest or in the amount or quality of Common Elements directly affecting or servicing the Residential Unit if a Purchase Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default, unless the Purchaser consents in writing to such change. A decrease in a Unit's areas of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material.

Sponsor is obligated to construct the premises in accordance with building plans and specifications. Any modification to or variation therefrom will be first disclosed in an amendment to the Offering Plan.

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

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

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 the Common Elements.

The prices for these Condominium interests may be changed from those set forth in this Offering Plan so that Purchasers may pay different prices for similar interests. No such change will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales prices does not constitute a general offering but is rather the result of an

individually negotiated Unit purchase. All changes in prices which are an across the board increase or decrease affecting one (1) or more lines of Units or models, or is to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan.

The Sponsor further reserves the right, but not the obligation, to negotiate with a Purchaser on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to a Residential Unit or the fixtures or equipment contained therein or credits or allowances therefor; treatment of reduced and/or split down payment; financing contingency; extension of period to secure financing; payment of all or part of a Purchaser's acquisition or financing costs such as, but not limited to: origination fees and commitment fees; any and all other costs relating to the cost of acquiring title to a Unit; maintenance subsidies, rebates or other costs associated with maintaining a Unit as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; promotional gifts on the purchase of a Unit and application of rent toward the purchase price. As a result, a Purchaser may receive different terms than a prior or subsequent Purchaser may receive for a similar Unit. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms or, at its sole option, to expand the applicability of such negotiable terms to some or all Purchasers pursuant to Section 352-e of the General Business Law.

IXA. INTERIM LEASES

The Sponsor will not enter into interim leases with Purchasers for Residential Units prior to closing. In no event shall Purchaser take possession of the Residential Unit prior to the time of the delivery of the deed, nor shall Purchaser enter the Residential Unit or have his or her contractors or agents enter the Residential Unit to perform work prior to closing without the written authorization of the Sponsor. Should the Purchaser violate this provision, Sponsor will have the right to remove Purchaser from the Residential Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain the funds being held in escrow to a maximum of ten (10%) percent of the sales price plus the cost of extras ordered, as liquidated damages. Purchasers should refer to Paragraph 22 of the Purchase Agreement.

X. PROCEDURE TO PURCHASE

The Sponsor hereby offers for sale the Residential Units in the Condominium for residential occupancy in accordance with applicable municipal zoning regulations. Occupancy of the Residential Units or portion of a Residential Unit by a lessee or lessees of the Residential Unit Owner for the purposes set forth in this paragraph conform with the zoning regulations permitting construction of this Condominium.

Sponsor will endeavor in good faith to sell the Units in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell the Units

upon consummation of the Plan. Because Sponsor is retaining the unconditional right to rent rather than sell the Units, this plan may result in the creation of a condominium in which a majority of the Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell the Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium.

The sales prices at which the Units are being offered for sale are shown in detail in Schedule A. The Sponsor reserves the right to lower the sales prices and to negotiate other terms on an individual basis. All changes in prices which are an across the board increase or decrease affecting one or more lines of Units or models, or are to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan. See Section IX of the Offering Plan. Any such change will not affect the Common Interest of the Unit, however, some Purchasers may pay less or more for the same model Unit or receive different terms.

Any person may accept Sponsor's offer to sell a Unit by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchaser will purchase from the Sponsor a designated Unit in 108 Jackson Condominium as described in the Declaration creating such Condominium. A Purchaser will be afforded a minimum of three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement. Any conflict between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan.

Upon signing the Purchase Agreement, the Purchaser shall make a down payment of a minimum of ten (10%) percent of the purchase price of a Unit plus the cost of any special work ordered by the Purchaser. Upon full payment of the balance of the purchase price and the balance of the cost of any special work ordered at the closing, in cash or by mortgage, Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to the ownership of fee ownership in the Unit and such percentage of Common Interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in Section XIII of the Offering Plan. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan. Sponsor must either return a fully executed Purchase Agreement within twenty (20) days to the Purchaser or reject the Purchase Agreement and refund the deposit monies. In the event the Sponsor does not act within said twenty (20) day period the Purchase Agreement will be deemed rejected by the Sponsor.

The Power of Attorney included as Schedule E herein, as same may be amended from time to time so as to comply with applicable law, must be executed by Purchaser at

the closing of title. Failure to execute the Power of Attorney will result in a default under the Purchase Agreement.

It is anticipated that the closing to the first Residential Unit will occur on or about December 1, 2020. In the event said date is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission.

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

However, if the first Unit closing occurs before November 30, 2021, the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

After the Offering Plan is declared effective, the Sponsor will give each Purchaser who enters into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Residential Unit unless a Purchaser waives such thirty (30) day notice. A form for such waiver is contained as Schedule D-3 to the Offering Plan.

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 for a Purchaser to cure a default within such thirty (30) day period.

The Purchase Agreement may not be assigned by Purchaser without the written consent of Sponsor.

Purchasers should note that if a Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default, **time being of the essence**. See Paragraph 21 of the Purchase Agreement in Part II of the Offering Plan.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. The Purchase Agreement and Plan comply with Section 71.a(3) of the New York Lien Law. Said statute provides

that the initial advance of the Purchase Agreement be deposited in an escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in New York State. The escrow and trust fund provisions disclosed below complies with said statute.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Unit as a result of their inability to obtain a mortgage, the down payment plus the cost of any custom work ordered, and incurred by Sponsor, will be retained by Sponsor as liquidated damages. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

A complete copy of the Purchase Agreement is contained in Part II of the Plan.

ESCROW AND TRUST FUND PROVISIONS

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e (2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. All funds required to be held pursuant to GBL, Sections 352-e(2-b) and 352-h on the effective date of this section shall be transferred into escrow accounts in compliance with this regulation within 60 days thereafter.

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

All deposits, down payments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Purchase Agreement is tendered to the Escrow Agent along with the deposit, in a segregated special Escrow Account of Moritt Hock & Hamroff LLP, the Escrow Agent, whose address is 1407 Broadway, 39th Floor, New York, NY 10018, and whose telephone number is 212-930-9700. The Escrow Account will be opened with Popular Bank, 85 Broad Street, New York, New York 10006. The signatories on this account authorized to withdraw funds include the following Partners of MHH: Anthony J. Ficara, Ted A. Berkowitz and Robert M. Finkel. All designated signatories are admitted to practice law in the State of New

York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing. The name of the account is "Moritt Hock & Hamroff LLP, F/B/O 108 Jackson Condominium – IOLA Escrow Account". The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

The Escrow Account will be Interest-On-Lawyer-Account ("IOLA"). Pursuant to Judiciary Law, Section 497, all interest earned on the IOLA account will be paid to the State of New York.

Purchasers should note as a special risk that although all funds received by Sponsor for upgrades or extras to a Residential Unit will initially be placed in the escrow account, such funds may be released from the Escrow Account without the requirements outlined below as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras to the extent such funds have been expended. If Sponsor abandons the Plan, Purchasers will receive their money back for upgrades and extras.

All instruments shall be made payable to or endorsed to the order of Moritt Hock & Hamroff LLP, as Escrow Agent and shall be accepted subject to collection.

The Purchase Agreement is included herein as Schedule D in Part II of the Plan. The relevant escrow trust fund provisions are included in Paragraph 29 of the Purchase Agreement, which must be executed by the Escrow Agent.

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

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 16th Floor, New York, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York

State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Purchasers should note that the deposit of a Purchaser's down payment into the Escrow Account shall not be deemed acceptance by the Sponsor of the Purchase Agreement. The Purchase Agreement shall be deemed accepted by the Sponsor only when countersigned by the Sponsor.

The Escrow Agent will hold funds in escrow until otherwise directed in:

- (i) a writing signed by both Sponsor and Purchaser upon closing. Sponsor and/or the Escrow Agent may require a Purchaser to execute a writing authorizing release of the funds by the Escrow Agent as a condition of closing. Authorization of the release of funds at closing in the Purchase Agreement will be deemed such a writing; or
- (ii) in a subsequent writing signed by both Sponsor and Purchaser; or
- (iii) a final, non-appealable judgment or order of a court of competent jurisdiction.

In no event shall the funds be released or authorized to be released prior to closing.

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

The Escrow Agent will also be permitted to release the escrow funds if:

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

The Sponsor will not object to the release of the escrowed funds to:

- (i) a Purchaser who timely rescinds in accordance with an offer or rescission contained in the Plan or an Amendment to the Plan;
- (ii) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

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

Nothing contained herein shall diminish or impair the sponsor's statutory obligation to each purchaser pursuant to GBL section 352-h 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 GBL section 352-h. 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 the sponsor or the escrow agent upon any bankruptcy, incapacity or death.

Under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to General Business Law Sections 352-3(2-b) and 352-h.

Purchasers should note that it shall be an express condition of closing of title that the Purchaser sign the form contained in Part II which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

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

A copy of the Escrow Agreement between the Sponsor and the Escrow Agent which incorporates the terms of the Attorney General's regulations is contained in Part II of the Plan as Schedule L. The Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds. Upon the dissolution of the law firm which was the escrow agent, the former partners or members of the firm shall

make appropriate arrangements for the maintenance of the Escrow Account records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

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

Purchasers should note that on November 15, 2018 the Financial Crimes Enforcement Network ("FinCEN") announced the issuance of an updated Geographic Targeting Order ("GTO"), which requires U.S. title insurance companies to report to FinCEN the personal identity of purchasers in residential real estate transactions in which: (1) the purchaser is a legal entity as defined in the GTO; (2) the purchaser purchases residential real property (including condominium units) located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan and Staten Island; (3) the total purchase price is in an amount of \$300,000 or more; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.

As long as the updated GTO remains in effect, the reporting requirements set forth above apply to all residential real property closings (including condominium units) meeting the above criteria and occurring on or after November 17, 2018.

Further information regarding the revised GTO is available at the following web address:

https://www.fincen.gov/sites/default/files/shared/Real%20Estate%20GTO%20GENERIC_111518_FINAL.pdf

XI. FINANCING FOR QUALIFIED PURCHASERS

THIS PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. The Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of

each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at closing regardless of the availability of financing. In the event a Purchaser does not close title to the Residential Unit as a result of their inability to obtain a mortgage, the down payment plus the cost of any custom work ordered, will be retained as liquidated damages.

Prospective Purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

The closing of title to a Unit where the Purchaser has obtained financing will take place simultaneously with the closing of the mortgage loan and the proceeds will be applied towards the then balance of the purchase price.

XII. EFFECTIVE DATE OF THE PLAN

Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and no closing to a Unit will be held until the Plan is declared effective. This Offering Plan will not become effective until bona fide Purchasers, including investors, have executed Purchase Agreements which have been accepted by Sponsor for at least fifteen (15%) percent in number of the Residential Units offered under the Plan ($6 \times 15\% = 1$ Residential Unit). The Sponsor will declare the Plan effective by personal service of notice on every Purchaser or commencement of service by mail, stating that the Plan has been declared effective. Sponsor will, within five (5) business days of said notice, submit for filing an amendment to the Plan disclosing the Plan's effectiveness and will file an affidavit of service of the notice on all Purchasers. Sponsor will not close title to the first Residential Unit until the amendment disclosing the effectiveness of the Condominium has been accepted for filing by the Attorney General. The Plan will not be declared effective based on Purchase Agreements:

- (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- (ii) based on Purchase Agreements where the Purchaser has not had at least three (3) business days to review the Offering Plan and all filed amendments; or
- (iii) with any Purchaser who is the Sponsor, the selling agent, or the managing agent, or is a Principal of the Sponsor, the selling agent, or the managing agent, or is related to the Sponsor, the selling agent, or the managing agent, or to any Principal of the Sponsor, or the selling agent, or the managing agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder, or a limited partner; except that such a Purchaser other than the Sponsor, or a

Principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

Further, prior to declaring the Plan effective, the Sponsor has the option not to close title to the Units and to abandon the Plan at any time, if less than eighty (80%) percent in number of the Residential Units offered hereby are sold and title to any Residential Unit has not been conveyed ($6 \times 80\% = 5$ Residential Units). In the event Sponsor exercises such option, it shall forthwith return to the Purchaser all monies paid with interest, if any, within five (5) days of acceptance of an amendment abandoning the Plan. When Purchase Agreements for eighty (80%) percent of the Residential Units have been entered into, the Sponsor must declare the Plan effective.

Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close, the Sponsor will re-declare the Plan effective if all Purchase Agreements are either rescinded or terminated prior to the date of first Unit Closing, regardless of whether the Condominium Declaration has been recorded.

Once the Plan has been declared effective, it may not be abandoned except for (i) a defect in title which cannot be cured for less than one-half percent ($\frac{1}{2}\%$) of the total amount of the offering or (ii) substantial damage or destruction of a Building by fire or other casualty which cannot be cured for less than one-half percent ($\frac{1}{2}\%$) of the total offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Any stated dollar amount relied upon as basis for abandonment after effectiveness will exclude all attorneys' fees as well as any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record. In the event Sponsor abandons the Plan, it shall do so by means of a filed amendment to the Plan. All monies advanced by Purchasers will be returned to them within five (5) days of the abandonment of the Plan. If Sponsor decides to abandon the Plan before declaring the Plan effective, Sponsor will file an amendment disclosing such abandonment and file a RS-3 Form with the Department of Law.

It is anticipated that the closing to the first Residential Unit will occur on or about December 1, 2020. In the event said date is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission.

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

However, if the first Unit closing occurs before November 30, 2021, the Sponsor may schedule the closings of title to other Units significantly later than such date. Unless

your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain.

XIII. TERMS OF SALE

After the Plan has been declared effective the Sponsor will fix a date for the closing of title to all Residential 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. Notice will be sent to all Purchasers who have executed and delivered Purchase Agreements to the Sponsor and whose Purchase Agreements are then in effect by (i) personal delivery; or (ii) mailing by regular mail or registered or certified mail with or without return receipt requested, addressed to the Purchasers at the last known residence of such Purchaser or, if the Purchaser has provided written information of an alternative address for notices, addressed to the Purchaser at the alternative address. If Sponsor has no information of the last known residence address, but has written information of the place of business or employment of such Purchaser, the mailing shall be addressed to such last business or employment address.

Such notice will be served no less than thirty (30) days before the date set for the closing of the Units. Sponsor shall permit Purchasers to waive the thirty (30) day provision by a written waiver. A form for such waiver is contained as Schedule D-2 to the Offering Plan. Said notice will also include notice of the obligation to pay the balance of the purchase price. On the closing date, fee title to the Unit will be conveyed to the Purchaser together with the Unit's undivided interest in the Common Elements. The closing of title to the first Residential Unit is expected to commence on or about December 1, 2020. Such closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Unit Owner of a Bargain and Sale Deed with covenants against grantor's acts. A copy of the Deed is set forth as Schedule F in Part II of the Plan.
2. The Sponsor's repair of any damage from a casualty or other cause that occurs before the closing of Purchaser's Residential Unit. In the event a and actually expended, is damaged by casualty or other cause prior to the closing of Purchaser's and actually expended, through no fault of Purchaser, Sponsor shall repair the and actually expended, to meet the specifications set forth in the architects and/or engineers property description report(s) contained herein prior to closing of title to such Unit. In the event Sponsor cannot complete such repair within the anticipated delivery time frame set forth in the Offering Plan or Purchase Agreement, Purchaser shall be afforded a right of rescission.

3. The issuance of a permanent or temporary Certificate of Occupancy to the Residential Unit or Building in which the Residential Unit is located and any other necessary permits.
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 than those described in the Offering Plan and the proposed Unit Deed.
5. Purchasers are free to obtain title insurance from any title company authorized to do business in the State of New York without incurring any additional fees or penalty from Sponsor. If so requested by the Purchaser, Cornerstone Land Abstract, LLC, 248-52 Jericho Turnpike, Bellerose Village, NY 11001 ("Cornerstone"), a title company authorized to do business in the State of New York, shall agree to insure that such Purchaser has good and marketable fee title in the Unit, free and clear of all liens, encumbrances and title exceptions, except those set forth below, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the Purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law. Purchasers are free to obtain title insurance from any reputable title company authorized to do business in the State of New York without incurring any additional fees or penalty from Sponsor.
6. All articles of personal property, fixtures and equipment as set forth in the Offering Plan for the Residential Unit being purchased are to be included in the sale of such Residential Unit.
7. The Declaration, By-Laws, floor plans and engineers and tax authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed as required by law in the New York City Registers Office, Kings County.
8. The Unit and its undivided interest in the Common Elements shall not be subject to the lien of any mortgage at the time of closing except any mortgage requested by the Purchaser at the time of closing representing a purchase money mortgage or mortgages taken by the Purchaser.
9. The Sponsor will give each Purchaser who has entered into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to their Unit unless a Purchaser waives such thirty (30) days notice. A form of such waiver is contained as Schedule D-2 to the Plan.
10. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective and that the terms of this Section will be met, that

the Residential Units to be closed have been constructed in accordance with the plans filed with the Building Department of the City of New York and that the Sponsor has complied with the requirements of this Section.

11. Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Residential Unit and Sponsor shall assign any warranties with respect to equipment and appliances installed in Common Elements to the Board of Managers.
12. The Purchaser shall execute an instrument in the form annexed to the Purchase Agreement designating the Board of Managers as the Purchaser's attorneys-in-fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, subleasing, voting or otherwise dealing with any Units acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and designating the Sponsor as their attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Residential Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium.
13. If applicable, prior to closing, the Sponsor will procure the real property transfer gains tax tentative assessment and return (or statement of no tax due) and will, at closing and comply with the requirements of the New York State Department of Taxation and Finance.

Title to the 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 than those permitted below and/or described in the proposed Unit deed. Title to the Units will be subject to the following:

1. State of facts of the property as shown on a survey to be made prior to the closing of title provided such facts would not render title unmarketable and any state of facts which an accurate survey of the building would show provided such state of facts would not render title unmarketable.
2. Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.
3. All of the terms, covenants and conditions of the Declaration, the By-Laws of the Condominium and the Building Plans, as they are subsequently filed or recorded, the Offering Plan and any amendment thereto.

4. All easements set forth in the By-Laws and Declaration of the Condominium as they are subsequently recorded in the Offering Plan and Purchase Agreement, including:
- (a) Easements in favor of the Owners of other Units to use the pipes, wires, conduits, cable television, and public utility lines located in the Common Elements or in the Unit itself servicing such other Units and/or the Common Elements.
 - (b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to any Unit and to the Common Elements to inspect, maintain or repair or to make repairs to any Unit to prevent damage to the Common Elements or any other Units, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Units or to make repairs to any other Unit, regardless of the nature of the Common Element.
 - (c) Easements in favor of those Residential Units having restricted use to portions of the Common Elements.
 - (d) Easements in favor of the Residential Unit Owners for access through any other part of a Building for the purpose of access, installation, maintenance, repair and replacement of any flues, vents, gas, air-conditioning, heating, ventilation, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing an individual Residential Unit.
 - (e) Easements for the continuance of encroachments on any Unit and on the Common Elements by other Units or portions of the Common Elements, now existing by reason of the construction of the Units, or hereafter occurring by reason of the settling or shifting of the Units, or by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Units stand.
 - (f) Easement in favor of the Sponsor, its agents and employees for access through any part of a Building for the purpose of access, installation, maintenance, repair and replacement to of any portion of the Building, including but not limited to the installation of solar energy panels on the roof.

5. Any additional declarations, covenants, restrictions, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of a Residential Unit as a one (1) family residence.

The Sponsor has been advised by its counsel that in counsel's opinion, none of the exceptions to title herein above set forth are contrary to the terms of the Purchase Agreement nor will they interfere with the quiet use or enjoyment of the Purchaser's Unit.

All personal property located within a Unit on the date the Purchase Agreement is signed, or located within the Common Elements on the date the declaration is filed, which is owned by the Sponsor or owner of the Property, is included in the conveyance unless specifically excluded in the Offering Plan. As such, Sponsor specifically excludes all personal property located within the Units or within the Common Elements, which is not described in the Offering Plan as being included in a Unit or the Common Elements and which is not intended to be subject to this offering.

The Financial Crimes Enforcement Network ("FinCEN") announced the issuance of an updated Geographic Targeting Order ("GTO"), which requires U.S. title insurance companies to report to FinCEN the personal identity of purchasers in residential real estate transactions in which: (1) the purchaser is a legal entity as defined in the GTO; (2) the purchaser purchases residential real property (including condominium units) located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan and Staten Island; (3) the total purchase price is in an amount of \$300,000 or more; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.

As long as the updated GTO remains in effect, the reporting requirements set forth above apply to all residential real property closings (including condominium units) meeting the above criteria and occurring on or after November 17, 2018.

Further information regarding the revised GTO is available at the following web address: https://www.fincen.gov/sites/default/files/shared/Real%20Estate%20GTO%20GNERIC_111518_FINAL.pdf

XIV. CLOSING COSTS AND ADJUSTMENTS

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

1. Fee title insurance at the estimated rates at the estimated rates of \$5.81 per thousand for the first \$50,000 of fee title insurance, approximately \$4.74 for each additional \$1,000 of insurance up to \$100,000 and approximately \$3.80 per thousand for each additional \$1,000 up to \$500,000 plus six (6%) percent.

Each Purchaser will be free to obtain title insurance from a title insurance company of their own choosing without incurring a penalty from Sponsor.

2. Mortgage title insurance at the estimated rates of \$4.84 per thousand for the first \$50,000 of mortgage title insurance, approximately \$3.95 for each additional \$1,000 of mortgage title insurance up to \$100,000 and approximately \$3.17 per thousand for each additional \$1,000 up to \$500,000 plus six (6%) percent.

In the event a Purchaser obtains both mortgage and fee title insurance at closing, the Mortgage Policy shall be issued at a reduced rate known as the Simultaneous Mortgage Rate. The fee title insurance policy will be based on the full fee rate and the Simultaneous Mortgage Policy is based on thirty (30%) percent of the applicable mortgage rate up to the amount of the Mortgage Policy. Any excess is based on the full mortgage rates.

Each Purchaser will be free to obtain title insurance from a title insurance company other than Cornerstone without incurring a penalty from Sponsor. Sponsor makes no representation or warranty as to cost, terms or availability of such other title insurance.

3. Fees for the recording of the deed, power of attorney and any affidavit required in connection with the mortgage tax credit available under RPL §339-ee which are approximately \$235, \$100 and \$50 for each document.
4. In the event the Purchaser shall obtain a purchase money first mortgage, Purchaser shall pay recording fees for the mortgage of approximately \$100. For first mortgages in an amount less than \$500,000, Purchaser shall pay mortgage tax of 2.05% of the amount of the mortgage less \$25 and for first mortgages in an amount in excess of \$500,000; Purchaser shall pay mortgage tax of 2.175% of the amount of the mortgage less \$25. In addition, the Purchaser will be required to pay the lending institution's attorney's fees, any mortgage origination fees, bank credit and appraisal fees and other expenses that the lending institution may charge incident to the making of the permanent loan. If applicable, a portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes, which the Sponsor may have previously paid in connection with the existing mortgage on the Condominium. There will be no mortgage closing costs pursuant to this paragraph 4 on Residential Units, which are not covered by mortgages.
5. New York State Transfer Tax of 0.4% of the Purchase Price where the consideration is less than \$3,000,000 and 0.65% of the Purchase Price where the consideration is \$3,000,000 or greater, and New York City Real Property Transfer Taxes of one (1%) percent of the Purchase Price where the consideration is less than \$500,000 and 1.425% where the consideration is \$500,000 or greater. Sponsor, is transferring its statutory obligation to pay

transfer taxes to the Purchaser. As a result, when a Purchaser assumes the obligation to pay these taxes, the amount of such taxes will be included in the consideration subject to tax. The steps to compute the tax are:

- (a) Multiply the purchase price by the State Tax Rate to compute a tentative tax.
- (b) Multiply the purchase price by the City Tax Rate to compute a tentative tax.
- (c) Add both tentative taxes to the purchase price.
- (d) Multiply the total of "c" above by the State Rate.
- (e) Multiply the total of "c" above by the City Rate.

EXAMPLE: Purchase Price = \$1,000,000

- (1) $\$1,000,000 \times .004 = \$4,000$
- (2) $\$1,000,000 \times .01425 = \$14,250$
- (3) $\$1,000,000 + \$4,000 + \$14,250 = \$1,018,250$
- (4) $\$1,018,250 \times .004 = \$4,073 =$ amount due for State Transfer Tax
- (5) $\$1,018,250 \times .01425 = \$14,510 =$ amount due for New York City Real Property Transfer Tax.

- 6. Working capital of an amount equal to two months Common Charges to be paid to the Condominium. While Sponsor is in control of the Board of Managers, the working capital fund will not be used to reduce the Common Charges of the Condominium. If any portion of the working capital fund is used during this period to pay for items in the budget set forth, such amounts will be repaid to such fund out of Common Charges collected.
- 7. All Residential Units that are being offered for \$1,000,000 or more are also subject to the provisions of Section 1402-a of the Tax Law of the State of New York (Mansion Tax) which requires a New York State Tax of one (1%) percent of the Purchase Price. Pursuant to the provisions of the statute, the obligation to pay the tax is the Purchasers.
- 8. Each Purchaser shall pay \$2,500 to Sponsor's counsel, representing a fee for services in connection with preparing the Unit Deed, the Unit Owner's Power of Attorney and for coordinating and attending the closing. Such fee shall be payable at or prior to the closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney.
- 9. Any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of Sponsor.
- 10. A pro-rata portion of the estimated first year condominium insurance based on the percentage of Common Interest of the Unit being purchased.

As an example, a Purchaser of a Residential Unit in which the purchase price is \$698,000 and who procures a first mortgage in the amount of \$558,400 will pay the following approximated closing costs:

Fee Title Insurance:	\$ 2,669
Mortgage Insurance:	\$ 657
Deed Recording Fee:	\$ 235
Power of Attorney Recording Fee:	\$ 100
Mortgage Recording Fees:	\$ 225
§339-ee Affidavit Recording Fee:	\$ 50
New York State Transfer Tax:	\$ 2,792
New York City Transfer Tax:	\$ 9,947
Mortgage Tax:	\$10,719
Condominium Working Capital:	\$ 382
Pro-Rata Insurance	\$ 271
Sponsor Attorney Fees for Preparation of Deed, Power of Attorney and other Closing Documents:	<u>\$ 2,500</u>

TOTAL \$30,547

In addition, if a closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of \$250.

In addition, in the event the Sponsor's Attorney is required to prepare the New York City "ACRIS" transfer documents Purchaser shall be required to pay Sponsor's attorney an additional fee of \$250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company.

In the event a closing is adjourned with Sponsor's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of \$500.

In the unlikely event the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against said Unit for the six (6) month period following the first closing. This is a determination made by the taxing authority and not in control of the Sponsor. Said amount is to be paid by Purchaser. Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such

six (6) month period and may collect at each 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 either the Sponsor or the Board of Managers will be entitled to reimbursement from Unit owners to the extent of the actual assessment. Until the Units are separately assessed, all post-closing amendments will disclose the amount of the funds deposited in escrow for the payment of the real estate taxes.

If through no fault of Sponsor, Purchaser fails for any reason to close title within seven (7) days after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to .0438% (which equals an annual rate of 16%) of the purchase price for the Unit for each day beyond such originally scheduled or Sponsor adjourned Closing date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges.

The fee title policy premiums and the recording charges set forth above are estimates based on the rates in effect as of the date of this Offering Plan. If said premiums, charges or rates are subsequently revised by the title company, the State, or Municipality, each Purchaser shall be required to pay the title policy premiums, recording charges and closing costs in effect as of the date of the closing of title to their Residential Unit.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to the Units will be real estate taxes and sewer charges, if any, and Common Charges, if they have been declared by the Board of Managers. The adjustments will be made as of 11:59 P.M. on the day preceding the closing date. In the event there are any other items which are to be apportioned at closing, said items will be adjusted at the closing. The Sponsor will advise the Purchaser of the closing date by giving him written notice at least thirty (30) days prior to the closing date.

XV. RIGHTS AND OBLIGATIONS OF THE SPONSOR

No bond or other security has been furnished to secure performance of the following obligations. 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. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements. The following shall pertain to the Sponsor:

1. Sponsor will endeavor in good faith to market and sell the Units in the Condominium. Notwithstanding, Sponsor retains the unconditional right to rent rather than sell the Units after consummation of the Plan. Because Sponsor is retaining the unconditional right to rent rather than sell Units, this Plan may result in the creation of a condominium in which a majority of the Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Residential Units than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium.
2. The Sponsor shall be obligated to defend any suit or proceeding arising out of Sponsor's acts or omissions and shall indemnify the Board of Managers and the Unit Owners for same.
3. All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.
4. Until title to a Unit is passed to a Purchaser, the Sponsor will pay such Common Charges, special assessments and real estate taxes, as are assessed by the Board of Managers of the Condominium and the City of New York on the Units to which title has not passed. Once title is passed to a Purchaser the Purchaser shall be solely responsible for all Common Charges, special assessments, real estate taxes and all other costs applicable to the Unit, as are assessed by the Board of Managers of the Condominium and the City of New York. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the income derived from the sale of the Units and Sponsor's assets. Sponsor currently has the resources necessary to meet its obligations under the Offering Plan.
5. The Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the closing of a Purchaser's Unit.
6. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget and, in the event Sponsor has prepaid the first year insurance premium, will collect a pro-rata share of said insurance from a Purchaser at each closing based on the Unit's percentage of common interest, only for the first year of operation. Notwithstanding, in the event the amount of insurance increases or additional funds are required to pay for such insurance, Sponsor will have the option to lend the Condominium such funds and Sponsor will be repaid

out of subsequent Common Charges collected. No Board or Unit Owner approval is required to make such loan.

7. In the event of the dissolution or liquidation of the Sponsor or the transfer of twenty (20%) percent or more of the total number of Residential Units in the Condominium, the Principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all the obligations of the Sponsor for those Residential Units under the Offering Plan, applicable laws or regulations.
8. The project expects to be completed on or about November 1, 2020. There is a construction loan on this project. Sponsor will be obligated to pay off and otherwise comply with the terms of the Construction Loan on the entire Condominium. After the recording of the Declaration and before the closing of title to the first Unit, any Construction Loan mortgage will be satisfied, or released, or subdivided, extended and consolidated with the individual permanent mortgages, which will be placed on the Units of those Purchasers obtaining a mortgage. In addition, before the closing of title to the first Unit, all liens and mortgages affecting the Condominium shall be paid and satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded.

Purchasers should note, in the event Sponsor seeks an assignment of a portion of the Construction Loan to Purchaser's mortgage lender, such severance and assignment would not result in any additional risk or cost to the Purchaser. Sponsor will initiate the any severance and assignment transaction only after financing has been procured by Purchaser. Furthermore, should this transaction fail to take place and result in the loss of Purchaser's financing commitment, then Purchaser will be afforded an opportunity to obtain new financing, if Purchaser so elects.

9. The Sponsor will diligently, expeditiously and at its own cost, complete construction of the Condominium in accordance with the plans and specifications described in the architects and/or engineers property description report(s) contained herein and will diligently perform all of its obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of the "as built" plans filed with the recording of the Declaration or any amendment thereto and in addition will provide the Board with a full set of building plans filed with the local Municipality together with any "field changes" made during the course of construction. A decrease in a Unit's areas of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. Furthermore, Sponsor reserves the right to select the ultimate location of the kitchen and bathroom cabinets, counters and drawers, as same may differ from the locations set forth on the floorplans.

Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of Equal or Better Quality or design for any of those set forth. The substitution of materials, fixtures, appliances and equipment will be disclosed in an amendment to the Offering Plan. Sponsor reserves the right to change the size, number and location of the improvements or Common Elements, provided such changes do not change or adversely affect the percentage of Common Interest of any Residential Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Residential Unit Owners and Purchasers consent in writing to such a change.

10. Sponsor further reserves the right to determine the ultimate Residential Unit type mix to be constructed at a Building; determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, speed bumps, mailboxes; and make any other changes required by the City of New York.
11. New Building construction permit was issued on April 3, 2018. The current status of the Condominium is that the construction was not completed and expects to be completed on or about June 1, 2020. A TCO is expected to be issued on or about December 1, 2020 and a FCO is expected to be issued on or about January 1, 2021.
12. At the closing of title, the Sponsor will deliver the certificates and warranties delivered to it and transferable to Purchaser. Sponsor's liability pursuant to any manufacturers' warranties covering heating, appliances, electricity, plumbing and roofing are limited solely to the extent that such warranties are delivered to Sponsor, transferable to the Purchaser or to the Condominium Board of Managers and then only as against such manufacturer.
13. The Purchaser of a Residential Unit will inspect such Residential Unit prior to the Closing Date and will execute at such time an inspection statement acknowledging Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Residential Unit by Sponsor as provided in the Purchase Agreement. Sponsor will have no obligation to complete any work, which is not specifically designated by the Purchaser on the inspection statement. A Purchaser will receive prior notice that a Residential Unit is available for inspection pursuant to this Paragraph, as more particularly set forth in the Purchase Agreement in Part II of the Plan.

A Purchaser who fails to inspect such Residential Unit will be deemed to have accepted the Residential Unit in good condition and in accordance with the terms of the Plan. After closing of title to each Residential Unit the Purchaser thereof must comply with the procedures established by the Managing Agent or the Board of Managers regarding such Purchaser's move into the Residential Unit. This may include "move in" fees, which will be refunded to the Purchaser unless the Purchaser or the Purchaser's agents cause damage to the Building during the move in. In such an event, the move in fees will be used to repair said damage. In the event the move in fees are less than any damage caused, the Purchaser will be responsible for the additional amount. In the event the move in fees are greater than the damage caused, the Purchaser will be refunded the excess amount. At this time, the Sponsor will not be collecting move in fees from Purchasers. In the event the Sponsor or the Board of Managers elects to collect move in fees from initial Purchasers, the Sponsor will amend the Offering Plan to disclose the amount of said fees.

14. This Development is subject to the New York State Housing Merchant Implied Warranty Law, Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new Residential Units. This law is applicable to all Residential Units offered for sale under this Plan. Pursuant to the terms of this law, the Sponsor is giving a Limited Warranty to Purchasers, which provides for a Limited Warranty on certain items. The limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first Residential Unit Buyer only, not to subsequent purchasers; Sponsor's liability is limited to Fifty Thousand (\$50,000.00) Dollars; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to Sponsor, and for commencing a lawsuit against Sponsor. Sponsor's obligation, regardless of any limitation in the Limited Warranty, cannot go below the duty to construct the premises in accordance with all applicable codes and locally accepted building practices for items, which are not covered by codes. General Business Law §777-b(4)(e)(i). The Limited Warranty provides the following coverages for the Residential Units.

FIRST YEAR BASIC COVERAGE: for one (1) year from the Effective Date of the Warranty (as shown on page 1 thereon), the Residential Unit will be free from latent defects that constitute:

- (a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;
- (b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor;

- (c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor; or
- (d) defective installation of appliances sold as part of the Residential Unit by the Sponsor or an agent, employee or subcontractor of the Sponsor.

TWO-YEAR MAJOR SYSTEM COVERAGE: for two (2) years from the Effective Date of the Warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Residential Unit, which have been installed by the Sponsor, are warranted to be free from latent defects resulting from defective installation by the Sponsor.

SIX-YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six (6) years from the Effective Date of the Warranty, the Residential Unit will be free from latent Major Structural Defects that result from:

- (a) defective workmanship by the Sponsor, or an agent, employee or subcontractor of the Sponsor;
- (b) defective materials furnished by the Sponsor, or an agent, employee or subcontractor of the Sponsor; or
- (c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Sponsor.

As permitted under the New York State Housing Merchant Implied Warranty Law, Article 36-B of the General Business Law, the Sponsor excludes the specific warranties set forth in Article 36-B of the General Business Law, and all other warranties, express or implied, and instead is providing each Purchaser with the Limited Warranty. See the complete terms of the Limited Warranty contained in the Rider to the Purchase

Agreement set forth in Exhibit D-1 and Article 36-B of the General Business Law set forth in Schedule M.

To the extent any coverage under this warranty applies to Common Elements of the Condominium, such coverage shall be deemed given to the Board of Managers of the Condominium.

Regarding the Common Elements of the Condominium the Sponsor will correct any defects in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan provided and on condition that Sponsor is notified of or becomes aware of such defect(s) within twelve (12) months from the date of

the closing of the first Residential Unit. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications. In no event will Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) defects of an insubstantial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements that may abut the Building, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber shrinkage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building; (iv) minor deviations in the level of ceilings, and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) deviations in the level of a floor or failure of finished floors and walls to be straight or on plane or at less than ninety (90°) degrees from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows in accordance with customary practice and professional standards; (ix) noise from normal plumbing, and HVAC system; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching; (xii) minor scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood; (xiii) repair of chips, scratches, mars, breaks, dents, cracks or other defects in: exterior stone; windows, window glass, frames and hardware; swinging doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, back splashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors and after the Residential Unit Closing, paint touch-ups, repair of dented appliances, or replacement of light bulbs; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or variations in veining or any other natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete and/or paving; (xix) discoloration to hardware and plumbing finishes; (xx) stains, runs, lumps, shags or

imperfections in weave in fabric panels; (xxi) scratched, dirty or cracked lenses in light fixtures; or (xxii) terrace tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxiii) subsequent to the Residential Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, or (xxiv) salting or color variation in exterior colored mortar and deep colored brick. Sponsor will be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair will be made by filling the stone, formica, or refinishing the porcelain, but Sponsor will not be obligated to replace such stone, formica or porcelain surfaces. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR RESIDENTIAL UNIT, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREOF. IF PURCHASERS OR ANY BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

The Sponsor has no obligation to make any repair to the Common Elements except as expressly set forth in the Offering Plan.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of (i) any insubstantial variations from the Plans and specifications contained within the architects and/or engineers property description report(s) or the description of any portion of the Building or a Residential Unit set forth in the Plan or (ii) minor variations from the Plans and specifications contained within the architects and/or engineers property description report(s) or the description of any portion of the Building or a Residential Unit set forth in the Plan which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such minor variations are of substantially similar or better quality than as set forth in the plans and specifications contained within the architects and/or engineers property description report(s) or description in this Plan as solely determined by Sponsor's architect. There is a rebuttable presumption that minor variations of five (5%) percent or less of the estimated square footage of the Units, closet space and/or cabinet space shall not be considered materially adverse changes to the Units and shall be accepted by Purchasers, unless such variation is deemed to constitute a material change. Any such variation

affecting the Property, which is material will be disclosed in a duly filed amendment to the Plan. Furthermore, Sponsor reserves the right to select the ultimate location of the kitchen and bathroom cabinets, counters and drawers, as same may differ from the locations set forth on the floor plans, however, Sponsor may not do so for any Unit under contract without written consent of the Purchaser. Notwithstanding anything to the contrary set forth herein, Sponsor has the obligation to construct the Building in accordance with the plans and specifications identified in the Offering Plan.

All personal property located within the Residential Unit on the date the Purchase Agreement is executed or that is located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor or other person or entity will be included in the conveyance to Purchaser of their Residential Unit or be a part of the Common Elements unless specifically excepted in the Plan, as same may be amended from time to time.

15. The Sponsor will deliver to the Purchaser and/or the Board of Managers upon the recording of the Declaration all manufacturers' and sub-contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Purchaser's Unit or the Common Elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable.
16. The Sponsor will pay all contractors, subcontractors and material men and all others involved in the construction of the Condominium for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium and will cause all mechanics' liens arising out of the construction of the Condominium or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after the liens are filed.

The Sponsor will pay all expenses incurred prior to the establishment of the Condominium and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred or in connection with the sale of all of the Residential Units held or owned by the Sponsor and will pay all selling expenses including, but not limited to, advertising and printing costs, architect fees, and costs of filing this Offering Plan and amendments thereto.

17. No bond or other security has been posted to secure Sponsor's obligations.
18. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing its construction and sale of

the Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the Common Elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. Finally, the Sponsor reserves the right to continue to use the Common Elements and any facilities, sales offices, model units and signs located on the Common Elements, in its efforts to market the Units in the Condominium. Sponsor will be obligated to repair any damage to the Common Elements and Units caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete the construction of the Condominium. Sponsor's use of the easements, licenses, rights and privileges of a right-of-way to complete the Condominium will not preclude a Unit Owner from using its Unit as a single-family residence. Sponsor's right to use of the Common Elements, as described herein, will terminate when the Sponsor ceases to own any Units in the Condominium.

19. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six (6) years from the date the Declaration is recorded for examination by any person who has purchased a condominium interest offered by this Plan or otherwise has participated in this offering: This Offering Plan; the proposed Declaration and By-Laws of the Condominium; public liability, fire and casualty policy, and Exhibits submitted to the Department of Law in conjunction with this Plan. A copy of the form of Residential Unit Owner's Purchase Agreement is submitted with this Offering Plan as Schedule D in Part II of the Offering Plan.
20. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the declaration are an accurate copy of portions of the plans of the buildings as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.
21. As noted in Section IXA, Sponsor will not enter into interim leases with Purchaser for Residential Units prior to closing.

22. Sponsor reserves the right to delay the commencement of collection of Common Charges. During any such delay, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments. Upon commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in governing regulations. In the event Sponsor elects to delay the collection of Common Charges, it will disclose such a fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Owners in writing the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan.

XVI. CONTROL BY THE SPONSOR

The Sponsor, as the owner of unsold Residential Units, will be entitled to designate a majority of the Members of the Board of Managers for a period ending (i) three (3) years from date of the closing of the first Residential Unit, or (ii) thirty (30) days after the closing of seventy-five (75%) percent of all Residential Units in the Condominium, whichever is earlier. Thereafter, the Sponsor shall retain the right to designate one (1) Member of the Board of Managers until such time as Sponsor no longer owns a Residential Unit. The Board of Managers, whether or not controlled by the Sponsor, assumes a fiduciary duty to act in the best interests of the Condominium and its Unit Owners.

The initial Board of Managers will consist of three (3) Sponsor appointees. A meeting will be held to elect new Board Members unrelated to Sponsor within thirty (30) days of the expiration of the control period. As a result, the Sponsor will have voting control of the Board of Managers during this period. As a result of the fact Sponsor may retain a majority of the Board of Managers for a period ending (i) three (3) years from date of the closing of the first Residential Unit, or (ii) thirty (30) days after the closing of seventy-five (75%) percent of all Residential Units in the Condominium, whichever is later, Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Offering Plan. Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Board of Managers must be owner occupants who are unrelated to the Sponsor or its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a result of their different reasons for purchasing, i.e. purchasing a Residential Unit to live in as opposed to purchasing as an investment.

The Sponsor will also, during this indeterminate period, have control of maintenance, facilities and services to be provided and will determine the Common Expenses to be paid by all Unit Owners, including the Sponsor and the enforcement of

the Sponsor's obligations through the Board of Managers. Purchasers individually or as a group may take legal or administrative action to enforce the Sponsor's obligations to the Condominium. However, they will be unable to do so in the name of the Condominium. In addition, the funds utilized for such actions will either have to be obtained by a special assessment of all Unit Owners excluding the Sponsor or obtained through independent funds of the Unit Owners. In the event the Unit Owners are unsuccessful in an action against the Sponsor, Sponsor has the right to request that the court or administrative department hearing the action grant the Sponsor reimbursement of legal fees, which would be payable by the Unit Owners, excluding the Sponsor.

The first Board of Managers of the Condominium will consist of Kevin Wey a/k/a Gwo-Shenq Wey, Jen-Kai Yang and Lan-Ying Huang. Kevin Wey is a principal of the Sponsor and Jen-Kai Yang and Lan-Ying Huang are business associates of Mr. Wey. The Sponsor shall retain the right to substitute other persons in the place of the above-named individuals until the resignation of the first Board as set forth below. The first Board of Managers will call for the first Annual Meeting of the Residential Unit Owners to elect and designate a new Board within one (1) year of the closing of the first Residential Unit. Sponsor will continue to hold annual meetings during the period it controls the Board of Managers. At such time as all of the Residential Units are closed, Sponsor must relinquish control of the Board of Managers. Upon the election and designation of the new Board, the Members of the first Board will resign. Members of the Board of Managers shall not be compensated for their services. Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Residential Unit Owners. Officers of the Condominium may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Managers.

For a period ending not more than five (5) years after the closing of title to the first Residential Unit or whenever the unsold Residential Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is earlier, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations or improvements to the Common Elements or to any Residential Unit costing cumulatively more than \$25,000, the foregoing not to include necessary repairs and maintenance work; or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contracts not in existence on the date of the first closing of title to a Residential Unit; or (v) borrow money on behalf of the Condominium; or (vi) reduce the services or maintenance set forth in Schedule B; (vii) charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize condominium funds or assess the Sponsor for the purpose of commencing a lawsuit against the Sponsor or any of its principals. Notwithstanding the foregoing, if there are non-Sponsor members

on the Board of Managers, and there is a vote on whether to sue the Sponsor, the Sponsor's board representatives cannot lawfully vote on that issue.

The members of the Board of Managers will work in the best interest of the Condominium and its Unit Owners. The Sponsor and/or its principals will not engage in "sweetheart" deals. At no time may Sponsor exercise veto power over expenses described in Schedule B or over expenses required to (i) comply with applicable laws or regulations, (ii) to remedy any notice of violation, (iii) to remedy any work order by an insurer, or (iv) remedy a matter regarding the health and safety of the occupants of the Building.

As noted above, the Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers. Notwithstanding said fact, Sponsor may not exercise veto power over expenses described in Schedule B (the proposed first year budget), or over expenses required:

- (i) to comply with applicable laws or regulations; or
- (ii) to remedy any notice of violation; or
- (iii) to remedy any work order by an insurer.

The above provisions provide that during said period, significant financial decisions of the Board of Managers will be decided by the Sponsor. Examples of such decisions are, in part, the ability to borrow money, as provided in The Condominium Act (Article 9-B of the Real Property Law, §339-jj), for a capital improvement all Residential Unit Owners are in favor of, or the ability to enter into a contract with a lawyer and fund legal fees if the Sponsor fails to comply with provisions in the offering.

The detailed provisions for the management of the Condominium are set forth in the By-Laws, which are contained in Part II of the Offering Plan in Schedule J. The By-Laws contain provisions, among others, dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Residential Unit Owners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the use of the Residential Units. The By-Laws provide that the Condominium shall be governed by the Board of Managers, but that the Board of Managers shall have the right to designate Committees or a managing agent to carry out such function.

XVII. BOARD OF MANAGERS

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

The following is a summary of certain provisions of the By-Laws and Declaration.

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers (the "Board"). Until the first annual meeting, the first Board shall consist of three (3) Members designated by the Sponsor. Thereafter the Board of Managers shall consist of a total of three (3) Members who shall be elected or designated for staggered terms. See Section XVI of the Offering Plan as to Sponsor's right to designate a majority of the Board of Managers for a period ending (i) three (3) years from date of the closing of the first Residential Unit, or (ii) thirty (30) days after the closing of seventy-five (75%) percent of all Residential Units in the Condominium, whichever is earlier. Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Board of Managers must be owner occupants who are unrelated to the Sponsor or its principals.

The first Board of Managers of the Condominium will consist of Kevin Wey a/k/a Gwo-Shenq Wey, Jen-Kai Yang and Lan-Ying Huang.

Every Residential Unit Owner shall be entitled to cast one vote on each ballot for each Residential Unit owned. All representatives to the Board of Managers, other than designees or nominees of the Sponsor, shall be Residential Unit Owners. At the first annual meeting one (1) of the Members of the Board of Managers shall be elected for a three (3) year term, one (1) of the Members of the Board of Managers shall be elected for a two (2) year term and one (1) of the Members of the Board of Manager shall be elected for a one (1) year term. At the expiration of the initial term of office of each respective Member, the Member's successor shall be elected to serve a term of three (3) years. Elections are to be held annually. Sponsor shall not be entitled to designate a majority of the Board after the expiration of the Sponsor Control Period. See Section XVI of the Offering Plan for details concerning Sponsor control of the Board of Managers.

The first annual meeting of the Board of Managers of the Condominium will take place within one (1) year of the closing of the first Residential Unit in the Condominium. Thereafter, annual meetings shall be held on the anniversary date of each succeeding year, unless such date is changed by the Board of Managers.

It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed to each Residential Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request unless a later date is agreed to in writing by the Residential Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Residential Unit Owners of the

Condominium are present in person or by proxy. See Article II, Section 10 of the By-Laws of the Condominium.

Officers and Members of the Board of Managers shall not be entitled to compensation for serving on the Board.

Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Board of Managers must be owner occupants who are unrelated to the Sponsor or its principals. As such, Purchasers for their own occupancy may never gain control of the Board of Managers.

Removal of Members of the Board of Managers

Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the respective Residential Unit Owners. No representative of the Board of Managers, other than a member of the first Board of Managers or Sponsor's designees or nominees, shall continue to serve on the Board if, during their term of office, the Member shall cease to be a Residential Unit Owner.

Powers and Duties of Board of Managers

The property and business of the Condominium shall be managed by its Board of Managers. The powers of the Board of Managers include, but are not limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of annual Common Charges, if required, to meet any additional necessary expenses, but said increases can only be assessed among all the Unit Owners pro-rata according to their respective percentage of Common Interest.
2. To collect, use, and expend the Common Charges collected to maintain, care for and preserve the Units, the Building, and other Common Elements;
3. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;
4. To make repairs, restore or alter any Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
5. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the

maintenance, care and preservation of the property. No notice is required to gain access for repairs. Any repairs required as the result of negligence of the Unit Owner will be at the expense of the Unit Owner;

6. To insure and keep insured the General Common Elements, Limited Common Elements and the Units. A Unit Owner may secure supplemental coverage for the Unit and its contents and the liability coverage for the Unit;
7. To collect delinquent Common Charges and special Common Charge assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the house rules or rules and regulations herein referred to;
8. To make reasonable rules and regulations applicable to the Common Elements of Units and Unit Owners and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Residential Unit;
9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth;
10. To bring and defend actions by or against more than one Residential Unit Owner and pertinent to the operation of the Condominium and to levy special Common Charge assessments to pay for the cost of such litigation;
11. To acquire a Unit in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Residential Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;
12. To make additions, alternations, or improvements to the General Common Elements of the Condominium and those portions of the Condominium which are included in the description of an individual Unit but which service two (2) or more Units in the Condominium;
13. To borrow money on behalf of the Condominium when required in connection with the operation, care upkeep and maintenance of the General Common Elements, provided, however, that 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 Owners of said Unit.

14. Pursuant to Section 339-y (4) of the New York Real Property Law, the Board of Managers may (but is not obligated to) act as an agent for one or more Unit Owners who have given their written authorization to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessments of their Units. In such event, the Board could retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit;
15. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one (1) or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owners, the consent of all such affected Unit Owners shall be required in writing before such easement shall be granted); and
16. To impose reasonable fines upon Unit Owners for violating the rules and regulations of the Community, as contained in these By-Laws or as promulgated by the By-Laws.

Liability of Board of Managers and Residential Unit Owners

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

Indemnification of Board of Managers

The Unit Owners of the Condominium shall indemnify and hold harmless each of the Members of the Board of Managers against all contractual liability to others arising out

of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provision of the Declaration or of the By-Laws. 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 (except as Unit Owners). In the event a Member of the Board of Managers acts in bad faith or contrary to the provisions of the Declaration or By-Laws, the individual Member may be personally liable.

Officers

The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one (1) or more assistant secretaries, assistant treasurers, and such other officers as in their judgment may be necessary. Officers do not need to be Residential Unit Owners. Two (2) or more offices may be held by the same person, except for the President whom can only hold the office of the President.

The President shall be the chief executive officer of the Condominium, shall preside at all meetings, shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect.

The Vice President shall take the place of the President and perform the duties of the President whenever the President is unable to do so.

The Secretary shall record all votes and the minutes of all proceedings in a book.

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Residential Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Residential Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Repairs, Alterations and Improvements to Common Elements

All maintenance, repairs and replacements to the General Common Elements including but not limited to exterior walls of a Building, windows, roof and roof members, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and

public utility lines, any portion of which is located outside the Unit shall be made by the Board of Managers and the cost thereof shall be a Common Charge payable by all Unit Owners. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements. All maintenance, repairs and replacements within and to the Residential Units, whether structural or nonstructural, ordinary or extraordinary, will be made by the respective Residential Unit Owners at their expense.

All general maintenance and repairs to the balconies, terraces, private garden or rooftop that are Limited Common Elements, including cleaning, snow removal and all repairs not structural in nature, (including maintenance or replacement of the surface of the balconies, terraces, private garden or rooftop), shall be the responsibility of the Residential Unit Owner whose balconies, terraces, private garden, rooftop are appurtenant to their Residential Unit and are Limited Common Elements of their Residential Unit. All repairs, maintenance and any replacement of any heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which serve or benefit a Residential Unit exclusively shall be the responsibility of the Residential Unit Owner. All repairs to the exterior of any door, building, open area or other generally visible portion of the Condominium must be in conformation with the style and colors initially installed by the Sponsor.

The Condominium shall be responsible for the maintenance, repairs and replacements to all elements of the building which service two (2) or more Residential Units and which are located in the space between the exterior face of the sheetrock wall enclosing the interior of a Residential Unit and the exterior face of the exterior masonry wall. As such, any Common Elements located within a Residential Unit shall not be considered a part of such Unit.

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

Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of a Building as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of a Building and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Residential Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Residential Unit Owners do not 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 shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on the Unit, in the order of the priority of such liens.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring a Building, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of a Building. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

Amendments

The Declaration may be amended upon a vote of at least sixty-six and two-thirds (66⅔%) percent of the Residential Unit Owners in number held at a duly called meeting of the Residential Unit Owners, provided however, that:

- (i) No amendment shall change any Condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Residential Unit, unless all of the record owner(s) in number and Common Interest thereof and the first mortgagees, if any, of each of these same Units agree to such revocation by recorded instrument.

- (ii) No amendment shall be passed which shall affect, impair or prejudice the validity, interest, rights and priorities of mortgagees or the Sponsor.
- (iii) No amendment to the Declaration shall affect the Limited Common Elements appurtenant to a specific Residential Unit without the written consent of the specific Residential Unit Owner affected thereby unless required for the health and safety of the Condominium.

The By-Laws may be amended at any duly called Residential Unit Owners meeting provided:

- (i) That the notice of the meeting shall contain a full statement of the proposed amendment;
- (ii) That the amendment shall be approved by at least sixty-six and two-thirds (66 $\frac{2}{3}$) percent of the Residential Unit Owners in number and Common Interest; and
- (iii) Said amendment shall be set forth in a duly recorded amendment to the Declaration.

No amendment to the Declaration or By-Laws shall be passed which would affect or impair the validity or priority of the Residential Unit Owners' interest and the interests of holders of a mortgage encumbering a Residential Unit or Residential Units. No amendment to the Declaration or By-Laws shall be passed which would impair or prejudice the rights and priorities of mortgages or the Sponsor.

Units Acquired by the Board of Managers

All Units, which are acquired by the Board of Managers, or its designee as a result of foreclosure of a lien for non-payment of Common Charges, shall be held by the Board on behalf of all Unit Owners. The percentage of Common Interest acquired by the Board shall remain as originally designated in Schedule A of the Offering Plan and the Declaration of Condominium and the Board shall be responsible for paying all Common Charges appurtenant to said Unit. The Board shall be entitled to cast all votes that are appurtenant to said Units at any Unit Owners meeting for all purposes except for the election of Members to the Board of Managers.

Termination of Condominium

This property shall not be withdrawn from the provisions of Article 9-B of the Real Property Law unless at least eighty (80%) percent of the Residential Unit Owners in number and in Common Interest and the first mortgagees, if any, of these same Residential Units agree to the withdrawal of this property from the provisions of such

Article. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty (80%) percent of Residential Unit Owners other than Sponsor so vote.

Covenant Against Partition of Common Elements

The Common Elements are not subject to partition nor are they severable from the Residential Units except in accordance with the Real Property Law.

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

Sale or Lease of Units

Units can be sold or leased by a Unit Owner, provided that the Unit Owner is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the Grantee or provided for out of the proceeds of the sale).

Any Residential Unit Owner who wishes to enter into a lease for their Residential Unit shall be required to provide the Board of Managers with a copy of the proposed lease prior to its execution. Any lease entered into must contain a provision that the Lessee is subject to the Declaration, By-Laws and Rules and Regulations of the Condominium, the provisions of Article XI, Section 2 of the Condominium By-Laws and the Deed to the Residential Unit. Failure to comply with the above shall be deemed an automatic violation of the By-Laws of the Condominium. Rental of a Residential Unit in the Condominium is not currently subject to any local or state regulation and is not subject to a right of first refusal by the Board of Managers.

A Residential Unit Owner is free to make a gift of the Residential Unit Owner's Unit to anyone during the Residential Unit Owner's lifetime or to devise the Residential Unit by will, or to have it pass by intestacy without any restriction. The restrictions regarding the sale or lease of a Residential Unit shall not pertain to the Sponsor.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law, in its sale or lease of any Residential Unit, which it acquires.

The terms on leases of Residential Units are not currently subject to any state or local laws.

Each Unit Owner, on the closing of title to his or her Unit shall be required to execute a Power of Attorney in the form contained in Part II of this Plan as Exhibit E, as same may be amended from time to time as required by applicable law, constituting the fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners, and otherwise acting in

accordance with the Condominium's Declaration and By-Laws designating the Sponsor as Purchaser's attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of a Building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Tenth, Section (c) of the Declaration of Condominium.

No Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

Reports to Residential Unit Owners

All Residential Unit Owners will receive within four (4) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement prepared by an independent public accountant, a statement regarding any taxable income attributable to the Residential Unit Owners, and a notice of the holding of the annual Residential Unit Owners meeting. All Residential Unit Owners shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month. During such time as the Sponsor retains a majority of the Board of Managers, the Board shall provide a certified annual statement at the cost of the Condominium.

Real Property Law Section 339-kk

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York any non-occupying owner who rents a Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Residential Unit within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association.

Restrictions on Occupancy and Use

There is no restriction upon ownership of a Unit. Occupancy of a Residential Unit, however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

The By-Laws of the Condominium contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Unit Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Units and

Common Elements in any manner that would be illegal, disturbing or a nuisance to other Unit Owners. No Unit Owner shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on the Condominium without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows, from a Building, or to string clotheslines on or over the Common Elements or to use any of the Common Elements for storage unless designated for such use. No Residential Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Residential Unit. All Residential Unit Owners must maintain their thermostat at a minimum of sixty (60°) degrees Fahrenheit to avoid pipes from freezing. Any Unit Owner failing to adhere to this provision shall be responsible for any and all damage to the Condominium or any other Unit as a result thereof. See Schedule J, Article VIII for complete details.

Restrictions on Pets

No animals shall be kept or harbored in the Condominium or any Residential Units except that each Residential Unit Owner may keep up to two (2) domestic dogs or household cats; two (2) domestic birds and domestic fish. Fish tanks and/or aquariums shall not exceed one-hundred (100) gallons. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. The Board of Managers may require the permanent removal of any animal kept in a Residential Unit that is not in compliance with the above as well as any animal causing or creating a nuisance or unreasonable disturbance or noise upon three (3) days written notice from the Board of Managers.

In no event shall any pet be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash. All Unit Owners shall be responsible for picking up and disposing of their pets' waste, for any damage caused by their pets to any Common Elements of the Condominium, and shall comply with the local and municipal rules and regulations regarding pets.

Smoking Policy

In compliance with Local Law 147 and pursuant to Article 17 of the New York City Administrative Code, the Board of Managers has adopted the following smoking policy (the "Smoking Policy") for the Condominium:

Smoking is PROHIBITED (i) in all commons areas of the Building, including, but not limited to, the land on which the building is erected and all other land within the boundaries of the property, roofs, stairs and stairways, the lobby, the elevator, entryways, vestibules, ante rooms, mail rooms, the storage room, the laundry room, the terraces, balconies, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas, all pedestrian walkways, corridors, hallways; and (ii) within twenty-five (25) feet, in every direction side, of the Condominium; (iii) in all Residential Units.

For the purposes of this Smoking Policy, the term "smoking" includes, but is not limited to, inhaling, exhaling, vaping, burning or carrying any lighted cigar, cigarette, pipe or any other form of lighted object or device which contains tobacco, including the use of electronic cigarettes or any similar device that delivers vapor for inhalation (including any refill, cartridge or other component of an electronic cigarette or similar device), or any other items or materials that may be smoked, whether such substance is a legal substance or an illegal substance. This Smoking Policy applies to all unit owners, tenants, subtenants, occupants and residents of the Building, and to any guests, agents, licensees and invitees of a Unit Owner. It is the Unit Owner's responsibility to ensure that its tenants, subtenants, occupants, residents, guests, agents, licensees and invitees comply with this Smoking Policy.

Any Unit Owner who sells, leases, or subleases its apartment must include a copy of this Smoking Policy in the contract of sale, lease or sublease.

In the event of a violation of this Smoking Policy, in addition to and not in diminution of, all other remedies available to the Condominium, as provided in its Declaration of Condominium and By-Laws, or at law or in equity, with regard to a default by the Unit Owner, the Board shall have the right to impose an administrative fee in the amount of Two Hundred Fifty (\$250.00) Dollars on the Unit Owner for each such violation of this Smoking Policy. A continuing violation shall be considered a new violation.

This Smoking Policy shall become effective immediately. The Board will advise Unit Owners of any changes to the Smoking Policy.

Mortgage of Residential Units by Residential Unit Owners

A Unit Owner may mortgage the Unit Owner's Unit at any time after the Unit Owner acquires title to the Unit in whatever amount and under whatever terms the Unit Owner can obtain provided the Unit Owner first notifies the Board of Managers. Any Unit Owner may, upon the resale of their Unit, grant a purchase money mortgage to a purchaser of their Unit. A Unit Owner may mortgage their Unit only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Common Charges Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Residential Unit Owners and their mortgagees annually. Based upon such budget and any modification thereof approved by the Board of Managers, all the Unit Owners will be charged for the cost of the Common Expenses for operation of the Condominium in accordance with their interest in the Common Elements.

The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements, assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of

the Condominium. In addition, Common Charges may have to be increased as a result of Residential Unit Owners not paying their Common Charges.

The estimate of Condominium expenditures in Schedules A and B were made by the Sponsor and passed upon by G Buddy, Inc., 2026 60th St., Brooklyn, New York. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

It is presently anticipated that the Common Charges are to be used primarily to pay for fire and other casualty insurance on the Building and the Common Elements, public liability and property damage insurance, legal and accounting expenses, supplies and a contingency reserve. The Common Charges do not include maintenance, repairs or decoration of interior of the Residential Units or portions thereof, payments required pursuant to the terms of Unit Owners' mortgages or real estate taxes covering the individual Residential Units.

The Common Charges, which may be collected, monthly by the Board of Managers and other costs of maintenance of the Units, are set forth on Schedule A. See Schedule B-1 for estimated heating and other utility costs for the Residential Units. However, additional services, which the Residential Unit Owners may desire, or other factors can increase these charges.

The initial Board of Managers may commence the collection of Common Charges upon the closing of title to the first Residential Unit or at any subsequent date as in its sole discretion it may determine. Prior to the collection of Common Charges, Sponsor shall be obligated to provide all the services disclosed in the first year budget at its sole expense. The Board's collection of Common Charges will be in an amount necessary to carry out the duties of the Board of Managers as is set forth in this Offering Plan, such Common Charges shall be paid by the Unit Owners, and the Sponsor as Owner of the unsold Units in accordance with the Common Interest set forth herein. The Common Charges will initially be placed in an account in the name of the Board of Managers in a bank authorized to do business in the State of New York.

Sponsor reserves the right to delay the commencement of collection of Common Charges. During any such delay, the Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments. Upon commencement of collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium. Sponsor shall remain obligated to update the budget for the Condominium as provided for in governing regulations. In the event Sponsor elects to delay the collection of Common Charges, it will disclose such a fact in the closing notice to Purchasers and will further disclose such fact in the Post-Closing Amendment to the Offering Plan. Such Amendment will also disclose the anticipated period of delay. Sponsor will notify all Owners in writing the expiration of the delay period at least thirty (30) days prior to the commencement of

collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan.

In the event a Unit is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Units will be a Common Charge to all Unit Owners. In order to protect the Unit Owner against the possibility of such Common Charges, the Board of Managers determines the amount of blanket casualty insurance covering all Units (the cost of such insurance is part of the Common Charges) and reviews the amount of such coverage annually. See Schedule B Note 7.

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

Liens for the Non-Payment of Common Charges

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

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

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

During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than thirty (30) days in arrears of Common Charges.

Repairs, Alterations and Improvements to the Units

No Residential Unit Owner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, any Limited Common Element or any portion of the Condominium which affects two (2) or more Residential Units, without the prior written approval of the Board of Managers. Furthermore, no Residential Unit Owner may alter or remove any interior wall without the prior written approval of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed addition, alteration or improvement. No Residential Unit Owner will make any addition, alteration or improvement of a structural nature in or to any Residential Unit, any Limited Common Element or any portion of the Condominium which affects two (2) or more Residential Units, without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Residential Unit Owners from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York or any other governmental agency. In the event the Board of Managers chooses to have the proposed addition, alteration or improvement reviewed by an independent architect or engineer, the Residential Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the

cost of any increased taxes or insurance premiums resulting from their alterations, additions or improvements to their Residential Unit.

Any application to any department of The City of New York or any other governmental authority for a permit to make an addition, alteration or improvement in or to any Residential Unit shall be completed by the Residential Unit Owner and 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 material man 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. The above provisions regarding changes to a Residential Unit shall not apply to Residential Units owned by the Sponsor or its designee until such Residential Units shall have been initially conveyed to a bona fide purchaser by the Sponsor or such designee.

All maintenance (including electrical repairs and plumbing stoppages in the Residential Units, interior painting and decorating of the Residential Units), repairs and replacements to the interior of the Residential Units including repairs to the heating/air conditioning system servicing said Residential Unit whether inside or outside the Residential Unit, all appliances located therein, pipes, wires and conduits servicing a single Residential Unit other than as may be set forth in the Condominium By-Laws shall be made by the respective Residential Unit Owner at the Residential Unit Owner's sole cost and expense. All maintenance and repair to the interior portion of the window area and doors, which open from a Residential Unit, are the responsibility of the Residential Unit Owner at the Residential Unit Owner's sole cost and expense. All maintenance, repair and replacement to the external portion of the window area, the actual window and external portion of the doors which open from a Residential Unit will be the responsibility of the Condominium, unless the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Residential Unit are caused as a direct result of the negligence or act of a Residential Unit Owner. In such an event, it shall be the Residential Unit Owners responsibility to repair or replace the external portion of the window, the window or the external portion of the doors, which open from a Residential Unit.

All general maintenance and repairs to the balconies, terraces, private garden or rooftop that are Limited Common Elements, including cleaning, snow removal and all repairs not structural in nature, (including maintenance or replacement of the surface of the balconies, terraces, private garden or rooftop), shall be the responsibility of the Residential Unit Owner whose balconies, terraces, private garden or rooftop are appurtenant to their Residential Unit and are Limited Common Elements of their Residential Unit. Although the cost of repairs and replacements of the Limited Common Elements shall be borne by the Residential Units Owners, the Board of Managers shall be charged with performing all such repairs and replacements at the Residential Unit Owners sole cost and expense.

In the event that the Residential Unit Owner fails to make any repair or creates any condition which affects a Building, the General Common Elements, the Limited Common

Elements, or any other Residential Unit, the Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws, make such repair or correct such condition and charge the Residential Unit for the cost of such service.

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

Prospective Purchasers should refer to Section XVII of the Offering Plan for repairs, alterations and improvements to the General and Limited Common Elements.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring a Building, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, any air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of a Building. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

In addition to the insurance set forth herein, the Purchaser may desire to insure their personal effects and the interior of the Residential Unit itself for fire and liability. Such insurance, if taken by the Purchaser, will be payable by the Purchaser directly.

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Insurance Trustee if the loss shall amount to more than \$40,000 to be applied for the purpose of repairing, restoring or rebuilding a Building unless otherwise determined by the Residential Unit Owners, as hereinafter set forth.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by the Residential Unit Owners or of the invalidity arising from any acts of the insured or any Residential Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies.

The amount of fire insurance to be maintained on the entire Building upon the transfer of title to the first Residential Unit and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount reflected in the footnotes to Schedule B, the budget for the first year of operation of the Condominium. The Board of Managers shall review the amount of fire insurance annually.

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

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a General Common Expense. The Board of Managers shall also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all employees of the Condominium who handle Condominium funds; (2) Worker's Compensation insurance; and (3) in order to limit the liability of Unit Owners for personal injury and tort, public liability insurance covering each Member of the Board of Managers and each Unit Owner, in such limits as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year.

The public liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be a limit of \$1,000,000 per occurrence and \$2,000,000 per aggregate covering all claims for bodily injury and for property damage arising out of any one (1) occurrence in the Common Elements.

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

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

The insurance the Sponsor will initially procure for the Condominium will contain officers and directors liability or fidelity bond insurance.

The Board will arrange for repair of the Units in the event of casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Units,

the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair or reconstruction of Units, after fire or casualty and condemnation provisions, see Article VII and XII of the By-Laws. In the event of a casualty loss, the Unit Owners will continue to pay the Common Charges on his or her Unit.

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

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws.

By-Laws and Rules and Regulations

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

The provisions of the By-Laws which requires Members of the Board of Managers to be Residential Unit Owners will not apply to the first Board of Managers or any Sponsor designees to the Board of Managers.

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements or located in other Units and servicing the Unit Owner's Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by their Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units.

Each Residential Unit Owner will have, in common with all other Residential Unit Owners and each Residential Unit will be subject to, an easement for the use of a Residential Unit's Limited Common Elements and any facilities located therein, including but not limited to, such easement as will be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Residential Unit Owner's Residential Unit and an easement to connect to existing utilities including, but not limited to, utilities for gas, electricity, water and ventilation.

Each Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacements thereof and additions thereto and an easement of necessity, and each Unit will be subject to an easement of support and necessity in favor of all other Units and the Common Elements. Each Unit will have an easement for lateral and vertical support among all adjoining Units and Common Elements.

The Board of Managers, its agents and employees shall have a right of access to the Units and to the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or any pipe, wire, or conduit therein or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Unit Owners percentage of ownership in the Common Elements of the Condominium and percentage of liability for the payment of General Common Charges. Each Unit Owner has the percentage of Common Interest in the Condominium set forth on Schedule A.

The Common Interest of each Unit has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. Said method of determining the percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i (1) (iv) of the Real Property Law of the State of New York. This percentage determines the amount that the Residential Unit Owners will pay for their Common Charges. The Percentage of Residential Common Interest will determine the amount each individual Unit Owner will pay for their Common Charges.

The percentage of the undivided interest in the Common Elements shall not be changed except with the consent of all Unit Owners affected expressed in a duly recorded amendment to the Declaration.

Copies of both the Declaration and By-Laws are contained in Part II of the Offering Plan.

XIX. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Unit will be separately assessed. After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owners will not be responsible for the payment, nor will the Unit be subject to any lien arising from the non-payment of real estate taxes on Units other than their own. The estimated monthly costs and charges to be incurred by the owner of each Unit in the first year in which the property will be fully subject to real estate taxes together with estimated Common Charges on each Unit and other carrying costs are set forth on Schedule A.

The Condominium is not eligible for 421-a tax benefits. Schedule A reflects the estimated taxes for the Residential Units. Real estate tax estimates are based upon current real estate tax assessment information from the New York City Department of Finance and an opinion letter dated February 5, 2020 from Highpoint Incentives Inc., 769 Empire Avenue, Far Rockaway, New York 11691. As per Rules and Regulations set by the Department of Finance multiple residential Class A units would be categorized as a tax Class 2, with a tax rate of 12.473%. (i.e., \$12.473 per \$100 of assessed value, the final 2019/2020 tax rate [although it is unlikely that the tax rate will remain as it is currently]). The total assessed value and real estate tax liabilities will be approximately as follows:

Unit	SqFt of Unit	Assessed Valuation	Annual Tax
1A	366	23,941.48	\$2,986.22
1B	598	39,117.51	\$4,879.13
2A	556	36,370.12	\$4,528.59
2B	545	35,642.09	\$4,446
3	1,148	75,095.15	\$9,366.62
4	1,690	110,549.48	\$13,788.84

The total assessed value of the property (i.e. the aggregate assessment of all residential area) following completion of construction is estimated to be approximately \$320,715.829 This value is based on an estimate of the building being of a gross zoning square footage of 4903 s/f. Using the foregoing estimate of assessed value upon completion assuming completion to be on or before Dec. 30, 2020 and assuming the tax rate remains the same as the current rate (i.e., \$12.473% per \$100 of assessed value Tax Class 2 2019/2020 tax year) then the estimated real estate taxes for the residential units combined will be \$40,002.893 plus any equalization increases.

Assessed valuations, when actually made, may be lesser or greater based on interpretation of the administrative code and the applicable rules and regulations of the City of New York. The estimates are not intended, and should not be construed as warranties as to future assessed valuations of the Property. In the event actual real estate taxes differ than from the estimates provided herein, Purchasers will not be offered rescission.

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. In addition, pursuant to the provisions of the Internal Revenue Code of 1986 and the Tax Cuts and Jobs Act of 2017, the real estate taxes payable by a Residential Unit Owner, which are assessed against their Residential Unit by any governmental taxing authority, up to a maximum of \$10,000, are a proper deduction in connection with Federal and State Income Taxes payable by such Residential Unit Owner.

Projected tax deductions (where applicable) may vary in future years due to changes in the interest rate on the Residential Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

It is anticipated that the closing to the first Residential Unit will occur on or about December 1, 2020. In the event said date is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission. The projected real estate taxes for the first year of operation contained in this Offering Plan are based on an assessment of the building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after construction is complete.

Purchasers should note that the \$10,000 per year tax deduction is for the combined New York State income taxes, New York City (or local) income taxes and real estate taxes. Accordingly, in the event the Unit Owner's combined New York State income taxes, New York City (or local) income taxes and real estate taxes exceed the \$10,000 threshold, a Unit Owner may not be able to realize a deduction for amounts over the \$10,000 threshold.

Each Unit will be given a separate block and lot designation.

Although in the Sponsor's opinion this method of calculating the real estate taxes applicable to each Unit is reasonable, there can be no assurance that final exemption will be granted or that this method of calculation of real estate taxes applicable to each Unit will be the final method used by the New York City taxing authorities in establishing the real estate tax assessment for each Unit. If for any reason, a different method of calculation is used or a different assessment is placed upon any of the Units by such authorities, real estate taxes may increase or decrease, depending upon the final decision of such taxing authorities.

In the event the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the Units in the Condominium for the six (6) month period following

the first closing. Thereafter, at each closing during said period, each Purchaser will reimburse the Sponsor for the pro-rata amount paid on behalf of said Unit. In the event the actual assessment is greater than the amount adjusted, Purchaser agrees to reimburse Sponsor after the closing to the extent of the actual assessment. In the event the actual assessment is less than the amount adjusted, Sponsor agrees to reimburse the Purchaser after the closing to the extent of the actual assessment.

Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six (6) month period and may collect at each 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 the funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

If prior to consummation of the Offering Plan, as evidenced by the acceptance of a post-closing amendment to the Plan, Sponsor rents any Residential Unit (or portion thereof) to any person other than an interim lessee, the Sponsor will be obligated to abandon the Plan in accordance with the provisions of 13 NYCRR 20.1(1)(2) and 20.5(g).

Unit Owners will not be responsible for or subject to any lien arising from the non-payment of real estate taxes on any other Unit.

There are no tax certiorari proceedings currently pending for the property. The By-Laws empower the Board of Managers to bring such proceedings on behalf of the Unit Owners.

The Sponsor anticipates that the real estate tax rate will vary in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time. Purchaser will not have the right to rescind his or her Purchase Agreement, in the event the amount of the taxes differ from those projected.

XX. INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel, Moritt Hock & Hamroff LLP, that each Residential Unit Owner will be entitled under present law to a deduction for Federal, New York State and New York City income tax purposes for the real estate taxes paid by each Residential Unit Owner covering their Residential Unit, up to a maximum of \$10,000 per year, and, provided the Residential Unit is used as the Residential Unit Owners primary residence or one (1) other residence that the Residential Unit Owner selects pursuant to Section 163(h) of the Internal Revenue code of 1986 and the Tax Cuts and Jobs Act of 2017, for the interest paid by the Residential Unit Owner on any mortgage covering the Residential Unit Owner's Residential Unit up to \$750,000. Purchasers

should note that the \$10,000 per year tax deduction is for the combined New York State income taxes, New York City (or local) income taxes and real estate taxes. Accordingly, in the event the Unit Owner's combined New York State income taxes, New York City (or local) income taxes and real estate taxes exceed the \$10,000 threshold, a Unit Owner may not be able to realize a deduction for amounts over the \$10,000 threshold. See the Opinion of Counsel in Section XXI of the Offering Plan. Similarly, the Sponsor has been advised by counsel that certain Residential Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Residential Units.

The Sponsor has been advised by its counsel that the Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge.

Sponsor has also been advised that pursuant to Section 528 of the Internal Revenue Code, certain Condominiums, substantially all of whose Residential Units are used for residences, are afforded the opportunity to elect to be treated as tax-exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium Properties, which properties, as defined in Section 528 of said Code, include property held by the Condominium, property commonly held by the members of the Condominium, or property within the Condominium held by the members of the Condominium. This Condominium has been structured so that it will meet the requirements of Section 528 of the Internal Revenue Code and as a result, the Condominium will be eligible to be treated as a tax-exempt organization under Section 528 of the Internal Revenue Code. Purchasers should refer to the Opinion of Counsel in Section XXI of the Offering Plan.

Purchasers are advised to consult with their own respective experts regarding the tax consequences of purchasing a condominium unit.



XXI. OPINION OF COUNSEL

July 30, 2020

V Development Group LLC
107-23 71st Road, Suite 186
Forest Hills, New York 11375

Re: 108 Jackson Condominium

Gentlepeople:

We note that the Offering Plan for the above-captioned Condominium states that it is believed that the monthly payments of interest on any mortgage up to a maximum loan amount of \$750,000 in the aggregate, which becomes a lien on a Condominium Residential Unit and real estate taxes payable by a Residential Unit Owner, up to a maximum of \$10,000 per year (inclusive of state and local taxes), which are assessed against their Residential Unit by any governmental taxing authority, are a proper deduction in connection with Federal and New York State Income Taxes payable by the owner of such Condominium Residential Unit. Purchasers should note that the \$10,000 per year tax deduction is for the combined New York State income taxes, New York City (or local) income taxes and real estate taxes. Accordingly, in the event the Unit Owner's combined New York State income taxes, New York City (or local) income taxes and real estate taxes exceed the \$10,000 threshold, a Unit Owner may not be able to realize a deduction for amounts over the \$10,000 threshold.

We have given this matter careful study, and it is our opinion that, pursuant to the provisions of the Internal Revenue Code of 1986 (the "Code") (See Revenue Ruling 64-31, C.B. 1964-300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law) and the Tax Cuts and Jobs Act of 2017, such interest payments and the aforesaid real estate payments are proper deductions by the Home Owner of a Condominium Residential Unit, in connection with their Federal and New York State income taxes. Similarly, we are of the opinion that each Condominium Residential Unit Owner whose Residential Unit is either their principal residence or the one other residence they select pursuant to Section 163 (h) (5) (A) (i) (II) of the Code will be entitled, under Section 216 (a) (2) of the Code and Section 615 (a) of the State Law, and the Tax Cuts and Jobs Act of 2017, to deduct interest paid or accrued by them on any mortgage which becomes a lien on their Condominium Residential Unit, up to a maximum amount of \$750,000.



The Residential Unit may be so selected if the Residential Unit Owner either uses it as a residence within the meaning of Code Section 280A (d) (1) (i.e., they use it for personal purposes for a number of days which exceed the greater of fourteen (14) days, or ten (10%) percent of the number of days during the year for which the Residential Unit is rented at a fair rental), or neither rents nor uses the Residential Unit at any time during the year.

In addition, certain Residential Unit Owners who are veterans of the United State Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their Residential Unit.

In adding a new Section 528 to the Code, the Tax Reform Act of 1976 affords certain Condominiums and Associations, substantially all of whose Residential Units are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium or Association properties, which properties, as defined in Section 528 of the Code, include property held by the Condominium or Association, or property within the Condominium or Association. Based upon our examination of the Offering Plan and subject to the Condominium or Association, if one is formed, actually satisfying the minimum percentage income and expenditure criteria set forth above, which is likely, it is our opinion that the Condominium or Association will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

Such an election will exempt from Federal and New York State Income Taxation all amounts received by the Condominium from the Residential Unit Owners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources of income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. In the event either the Condominium or the Association fails to qualify for and elect Section 528 taxation status in any year, it may, to the extent it has any income from accumulated revenues received by virtue of dues, fees and assessments received from Residential Unit Owners and unrelated sources of income, not expended in any taxable year, be subject to Federal and New York State Income Taxation (see Rev. Ruling 74-99, 1974-1 C.B. 131).



We have considered the relevant cases and rulings on the tax status of the Condominium including Revenue Rulings 74-17, 74-99, 75-370 and 75-371. These rulings, under certain circumstances, permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case each Residential Unit Owner's assessment for such purposes would add to their tax basis. Although the Condominium described in the Plan may be deemed a taxable entity under such Rulings, assuming that all expenses are designated and accounted for, and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other than with respect to incidental investment income, such as interest earned on reserve funds deposited in bank accounts.

We have examined the exceptions to title set forth in Section XIII of the Offering Plan, and we are of the opinion that none of such exceptions of title are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's Unit as set forth in the Offering Plan.

We have examined the Declaration and By-Laws pertaining to the proposed Condominium. It is our opinion that the Declaration and By-Laws, when recorded, will validly create a Condominium in accordance with Article 9-B of the Real Property Law of the State of New York.

In addition, we note that the percentage of Common Interest for each Residential Unit as contained in Schedule A has been determined 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. In our opinion, this is a proper method of determining the percentage of Common Interest in a Condominium and complies with Section 339-i (1)(iv) of the Real Property Law.

In our opinion, the Condominium will be eligible for tax exempt status, if it so elects, and Residential Unit Owners will be entitled to the above-mentioned income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the given facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change.



In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of section 528 of the Internal Revenue Code of 1986, as amended, or the New York State Tax Law, as amended, and cause the Unit Owners not to be entitled to income tax deductions (or which cause Unit Owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above). Purchasers are advised to consult with their respective experts regarding the tax consequences of purchasing a condominium unit.

It is our understanding that this letter will be made a part of the Offering Plan of 108 Jackson Condominium and we consent to its inclusion therein.

Very truly yours,
MORITT HOCK & HAMROFF LLP

A handwritten signature in black ink, appearing to be 'A. Ficara', written over a horizontal line.

By: _____
Anthony J. Ficara, Partner

Highpoint Incentives, Inc.
769 Empire Avenue
Far Rockaway, NY 11691
Yehuda_moseson@hotmail.com
Telephone (718) 327-5778
Fax (718) 327-5737

February 5, 2020

V Development Group LLC
107-23 71 Road - Suite 186
Forest Hills, NY 11375

RE: 6 Residential Condominium Apartments located at 108 Jackson Street, Brooklyn NY
Block: 2748 Lot: 17

Dear Sir:

You have requested me to advise you with respect to the opinion of estimated The City of New York's real estate tax for the above referenced project after completion.

1. Prior to the construction the property was occupied by a 2 story 2 family residential building. The existing structure was demolished and replaced by a new 5 story 6 unit residential condominium.

2. Property tax is only levied on a portion of the market value. This portion is called the assessed value. In regard to any residential greater than 3 units and above, none residential units condominium or rental unit's the assessed values are levied on 45% of the market value. In it's current state, the above mentioned property, prior to commencement of construction the assessor has designated the structure as a tax class 1, rendering the assessed value 6% of the marked value. Based on assessment guidelines, the proposed new multi unit residential building tax classification will change to a tax class 2; for the residential condominium portion of the building thereby the assessed value will be levied on 45% of the market value.

3. Upon completion, the project will consist of a 5 story building with 6 residential condominium apartments.

CONCLUSION

The total assessed value of the property (i.e. the aggregate assessment of all residential area) following completion of construction is estimated to be approximately \$320,715.829. This value is based on an estimate of the building being of a gross zoning square footage of 4903 s/f. Using the foregoing estimate of assessed value upon completion assuming completion to be on or before Dec. 30, 2020 and assuming the tax rate remains the same as the current rate (i.e., \$12.473% per \$100 of assessed value Tax Class 2 2019/2020 tax year) then the estimated real estate taxes for the residential units combined will be \$40,002.893 plus any equalization increases.

This building shall not be receiving any 421-a real estate tax exemption.

Tax Liabilities

The real property tax liabilities will be divided based on get percentages of common interest for each condominium unit. As per Rules and Regulations set by the Department of Finance multiple residential Class A units would be categorized as a tax Class 2, with a tax rate of 12.473%. (i.e., \$12.473 per \$100 of assessed value, the final 2019/2020 tax rate [although it is unlikely that the tax rate will remain as it is currently]). The total assessed value and real estate tax liabilities will be approximately as follows:

unit	s/f	Assessed Valuation	Annual Tax
1A	366	23,941.48	\$2,986.22
1B	598	39,117.51	\$4,879.13
2A	556	36,370.12	\$4,528.59
2B	545	35,642.09	\$4,446
3	1148	75,095.15	\$9,366.62
4	1690	110,549.48	\$13,788.84

Highpoint Incentive Inc has been expediting real estate tax exemptions offered by NYC Dept. of Finance over the last 20 years. The expediting Highpoint Incentive Inc specialized in were 421-a residential exemption and the ICIP/ICAP non residential Industrial Exemption.

In that time Highpoint Incentive Inc successfully completed over 1000 plus applications and obtained millions of dollars in exemption money. Included in this process many times Highpoint Incentive Inc has been called upon to offer opinions projecting real estate tax exemption value.

Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate the same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on the interpretation of the administrative code and the applicable rules and regulations of the City of New York.

Though we believe our opinions are well-founded they are not intended, and should not be construed as warranties or guarantees or representations as to future assessed valuations of the property under discussion and we accept no responsibility or liability in the event that the figures or projections set forth herein are incorrect or inaccurate. In no event will this firm be liable if the assessed valuation, when actually made, is lesser or greater than estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the Future, or if the facts as represented prove to be untrue.

Sincerely,

A handwritten signature in black ink, appearing to read "Yehuda Moseson", written over a horizontal line.

Highpoint Incentives Inc
Yehuda Moseson

XXII. RESERVE FUND

The Condominium budget includes as a reserve fund line item of \$2,343 to be collected out of the maintenance charges paid by the Unit Owners. The reserve fund is to be used for replacement of the Common Elements, such as the roof, boilers, and other major interior or exterior Common Elements. See Footnote 10 to Schedule B for complete details.

No representation is made that the reserve fund will be adequate for future replacements of Common Elements. If additional funds are required over and above the reserve fund, it may be necessary to increase the maintenance charges or Common Charges payable by the Unit Owners or to collect a Special Assessment from each Unit Owner.

During the period Sponsor is in control of the Board of Managers, the reserve fund will not be used to reduce the estimated Common Charges.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the reserve fund.

XXIII. WORKING CAPITAL FUND

At closing the Sponsor will collect an amount equal to two (2) months Common Charges from each Purchaser to be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers of the Condominium the working capital funds will not be used to reduce the Common Charges. The working capital fund may be utilized to reimburse Sponsor for prepaid expenses of the Condominium. The only budgetary item that might require a substantial credit to the Sponsor would be the insurance disclosed in Schedule B. If any portion of the working capital funds are used during this period to pay for prepaid expenses, such amounts will be repaid to such fund out of future Common Charges collected.

In the event the Building requires replacement of Building components and systems in an amount exceeding funds available in the Reserve Fund and/or Working Capital Fund, the Board may implement a Special Assessment and/or engage a commercial lender to obtain funds to cover such expenses.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of such funds.

XXIV. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Sponsor has received a proposed management agreement (the "Agreement") from G Buddy Inc., 2026 60th Street, Brooklyn New York (hereinafter "G Buddy") to manage the Condominium for an initial term of one (1) year at an annual fee of \$6,000 for the first year of Condominium operation. Upon the expiration of the initial term, the

Agreement will be extended on an annual basis as same may be terminated by either party without cause on sixty (60) days written notice.

G Buddy will have normal management responsibility, subject to the directives of the Board of Managers, including engaging personnel; performing bookkeeping services; involvement in collection of assessments; review of contracts to be entered into on behalf of the Condominium (subject to approval of the Board of Managers); causing maintenance and repair of the Property, but, unless provided for in the budget for the Condominium, G Buddy shall not obligate the Condominium for any single item of repair, replacement, refurbishing or refurbishing in excess of \$2,000 without the prior approval of the Board of Managers; maintaining the books and records of the Condominium; assistance in the preparation of annual budgets; attendance at monthly meetings of the Board of Managers; maintenance of bank accounts for the deposit of funds collected from Residential Owners; routine visual inspections of the property and presentation of recommendations to the Board of Managers. G Buddy may charge additional fees for matters beyond the scope of the Agreement, such as with respect to extraordinary or repeated requests for inspection of the Condominium records and the like. The Board shall be required to reimburse G Buddy for expenses incurred in connection with its regular duties. The Management agreement may not be assigned.

G Buddy shall not be liable to the Condominium for any loss or damage not caused by the G Buddy negligence or willful misconduct; the Condominium will indemnify and save harmless G Buddy from any liability for damages, cost and expenses for injury to any persons or property in, about and in connection with the Condominium, from any cause whatsoever arising from the acts of G Buddy within the scope of its duties under this Agreement, unless such injury shall be caused by G Buddy negligence or willful misconduct; the Condominium will also indemnify and save G Buddy from any liability for damages, penalties, costs and expenses, statutory or otherwise, for all acts performed by G Buddy pursuant to any other written instructions of the Condominium except for those arising from G Buddy negligence or willful misconduct.

Principals of the Sponsor are not affiliated with G Buddy .

XXV. IDENTITY OF PARTIES

Sponsor / Selling Agent

The Sponsor is V Development Group LLC, a New York limited liability company with an address at 107-23 71st Road, Suite 186, Forest Hills, New York 11375. The corporation was formed on November 20, 2017. The Sponsor entity has not had any prior public offerings.

The Principal of the Sponsor is Kevin Wey a/k/a Gwo-Shenq Wey. Kevin Wey has more than ten (10) years of experience in real estate as an architect and investor.

Neither the Sponsor, nor any Principal has been involved in any prior public offerings in the past five (5) years nor do any currently own ten (10%) percent or more of any unsold units in any other condominium, home owners association or cooperative in the State of New York.

Neither the Sponsor, nor the Principals of the Sponsor or any other individual who owns or controls a ten (10%) percent or more equity interest in the Sponsor, have ever had any prior convictions, felony convictions, bankruptcies, judgments and/or injunctions placed against them.

Managing Agent

The Managing Agent is G Buddy Inc., 2026 60th Street, Brooklyn New York (hereinafter "G Buddy"). G Buddy manages condominiums, cooperatives and rental apartment in the New York Metro area. Principals of the Sponsor are not affiliated with G Buddy.

A few of the local Condominiums which G Buddy manages are:

Arcadia: Mixed Use - commercial/community facility/residential Condominium in Flushing, NY; and

CA Plaza: Commercial Condominium in Flushing, NY.

Neither G Buddy nor any principals thereof have ever had any prior convictions, felony convictions, bankruptcies, judgments and/or injunctions placed against them.

Attorneys

Moritt Hock & Hamroff LLP, 1407 Broadway, 39th Floor, New York, NY 10018, counsel to the Sponsor, have been selected by the Sponsor to represent the Condominium in connection with all legal matters incident to the operation and management of the Condominium. No legal fee will be charged for such representation except for work actually performed after the formation of the Condominium. The Condominium can, at any time, choose to select different attorneys to represent it.

All legal matters in connection with the establishment of the Condominium, including, the preparation of this Offering Plan have been passed upon for the Sponsor by Moritt Hock & Hamroff LLP. The individual attorney in said firm responsible for said work is Anthony J. Ficara, Esq.

Moritt Hock & Hamroff, LLP will also represent the Sponsor in connection with the individual Unit closings and will also act as the Escrow Agent as described in Section X of the Offering Plan.

Moritt Hock & Hamroff LLP does not have a financial interest in the Property, the Sponsor, the Condominium or any other party involved in this transaction, except for fees for services rendered in connection with the Condominium.

Insurance

The estimated insurance rates have been passed upon by Oakmont Insurance Services LLC, located at 30-50 Whitestone Expressway, Suite 302, Flushing NY 11354.

Architect

The structural architect who prepared the report in Part II and who executed the Certification in Part II is YJL Engineering, PE LLC, 317 George Street, Suite 320, New Brunswick NJ 08901. The MEP engineering is WW Engineering, PLLC, 922 72nd Street, Brooklyn NY 11228. The architects have no financial interest in the Property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with the Condominium. The architect has had prior experience in the preparation of plans and specifications for other condominiums, hotels and restaurants in the Metropolitan area.

YJL Engineering, PE LLC is a full service architectural firm having a history of over 4 years, with an aim to providing professional architect services based on client's needs and budgets for residential buildings. WW Engineering, PLLC is a full service mechanical, electrical, plumbing, and fire protection (MEP/FP) engineering firm, having a history of over 3 years, with the experience and technical expertise to provide engineering solutions, including mechanical, electrical, fire protection and plumbing services to its clients.

XXVI. REPORTS TO RESIDENTIAL UNIT OWNERS

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

- (i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided no later than four (4) months after the close of the fiscal year;
- (ii) at least ten (10) days, but no more than thirty (30) days prior notice of the annual Residential Unit Owners' meeting; and
- (iii) a copy of the proposed annual budget of the Condominium within thirty (30) days of the date set for adoption by the Board of Managers. While Sponsor is in control of the Board of Managers, such budget will be certified in accordance with the regulations of the Department of Law.

XXVII. DOCUMENTS ON FILE

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

XXVIII. GENERAL

Pending Litigation

As of the date of this Offering Plan, there is no litigation or administrative proceedings pending against the Condominium or the Sponsor or any other party which would affect their ability to perform their obligations relating to this offering, or which would in any way affect this offering.

Prior Offerings

This property has not been the subject of a prior public offering. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Residential Units being offered for sale in the Offering Plan and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Residential Units, prior to acceptance of the Offering Plan by the Department of Law. The property forming the Condominium is a vacant building and there are no residential or commercial tenants occupying the premises.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that it will not discriminate against any person because of his or her race, creed, sex, sexual orientation, color, disability, marital status, national origin or ancestry in the sale of Residential Units under this Plan.

Amendment of Plan

The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than thirty (30) days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the down payment made therewith with interest, if any. No person has been authorized to make any representation, which is not expressly contained herein. This Plan may not be changed or modified orally.

Other Circumstances

The Sponsor has no knowledge of any other circumstances that may affect the use or enjoyment of the Building and its appurtenances, not disclosed elsewhere in the Plan.

**XXIX. SPONSOR'S STATEMENT OF SPECIFICATIONS
OR BUILDING CONDITION**

Sponsor adopts the Description of Property set forth in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs except as set forth in the Description of Property Report set forth in Part II of the Plan.

Date of Offering Plan: _____, 2020
New York, New York

V Development Group LLC
Sponsor

OFFERING STATEMENT

108 Jackson Condominium

108 Jackson Street
Brooklyn, Kings County, New York 11211

PART II

RESIDENTIAL PURCHASE AGREEMENT

Residential Unit No. _____ Date _____

Anticipated Closing Date: _____

Seller: V Development Group LLCAddress: 107-23 71st Road, Suite 186., New York, New York 11375

Purchaser(s): _____

Home Address: _____

Residential Telephone Number: _____

Business Telephone Number(s): _____

Social Security Number(s): _____

Purchaser's Attorney: _____

Attorney's Address: _____

Attorney's Phone/Fax Numbers: Phone: _____ Fax _____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE:**

Residential Unit	\$ _____
Builder upgrades & options ("Extras")	\$ _____

TOTAL \$ _____**PAYABLE AS FOLLOWS:**

On the signing of this Purchase Agreement,
10% of the Purchase Price plus Extras, the
receipt whereof is hereby acknowledged
(the "Downpayment")

\$ _____

Purchaser's certified or bank cashier's check
(drawn on a New York Bank payable directly to
the order of Seller or Seller's designee on
the Closing of Title

\$ _____

TOTAL \$ _____

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to the payee on the dishonored check within seventy-two (72) hours after demand for replacement therefore.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the down payment hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

Title to all items of personal property shall be delivered free and clear of all liens and encumbrances, except the lien of the mortgage applied for by Purchasers herein, if any.

2) **DESCRIPTION OF UNIT** - Seller agrees, at its own cost and expense, to erect and complete, and Purchaser shall buy from Seller, the condominium unit(s) known as Residential Unit No. _____ (the "Residential Unit"), together with a combined _____ percent undivided interest in the common elements of the condominium (the "Common Elements") known as 108 Jackson Condominium (the "Condominium"), located on 108 Jackson Street, Brooklyn, New York 11211, and as described in the Declaration of Condominium to be recorded in the New York County Register's Office, Kings County, to be built by Seller on property comprising the Condominium Map (the "Property") filed or to be filed in the New York County Register's Office, Kings County. The Residential Unit shall hereinafter be collectively referred to as the "Unit". The Unit shall be constructed in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York, which, when completed, will be in substantial accordance with the plans as filed or to be filed with the Building Department of the City of New York.

The Unit may vary from any models displayed to Purchaser, and Purchaser should not rely on any model depiction of the units in the Condominium. All dimensions are approximate and may vary from the floor plans of the Condominium.

The Unit shall not include any of the following if displayed in any unit or model unit: decorative fixtures, furniture, furnishings, paint, wallpaper, carpeting, shelves, wall and window treatments, built-ins, burglar alarm systems, site lighting, special landscaping installed at any model units, washer/dryer, central vacuum systems, patios, decks, high-hat lighting, additional fixtures and switches added for decorative purposes, pull down staircases and skylights and other optional fixtures or features exhibited in any model units and/or any sales office excepting those specifically set forth as may be attached to this Purchase Agreement, or above. Purchaser acknowledges that the above features, as contained in any model unit and/or sales office are for display purposes only and are not included in this sale unless specifically provided for in this Purchase Agreement.

All improvements containing natural materials are subject to fade. Seller shall not be responsible to change, replace or remove any improvements in the event they fade.

3) **OFFERING PLAN** - Seller has exhibited and delivered to the Purchaser, and Purchaser acknowledges having received, read and understood, the Offering Plan for condominium ownership of the Property and all amendments thereto filed to date, all of which are incorporated by reference and made a part of this Purchase Agreement, with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan, including all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. Any such changes reflected in an amendment are subject to the requirements set forth in the Changes in Prices Adjustments section of the Offering Plan. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing and delivery of the deed.

4) **GOVERNMENTAL REQUIREMENTS** – If after the date of this Purchase Agreement any law or governmental authority requires any substitutions, changes or additions in any part of the construction of the Unit, the materials used in construction, the manner of construction or any other aspect of development, then the actual cost of such substitution, change or addition shall be added to the price of the Unit and shall be payable by Purchaser to Seller at Closing (defined below), provided, however, that if the amount of such additional cost exceeds \$1,000, then Purchaser may cancel this Purchase Agreement and receive a full refund of all payments made to Seller on account of the purchase price, whereupon neither party shall have any further liability of obligation to the other in connection with this Purchase Agreement or transaction. If the change involves conforming to the plans and specifications identified in the plan,

purchaser may not be held liable for such costs, and provided further, the change does not involve conforming to the plan and specifications identified in the offering plan. However, such right to cancel this Purchase Agreement shall automatically terminate if Purchaser fails to give written notice of cancellation to Seller within ten (10) days after Seller informs Purchaser of the amount of the additional expense.

5) **MORTGAGE FINANCING** - This Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. In the event Purchaser is unable to obtain a mortgage, this Purchase Agreement shall remain in effect and Purchaser shall have an ongoing obligation to consummate the transaction. If a Purchaser does not consummate the transaction and close title to the Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 22 herein. Purchaser further understands and agrees that if he or she chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in his financial status or condition shall release or relieve him of his obligations pursuant to this Purchase Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the closing beyond the expiration of the loan commitment.

6) **CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER** - The act of transferring ownership of the Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing". The Anticipated Closing Date indicated on the first page of the Purchase Agreement is an approximate date and Seller cannot make any guarantees that such date will be the actual Closing Date. Seller shall have the right to adjourn or advance such Closing Date as provided herein. The Closing shall take place at such time and place and on such date as Seller shall designate by prior written notice ("Notice for Closing") delivered in accordance with Paragraph 30 herein, which shall be given no less than thirty (30) days before the date set for Closing. Purchaser may waive the thirty (30) day notice period by execution and delivery of a waiver in the form set forth as Schedule D-2 to the Purchase Agreement in the Plan.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn the date and time for Closing on written notice to Purchaser. In such event, Seller shall, by a new Notice for Closing, fix a new date and time for Closing, which shall be no less than ten (10) days before the new scheduled date and time for Closing.

If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of \$250. The Closing may not take place in any other location without Seller's prior written consent.

In the event the Closing is adjourned with Seller's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of \$500.

In the event that the closing of title to the first Residential Unit in the Condominium has not occurred within twelve (12) months of the anticipated date of first closing set forth in the Offering Plan, as same may be amended, Purchasers will be afforded a right of rescission.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date set forth on the first page of this Purchase Agreement, either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the other no later than ten (10) days after expiration of such twelve (12) month period whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XII of the Plan, all payments, other than Funds used towards upgrades, options or extras, made by Purchaser to Seller on account of the Purchase Price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than ten (10) days after the twelve (12) month period. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

7) **ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING** - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, Purchaser shall at Closing pay, or reimburse to Seller if Seller has already made payment, or pay to any Lender, all applicable charges for:

- (a) Any Lender's charges for inspections, appraisals, title examination and policy insuring the Lender's interest, Lender's attorneys' fees for preparation of all loan documents, all commitment fees, points, origination fees and other fees and charges (however characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
- (b) any mortgage recording taxes on Purchaser's mortgage;
- (c) governmental charges which may be assessed on account of any mortgage loan;
- (d) mortgage insurance, if required, on Purchaser's mortgage;
- (e) New York State real estate transfer tax on the deed;
- (f) New York City real estate transfer tax on the deed;

- (g) Mansion Tax pursuant to Section 1402-a of the Tax Law of the State of New York, if applicable;
- (h) all recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith including without limitation any mortgage, the deed, power of attorney, affidavit required pursuant to Section 339-ee of the New York State Real Property Law and any blanket mortgage release documents;
- (i) a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
- (j) an initial non-reimbursable capital contribution in an amount equal to two (2) months Common Charges, payable to the Condominium;
- (k) a pro-rata portion of the Condominium's estimated first year insurance, based on the Unit's percentage of Common Interest; and
- (l) \$2,500 to Seller's attorney for the preparation of the closing documents.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and pay to Seller at Closing, the apportioned amount due for taxes, condominium Common Charges, sewer use, water use, fuel oil (if any) and any other utility costs. Purchaser shall also pay the deposits required by the Lender to establish the estimated or escrow fund for future payments of taxes, condominium Common Charges, sewer use and insurance premiums (if applicable). In addition, in the event Seller's attorney prepares the New York City "ACRIS" transfer documents, Purchaser shall be required to pay Seller's attorney an additional fee of \$250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company. If through no fault of Seller, Purchaser fails for any reason to close title on the date originally scheduled in Seller's Notice for Closing, or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned closing date (as the case may be).

Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .0438% per diem (which equals an annual rate of 16%) of the Purchase Price for the Unit for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper. Such interest rate shall not surpass the legal limit under applicable law.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication. This Paragraph shall survive Closing and delivery of the deed.

8) **CONSTRUCTION LOAN MORTGAGE** - This Purchase Agreement is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Unit and its/their appurtenant percentage of Common Interest in the Common Elements (as such term is defined in the Plan), shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Unit. In such case, the Unit shall remain subject to the lien of such construction loan mortgage and Purchaser shall reimburse to Seller at Closing, in addition to all other sums to be reimbursed by Purchaser to Seller under this Purchase Agreement, an amount equal to the mortgage tax paid by Seller on such construction loan mortgage. In all other cases, any mortgage tax credit available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Seller.

9) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in subparagraphs (a) through (f) below which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State and City transfer tax which is the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Purchaser shall accept such title and deed description of the Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Cornerstone Land Abstract, LLC ("Cornerstone"), a title company authorized to do business in the State of New York, 248-52 Jericho Turnpike, Bellerose Village, New York, 11001, (516) 327-5400, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any title insurance company or abstract company of his/her choosing, without incurring a penalty, or Purchaser may decline to obtain any title insurance at all. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against the title insurance company which insured Purchaser's title to the Unit before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss of damage not covered by such title insurance company. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage which would have been covered by the title insurance that was available to Purchaser at the time of closing of title.

Purchaser shall be responsible for payment to the title company of the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State and City transfer tax and mansion tax, if applicable.

The sale and transfer of ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

- (a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Unit to be constructed.
- (b) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing, provided they do not prevent use of the Unit for their intended purposes.
- (c) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Unit for their intended purposes.
- (d) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Unit.
- (e) The filed Condominium Map and all matters reflected thereon.
- (f) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

Purchaser shall deliver to Seller's attorney at least ten (10) days prior to Closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Property are being sold), and a copy of Purchaser's title report. Seller shall have the right to a reasonable adjournment of Closing, not to exceed sixty (60) days, for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Purchase Agreement. However, if such defect in title existed at least ten (10) days prior to the closing of title and Purchaser failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the closing of title, then 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 at the request of Purchaser.

10) **PERSONAL PROPERTY INCLUDED IN SALE** - All articles of personal property, fixtures and equipment for the Unit which are included in this sale will be delivered free

and clear of all liens and encumbrances, except as stated in Paragraph 9 herein, if applicable.

11) **POWER OF ATTORNEY** - At closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth as Schedule E, as same may be amended from time to time to comply with applicable law, to the Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of Units in the Condominium under certain circumstances and to foreclose upon Units in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan. In the event the form Power of Attorney set forth in the Plan is deemed to be insufficient, in Seller's sole discretion, due to statutory changes to the New York State short form power of attorney, Purchaser shall execute an amended power of attorney to effectuate the powers granted in the Power of Attorney set forth in the Plan. This paragraph shall survive delivery of the deed.

12) **ENCUMBRANCES/LIENS EXISTING AT CLOSING** - The existence of anything affecting the sale at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided Certified, or another title or abstract company selected by Purchaser, is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Unit upon Seller's doing whatever acts as may be required by said company and/or the depositing of money. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Unit, not provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of Closing.

13) **EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER** - Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right, in the event of Seller's failure to perform such extra work or supply and install such extra items, is to receive a refund or credit at Closing equal to the total payments made to Seller for such extra work or extra items. All extras must be ordered prior to commencement of construction and must not delay construction. In the event Purchaser orders upgraded or optional items or finishes other than the standard provided by Seller, Seller or Seller's contractors shall not be responsible or liable for any defects in quality of materials or workmanship in installation. Failure to make any payments due in accordance with the payment schedule of Seller, Seller's contractors or sub-contractors, as applicable, shall constitute a breach in accordance with Paragraph 22 herein. As noted as a Special Risk in the Plan, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid for extra work and extra items ordered, which have been paid to seller and actually expended on such extra work and/or extra work items.

Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

14) **OPTIONS AND COLOR SELECTIONS** - Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such ten (10) day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

15) **NO INSPECTIONS DURING CONSTRUCTION** - Purchaser acknowledges that unsupervised visits to the Property (the "Construction Site") present a dangerous circumstance and could incur liability to Seller. **Unless specifically agreed to by Seller in writing, Purchaser shall not visit the Unit or any other portion of the Construction Site, and shall only have the right to visit the Seller's sales office (the "Sales Office"). Any unauthorized visits to the Construction Site by Purchaser are subject to a charge by Seller of \$500 per visit, which Purchaser agrees to pay Seller within ten (10) days of billing thereof.** Purchaser hereby releases and indemnifies, defends and holds Seller harmless for all claims and liabilities incurred by Seller resulting from the unauthorized presence of Purchaser or Purchaser's family members or invitees on the Property prior to Closing. Purchaser further agrees to execute the Express Assumption of Risk Form, in the form set forth as Schedule D-3 to the Plan.

16) **PURCHASERS' INTERFERENCE** - Purchaser acknowledges that it may not interfere with Seller's ability to construct the Unit or other unit(s) or facilities, including interference with work performed on site by Seller's staff in connection with the construction of the Unit or any other units, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the site for work on the Unit prior to Closing, unless otherwise agreed to in writing by Seller.

17) **PURCHASER MAY NOT TAKE POSSESSION OF THE UNIT PRIOR TO CLOSING** - Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Unit nor have any work performed or materials supplied or installed at the Unit prior to Closing without the prior written consent of Seller.

Purchaser acknowledges and agrees that Seller will accept no liability whatsoever for any property belonging to the Purchaser, their agents, employees,

family, or belonging to any party other than Seller which is placed on the Property and/or in the Unit prior to Closing. No act of the Seller, whatever its nature, shall constitute a waiver of this Paragraph.

18) **CHANGES BY SELLER** - In building the Unit and performing any other work on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model units or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color and design of the Building; (c) change the location and type of the Units to be constructed in the Condominium; (d) fix the location and setbacks of the Building; (e) determine whether existing trees, shrubs and other plant life on the Property are to be moved or removed, (f) add or remove retaining walls on the Property where required by grade conditions; (g) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, mailboxes; (h) change appliances as long as they are equal to or better than originally offered; (i) change the location of kitchen and bathroom cabinets, counters and drawers; (j) make changes to the Unit, which result in variations of up to five (5%) percent of the Unit square footage listed in Schedule A to the Offering Plan; and (k) make any other changes required by the City of New York.

The changes described in items (a)-(j) may not be effectuated unless Seller obtains the consent of any affected Purchaser. Furthermore, Sponsor's rights, as described herein, are subject to the representations made in the Offering Plan.

Seller shall notify Purchaser of any major changes, specifications, deviations, additions or deletions, which are beyond the scope of those set forth above ("Extraordinary Changes"). If Seller notifies Purchaser in writing of any Extraordinary Changes, Purchaser shall be deemed to have approved of same, unless Seller receives Purchaser's written disapproval thereof within ten (10) days from date of the notice by Seller. Upon receipt of Purchaser's disapproval, Seller may, within thirty (30) days thereafter, give Purchaser written notice withdrawing its proposed Extraordinary Changes, in which case Seller shall thereafter continue with its development activities without the Extraordinary Changes. If Seller fails to give Purchaser notice of withdrawal within such thirty (30) day period, Purchaser may declare this Purchase Agreement null and void by so notifying Seller in writing delivered to Seller no later than forty-five (45) days after having delivered Seller the original notice of disapproval, whereupon Seller shall promptly return to Purchaser all monies paid by Purchaser to Seller, except Funds used towards upgrades, options or extras, on account of the purchase price and thereafter neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement or transaction.

19) **COMPLETION OF CONSTRUCTION; PURCHASER'S INSPECTION** - Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the building in which it is located, or (b) other units in the Condominium, or (c) the landscaped areas of the Property, or (d) driveway, or (e) other portions of the Common

Areas have not been completed. Purchaser will inspect the Unit with a representative of the Seller during normal business hours approximately three (3) days prior to Closing and will sign and deliver to Seller on or before Closing, a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition of the Unit. Receipt of the executed Pre-Title Inspection Statement shall be a condition precedent to closing. Purchaser agrees to accept the Pre-Title Inspection Statement wherein the Seller shall agree to complete all unfinished items within six (6) months from the date of Closing, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall allow Seller, its agents, servants and/or employees the right to enter the Unit and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items.

In the event Seller is required to make any repair or complete any item of work to be performed by Seller after Closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive Closing and delivery of the deed.

20) **CERTIFICATE OF OCCUPANCY** - At Closing, Seller shall deliver to Purchaser a temporary or permanent Certificate of Occupancy for the Unit (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate for the Unit.

21) **UNIT PART OF DEVELOPMENT** - Purchaser acknowledges that they may be living in an active construction site after Closing on the Unit. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences, which are normal in a community undergoing construction. Purchaser further acknowledges that other units and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall continue until the Condominium project is completed in accordance with the Plan. Any such construction will not render the Unit uninhabitable nor materially affect Purchaser's use of the Unit. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of the Unit after Closing. Sponsor anticipates completion of construction by May 1, 2020. This Paragraph shall survive Closing and the delivery of the deed.

22) **PURCHASER'S DEFAULT** - If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all Extras ordered

by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable.

The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in Section X of the Offering Plan.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement.

23) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the Downpayment to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

- (a) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Unit; or
- (b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God or national emergencies; or
- (c) the installation of public utilities is restricted or curtailed; or
- (d) should zoning and/or building restrictions and regulations, imposed by any governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated; or
- (e) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, this Purchase Agreement shall be terminated and 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 Purchase Agreement and the Offering Plan.

24) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** - Except for Seller's willful default, if Seller is unable to transfer ownership of the Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of the down payment. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition, which prevents Seller from transferring ownership of the Unit in accordance with this Purchase Agreement.

25) **PROHIBITION AGAINST ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT** - Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the written consent of Seller. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the office of any county clerk or the King's County Register's Office by Purchaser or anyone on Purchaser's behalf. Should Purchaser violate the provisions of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon all rights of the Purchaser shall cease and terminate and Seller shall have the right to retain the Downpayment and all amounts paid by Purchaser for Extras, as and for liquidated damages on account of such default by Purchaser pursuant to the provisions of Paragraph 22 hereunder.

26) **PROHIBITION AGAINST SIGNS ON UNIT** - Purchaser shall not place any sign anywhere on the Unit or Property at any time.

27) **PROHIBITION AGAINST ADVERTISING OF UNIT FOR SALE** - From and after the date hereof, Purchaser shall not place an advertisement for the sale of the Unit in any newspaper or other publication or media, or list the Unit with any real estate broker prior to Closing. Such action will constitute a material breach of this Purchase Agreement entitling Seller to retain monies paid on account of the Purchase Agreement plus the cost of Extras as liquidated damages.

28) **RESTRICTIONS ON SALE** - As a condition on eligibility for 421-a benefits Purchaser covenants and agrees and shall confirm in writing to maintain such Unit as their primary residence for no less than five years from acquisition date of such Unit. The provisions of this Paragraph shall survive delivery of the deed and the closing of title.

In the event Condominium is not eligible for 421-a benefits, Purchaser covenants and agrees to retain ownership in the condominium unit for a period of one (1) year from the date Purchaser acquired the condominium unit, except in the case of the death of Purchaser or spouse. Failure to abide by this requirement shall result in the Purchaser paying the Seller a sum equal to 25% of the difference between the new purchase price

of the condominium unit and the Purchase Price set forth in paragraph 1 of this Purchase Agreement but in no event less than 10% of the purchase price set forth in paragraph 1 of this Purchase Agreement. The provisions of this Paragraph shall survive delivery of the deed and the closing of title.

29) **NO BROKER CONSULTED BY PURCHASER** – Purchaser represents that no broker other than Seller, as Sponsor will be acting as its own broker, (the "Broker") brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission based upon Purchaser's acts. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith, and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

30) **TRUST FUNDS** - The law firm of Moritt Hock & Hamroff LLP with an address at 1407 Broadway, 39th Floor, New York, New York 10018, telephone number (212) 239-2000, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The Escrow Account will be opened with Popular Bank, 85 Broad Street, New York, New York 10006. The signatories on this account authorized to withdraw funds include the following Partners of MHH: Anthony J. Ficara, Ted A. Berkowitz and Robert M. Finkel. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the down payment from escrow.

The Escrow Agent has established the escrow account at a bank authorized to do business in the State of New York. The escrow account is entitled "Moritt Hock & Hamroff LLP, F/B/O 108 Jackson Condominium – IOLA Escrow Account" ("Escrow Account"). The Escrow Account is an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

All down payments received by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to the order of Moritt Hock & Hamroff LLP, as Escrow Agent.

The Escrow Account is an IOLA account and no interest will be paid to Purchaser. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or Seller's authorized agent. **In addition, although all funds received by Seller for Extras will initially be placed in the Escrow Account; such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras. In the event Purchaser is entitled to a right of rescission, the return of their Downpayment shall not include any funds paid and expended by Seller towards Extras.** At Closing the Downpayment shall be paid to Seller upon consummation of the Closing and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at Closing. Purchaser shall execute the Tender of Escrow form, as set forth in Schedule D-4 of the Plan upon execution of this Purchase Agreement; and shall execute the Release form, as set forth in Schedule D-1 of the Plan, at Closing.

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

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

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

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Purchase Agreement in Section 5 upon closing of title to the Unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) by a final, non-appealable order or judgment of a court.

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

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

- (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (b) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

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

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

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

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

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

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

Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.

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

Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

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.

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 Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this 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 this 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.

31) **NOTICES** - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given

(a) when delivered to an overnight courier service, if sent by overnight courier,

- (b) upon personal delivery actually being made, and
- (c) upon receipt or first refusal of delivery or inability of delivery after delivery to the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested.

Notwithstanding the foregoing, any notice of default must be delivered only by overnight courier service, personal delivery, or certified mail return receipt requested.

32) **PURCHASER GENERAL REPRESENTATIONS** - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates, written or oral, of any nature whatsoever, made by Sponsor, or otherwise, including but not limited to, any of the above relating to the description or physical condition of a Condominium building or the Unit or the Property, the size or the dimensions of the Unit or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated Common Charges for the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the Purchase of the Unit, the potential for future profit with respect to the Unit, any future appreciation in value of the Property, the Condominium building or the Unit, any rental income potential, depreciation or investment potential with respect to the Property, the Condominium building or the Unit, any monetary or financial advantage with respect to the Property, the Condominium building or the Unit, or any other data, the environmental and/or flood plan conditions affecting the Condominium building, the availability of liability, casualty and flood insurance or the cost thereof, the costs of ongoing maintenance and repair of the Condominium building or any other matter or estimate not set forth herein and in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by the Broker or any other agent of Seller. No person has been authorized to make any representation on behalf of Sponsor except as herein or in the plans specifically set forth. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Purchaser has relied solely on his own judgment and investigation in deciding to enter into this Purchase Agreement and purchase of the Unit. No oral representations or statements shall be considered a part of this Purchase Agreement, and any current or prior oral statements are void and have no effect. 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. Purchaser agrees that the Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from his or her obligations hereunder, by reason of any immaterial or insubstantial accuracy or error. Purchaser agrees that a decrease in a Unit's area of five (5%) percent or less may not affect a Purchaser's right to consent, unless such decrease is determined to be a material change. There is a rebuttable presumption that an area that is diminished by five (5%) percent or less is not material. The provisions of this paragraph shall survive the closing of title or the termination of

this Purchase Agreement. Purchaser understands and acknowledges that the Seller cannot guarantee a firm completion and availability date for the Unit and agrees that the Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder, except as set forth in the Offering Plan and provided under applicable law.

33) ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS -

All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan. Purchaser acknowledges that Purchaser is buying a Unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Plan or any amendment thereto and this Purchase Agreement, including but not limited to, the description, size or dimensions of the Unit or rooms therein, or the estimated common charges, or other expenses relative thereto.

Purchaser also acknowledges that none of Seller's representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation inconsistent or contrary to the terms of this Purchase Agreement. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Seller's Authorized Agent. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

34) RISK OF LOSS - The risk of loss or damage to the Unit by fire or any other cause until delivery of the deed is assumed by Seller. In the event a substantial portion of the Unit or Condominium shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Downpayment paid by Purchaser, with interest, if any; however, Purchaser will not receive a refund of any funds paid for Extras. The parties shall thereafter be released from any further liability hereunder.

If any part of the Unit is damaged or destroyed by any casualty prior to Closing, Seller will have the option to restore the Unit to its previous condition as soon as reasonably possible. In the event Seller elects to restore the Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller agrees to notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Unit, then this Purchase Agreement will terminate and Purchaser will receive a full refund of all

monies paid to Seller. The parties shall thereafter be released from any further liability hereunder.

35) **DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS** - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Elements on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

36) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful.

Purchaser and Seller hereby waive trial by jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase Agreement, shall be instituted in a court in Kings County and all motions in any such action shall be made in Kings County.

This Paragraph shall survive Closing and delivery of the Deed.

37) **LIEN OF DEPOSIT** - All sums paid on account of this Purchase Agreement are hereby made liens upon the Unit, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

38) **MISCELLANEOUS:**

- (a) The start of any activity by Seller in connection with the Unit is not to be deemed a waiver of any of Seller's rights under this Purchase Agreement.

- (b) The personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be deemed allocated to such personal property.
- (c) The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.
- (d) The paragraph headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.
- (e) No provision of this Purchase Agreement may be changed, waived, discharged, or terminated orally, by telephone, or by any other means, except an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.
- (f) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.
- (g) If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.
- (h) The provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.
- (i) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.
- (j) Seller represents that its Federal Employer Identification Number is _____; and Purchaser represents that his/her/their social security number(s) is _____ and _____.

- (k) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.
- (l) The parties agree that this Purchase Agreement shall be governed by, and construed in accordance with the laws of the State of New York.

39) **LIMITED WARRANTY - AT THE CLOSING OF TITLE, THE SELLER WILL DELIVER THE CERTIFICATES AND WARRANTIES DELIVERED TO IT AND TRANSFERABLE TO PURCHASER AND IT IS FURTHER AGREED THAT TITLE WILL NOT CLOSE UNTIL A TEMPORARY CERTIFICATE OF OCCUPANCY HAS BEEN ISSUED COVERING THE RESIDENTIAL UNIT OR BUILDING IN WHICH THE RESIDENTIAL UNIT IS LOCATED. IN THE EVENT A TEMPORARY CERTIFICATE OF OCCUPANCY IS ISSUED, SELLER SHALL KEEP THE TEMPORARY CERTIFICATE OF OCCUPANCY IN FULL FORCE AND EFFECT UNTIL A PERMANENT CERTIFICATE OF OCCUPANCY IS ISSUED. SELLER'S LIABILITY PURSUANT TO ANY MANUFACTURERS' WARRANTIES COVERING HEATING, APPLIANCES, ELECTRICITY AND PLUMBING ARE LIMITED SOLELY TO THE EXTENT THAT SUCH WARRANTIES ARE DELIVERED TO SELLER, TRANSFERABLE TO THE PURCHASER OR TO THE CONDOMINIUM AND THEN ONLY AS AGAINST SUCH MANUFACTURER. IN ADDITION, HOWEVER, SELLER WILL CORRECT ANY DEFECTS IN THE CONSTRUCTION OF THE RESIDENTIAL UNIT OR IN THE INSTALLATION OR OPERATION OF ANY MECHANICAL EQUIPMENT THEREIN DUE TO MATERIALS OR IMPROPER WORKMANSHIP SUBSTANTIALLY AT VARIANCE WITH THE PLANS AND SPECIFICATIONS, PROVIDED ONLY THAT IT IS NOTIFIED OF SUCH DEFECTS IN WRITING BY CERTIFIED MAIL WITHIN ONE (1) YEAR FROM THE DATE OF CLOSING OF TITLE TO THE RESIDENTIAL UNIT IN WHICH THE ALLEGED DEFECT EXISTS. IF A DEFECT OCCURS IN AN ITEM WHICH IS COVERED BY THIS WARRANTY, THE SELLER OR SELLER'S CONTRACTORS WILL (A) REPAIR OR (B) REPLACE THE DEFECTIVE ITEM. THE CHOICE BETWEEN REPAIR OR REPLACEMENT IS THE SELLER'S.**

PURCHASER SHOULD NOTE THAT:

- A. NO STEPS TAKEN BY SELLER OR SELLER'S CONTRACTORS TO CORRECT A DEFECT SHALL ACT TO EXTEND THE WARRANTY PERIOD.
- B. SELLER ACCEPTS NO RESPONSIBILITY FOR ANY WARRANTY OBLIGATION FOR INCIDENTAL OR CONSEQUENTIAL DAMAGE CAUSED BY ANY DEFECT.

- C. THESE WARRANTIES GIVE YOU AS PURCHASER SPECIFIED LEGAL RIGHTS. YOU MAY HAVE OTHER RIGHTS UNDER STATE LAW.
- D. THESE WARRANTIES ARE EXTENDED TO YOU AS PURCHASER AND ARE NOT EXTENDED TO ANY SUBSEQUENT PURCHASER, TENANT, OR MORTGAGE LENDER WHO TAKES POSSESSION OF THE UNIT.
- E. THESE WARRANTIES SHALL BE VOID IF PURCHASER, TENANT OR OCCUPANT, MISUSES, ABUSES OR OTHERWISE INTERFERES WITH OR CHANGES SELLER'S ORIGINAL CONSTRUCTION OR INSTALLATIONS, OR IF PURCHASER, TENANT OR OCCUPANT HIRES ANY OUTSIDE CONTRACTOR TO DO ANY WORK DURING THE WARRANTY PERIOD.
- F. SELLER IS NOT RESPONSIBLE FOR ANY WORK OR MATERIAL ORDERED DIRECTLY BY PURCHASERS FROM SELLER'S CONTRACTORS OR SUPPLIERS, OR OTHER OUTSIDE SUPPLIERS AND CONTRACTORS.
- G. IN NO EVENT WILL SPONSOR BE RESPONSIBLE FOR ANY CONDITION RESULTING FROM (i) NORMAL WEAR AND TEAR OR NATURAL DETERIORATION OR FROM THE NORMAL MOVEMENT, SETTLEMENT AND/OR SHRINKAGE OF THE BUILDING AND/OR BUILDING MATERIALS; (ii) DEFECTS OF AN INSUBSTANTIAL NATURE, SUCH AS, WITHOUT LIMITATION, PARTIAL OR TOTAL LOSS OF ANY TREES, SHRUBS, BUSHES OR OTHER LANDSCAPE IMPROVEMENTS THAT MAY ABUT THE BUILDING, NAIL POPS, PROTRUDING DRY WALL FASTENINGS, RIDGING ON GYPSUM BOARD, LUMBER SHRINKAGE, DOOR OR WINDOW STICKING, DOOR WARPAGE INCLUDING, WITHOUT LIMITATION, WARPAGE OF THE MAIN ENTRANCE DOOR WITHIN REASONABLE TOLERANCES OF DOORS OF SIMILAR SIZE AND WEIGHT, SCRATCHES IN PLASTIC LAMINATE, VITREOUS CHINA, NATURAL STONE, WOOD, STAINLESS STEEL OR PORCELAIN SURFACES; BATHROOM FINISH GROUTING; ADJUSTMENT OF DOORS; WALLS NOT SQUARE; ELECTRICAL PLATES NOT STRAIGHT; DISCOLORATION OR SHRINKAGE; SLIGHT SEPARATION BETWEEN BASE AND FLOORS; (iii) NORMAL SETTLEMENT AND DEFLECTION OR ANY CONSEQUENTIAL DAMAGE RESULTING THEREFROM INCLUDING, WITHOUT LIMITATION, CRACKS IN ROOF BALLAST, OR CONCRETE CRACKS WHICH DO NOT REDUCE THE STRUCTURAL INTEGRITY OF THE BUILDING; (iv) DEVIATIONS IN THE LEVEL OF CEILINGS, AND IMPERFECTIONS IN CEILING FINISHES; (v) IMPERFECTIONS IN PAINTING FINISHES; (vi) DEVIATIONS IN THE LEVEL OF A FLOOR

OR FAILURE OF FINISHED FLOORS AND WALLS TO BE STRAIGHT OR ON PLANE OR AT LESS THAN 90° FROM EACH OTHER; (vii) ALIGNMENT OF BATHROOM FINISHES AND VARIATION IN GROUTING THICKNESS; (viii) AIR INFILTRATION AND WATER INFILTRATION FROM WINDOWS IN ACCORDANCE WITH CUSTOMARY PRACTICE AND PROFESSIONAL STANDARDS; (ix) NOISE FROM NORMAL PLUMBING AND HVAC SYSTEM ; (x) NORMAL FLOOR NOISES AND CREAKING; (xi) CARPET OR FLOOR DISCOLORING OR STRETCHING; (xii) SCRATCHES AND IMPERFECTIONS OR VARIATIONS IN WIDTH, LENGTH, THICKNESS, FINISH OR COLOR RANGE OF WOOD FLOOR STRIPS OR OTHER FLOORING OR FLOOR FINISHES, ALSO, NORMAL SHRINKAGE OR EXPANSION OF WOOD FLOORING DUE TO CHANGES IN MOISTURE CONTENT OF WOOD AND/OR DUE TO PURCHASER'S FAILURE TO MAINTAIN APPROPRIATE TEMPERATURE AND HUMIDITY LEVELS IN THE UNIT; (xiii) REPAIR OF CHIPS, SCRATCHES, MARKS, BREAKS, DENTS, CRACKS OR OTHER DEFECTS IN: EXTERIOR STONE; WINDOWS, WINDOW GLASS, FRAMES AND HARDWARE; INSULATION ATTACHED TO THE CURTAIN WALL; SLIDING GLASS DOORS, FRAMES, DOOR GLASS AND HARDWARE; LOUVERS; SHOWER DOORS; LIGHTING FIXTURES, LENSES, BAFFLES AND GLOBES; ALL PAINTED SURFACES; ALL SINKS, TUBS, BASINS, WATER CLOSETS; KITCHEN CABINETS, BACK SPLASHES AND COUNTERTOPS; VANITY TOPS AND CABINETS; ALL TILE OR NATURAL STONE FLOORS AND WALLS; SADDLES; ALL APPLIANCES; WOODWORK, MILLWORK AND DOORS; MIRRORS AND AFTER THE RESIDENTIAL UNIT CLOSING, PAINT TOUCH-UPS, REPAIR OF DENTED APPLIANCES, OR REPLACEMENT OF LIGHT BULBS; (xiv) CRACKS OR VARIATIONS IN TONE, COLOR OR VEINING OF NATURAL STONE OR VARIATIONS IN TONE, COLOR OR VEINING OF VANITY TOPS OR ANY OTHER NATURAL STONE SURFACES; (xv) LEACHING OR COLOR VARIATION IN COLOR MORTAR AND COLORED BRICK, AND DIMENSIONAL VARIATIONS IN BRICK JOINTS, AND MORTAR DROPPINGS ON BRICKS; (xvi) PONDING AND/OR CONTROLLED DRAINAGE ON THE ROOF SURFACE; (xvii) CRACKS IN PRESSURE-TREATED LUMBER USED OR INTENDED FOR USE OUTSIDE THE BUILDING; (xviii) CRACKS OF DISCOLORATION IN CONCRETE USED IN CELLAR WALLS AND PAVING; (xix) DISCOLORATION TO HARDWARE AND PLUMBING FINISHES; (xx) STAINS, RUNS, LUMPS, SHAGS OR IMPERFECTIONS IN WEAVE IN FABRIC PANELS; (xxi) SCRATCHED, DIRTY OR CRACKED LENSES IN LIGHT FIXTURES; OR (xxii) TERRACE TILES NOT LAID FLAT, OR COLOR VARIATION IN TILES OR MORTAR, OR STAINED TILES; (xxiii) SUBSEQUENT TO THE RESIDENTIAL UNIT CLOSING, PAINT TOUCH-UPS, REPAIRS OF DENTED APPLIANCES OR REPLACEMENT OF FLUORESCENT LIGHT BALLASTS, OR (xxiv)

SALTING OR COLOR VARIATION IN EXTERIOR COLORED MORTAR AND DEEP COLORED BRICK OR (xxv) REMOVE MOLD FROM THE BUILDING OR ANY UNIT THEREIN; OR (xxvi) NORMAL WATER LEAKAGE OR PENETRATION FROM FRAMELESS SHOWER DOORS. SPONSOR WILL BE OBLIGATED TO REPAIR ONLY ABNORMALLY CHIPPED STONE, FORMICA AND PORCELAIN SURFACES, WHICH REPAIR WILL BE MADE BY FILLING THE STONE OR FORMICA OR REFINISHING THE PORCELAIN, BUT SPONSOR WILL NOT BE OBLIGATED TO REPLACE SUCH STONE, FORMICA OR PORCELAIN SURFACES. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR RESIDENTIAL UNIT, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREOF. IF PURCHASERS OR ANY BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

- H. THESE WARRANTIES ARE SPECIFICALLY IN LIEU OF ANY OTHER GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED INCLUDING ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR WORKMANLIKE CONSTRUCTION.

THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING OF TITLE AND DELIVERY OF THE DEED.

40) **SMOKING POLICY** - In compliance with Local Law 147 and pursuant to Article 17 of the New York City Administrative Code, the Sponsor has adopted the following smoking policy for the Building (the "Smoking Policy"):

Smoking is PROHIBITED (i) in all commons areas of the Building, including, but not limited to, the lobby, entryways, vestibules, ante rooms, mail rooms, storage rooms, bike rooms, common rooms, amenity rooms, gym, roof decks, garbage chute rooms, compactor rooms, basement, corridors, hallways, stairwells, elevators, playroom, garage, garage ramp, walkways; and (ii) within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units.

For the purposes of this Smoking Policy, the term "smoking" includes, but is not limited to, inhaling, exhaling, burning or carrying any lighted cigar, cigarette, pipe or any other form of lighted object or device which contains tobacco, including the use of electronic cigarettes or any similar device that delivers vapor for inhalation (including any refill, cartridge or other component of an electronic cigarette or similar device), or any other items or materials that may be smoked, whether such substance is a legal substance or an illegal substance. This Smoking Policy applies to all unit owners, tenants, subtenants, occupants and residents of the Building, and to any guests, agents, licensees and invitees of a Unit Owner. It is the Unit Owner's responsibility to ensure that its tenants, subtenants, occupants, residents, guests, agents, licensees and invitees comply with this Smoking Policy.

Smoking is PERMITTED within individual apartments and on the terraces, balconies, patios and yards attached to individual apartments (except within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units). However, if there are reported and substantiated incidents of infiltration of smoke/smoke odors into common areas of the Building (including, but not limited to, hallways) and/or other apartments in the Building, it will be the offending Unit Owner's responsibility, at its sole cost and expense, to abate the nuisance.

Any Unit Owner who sells, leases, or subleases its apartment must include a copy of this Smoking Policy in the contract of sale, lease or sublease.

41) NOTICES TO PURCHASER - WHEN SIGNED BY SELLER AND PURCHASER (OR PURCHASER'S AUTHORIZED AGENT), THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD MAKE SURE THAT ALL PROVISIONS ARE READ AND UNDERSTOOD BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE OFFERING PLAN AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement as of the date first above written.

PURCHASERS:

V DEVELOPMENT GROUP LLC

Signature

By: _____

**ESCROW AGENT
MORITT HOCK & HAMROFF LLP**

Signature

By: _____

FORM FOR THE RELEASE OF ESCROW FUNDS

Date

Moritt Hock & Hamroff LLP
1407 Broadway, 39th Floor
New York, New York 10018

Re: **108 Jackson Condominium**
Purchaser:
Unit #:

Dear Sirs:

You have been holding in a trust account my/our downpayment for the above-referenced Unit in the amount of \$_____. I/we acknowledge that a closing has taken place this date. Accordingly, Moritt Hock & Hamroff LLP is authorized to release the funds being held in said amount to whomever the Sponsor so designates. In addition, Moritt Hock & Hamroff LLP, as Escrow Agent on said account, is hereby released from any and all liability or further obligation to us with respect to said downpayment.

Very truly yours,

Purchaser_____
Sponsor's representative

SCHEDULE D-1

WAIVER OF NOTICE OF CLOSING

, being duly sworn, does hereby depose and state:

1. I am the Purchaser of Unit # at 108 Jackson Condominium.
2. Pursuant to a Purchase Agreement dated , 20 , I am entitled to thirty (30) days' written notice of the closing for my Unit.
3. I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on , 20 .

Purchaser

Sworn to before me this day
of 20 .

Notary Public

SCHEDULE D-2

EXPRESS ASSUMPTION OF RISK

I/We _____ understand that by entering onto a construction site, there are extraordinary risks of grave bodily injury and/or death. In consideration for being allowed to enter upon the premises herein, I/we expressly assume all risks associated with the construction site, including but not limited to:

1. Falling debris;
2. Falls associated with excavations, uncleared ice and/or snow incomplete sidewalks and roads and downed trees and/or bushes;
3. Injuries associated with incomplete construction;
4. Injuries associated with operating machinery;
5. Injuries associated with incomplete or no railings; and
6. Injuries associated with incomplete and/or insufficient lighting.

I/We _____ further agree to fully indemnify and hold harmless V DEVELOPMENT GROUP LLC, its members, officers, directors, principals, shareholders, successors and assigns for any and all damage to any personal property.

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of \$_____, for Unit _____ and Parking Space Unit _____ at 108 Jackson Condominium located at 108 Jackson Street, Brooklyn, New York 11211.

Purchaser named below has tendered on _____, 20__, the above escrow deposit to Sponsor as a deposit for the above Unit and Parking Space Unit.

Purchaser: _____

Address of Purchaser: _____

Phone number of Purchaser:

Cellular: _____

Social Security Number of Purchaser _____

Purchaser's Signature _____

RECEIPT

The SPONSOR of the above named property hereby acknowledges receipt of the above escrow deposit.

V DEVELOPMENT GROUP LLC

By: _____

Date of Receipt: _____

POWER OF ATTORNEY

CAUTION TO THE PRINCIPAL: Your Power of Attorney is an important document. As the "principal," you give the person whom you choose (your "agent") authority to spend your money and sell or dispose of your property during your lifetime without telling you. You do not lose your authority to act even though you have given your agent similar authority.

When your agent exercises this authority, he or she must act according to any instructions you have provided or, where there are no specific instructions, in your best interest. "Important Information for the Agent" at the end of this document describes your agent's responsibilities.

Your agent can act on your behalf only after signing the Power of Attorney before a notary public.

You can request information from your agent at any time. If you are revoking a prior Power of Attorney by executing this Power of Attorney, you should provide written notice of the revocation to your prior agent(s) and to the financial institutions where your accounts are located.

You can revoke or terminate your Power of Attorney at any time for any reason as long as you are of sound mind. If you are no longer of sound mind, a court can remove an agent for acting improperly.

Your agent cannot make health care decisions for you. You may execute a "Health Care Proxy" to do this.

The law governing Powers of Attorney is contained in the New York General Obligations Law, Article 5, Title 15. This law is available at a law library, or online through the New York State Senate or Assembly websites, www.senate.state.ny.us or www.assembly.state.ny.us.

If there is anything about this document that you do not understand, you should ask a lawyer of your own choosing to explain it to you.

I (We) residing at _____ ("Principal") the owner of Condominium Unit No. ____ in the Condominium known as 108 Jackson Condominium, covering the property located in the Borough and County of Kings, City and State of New York, do hereby nominate, constitute and appoint the Members of the Board of Managers of V Development Group LLC, 107-23 71st Road, Ste.186, Forest Hills, New York 11375 and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We) do further hereby nominate, designate, constitute and appoint the Members of the Board of Managers of 108 Jackson Condominium and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf, the right to act in my behalf to take any and all action necessary against any tenant(s) that may be residing in my Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of 108 Jackson Condominium.

I (We) do hereby further irrevocably nominate, constitute and appoint V Development Group LLC and its successors, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of Condominium of 108 Jackson Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units, as built, and to amend any Filed Map or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Eleventh, Section (c) of the Declaration of Condominium of 108 Jackson Condominium.

Terms used in this Power of Attorney, which are used in the Declaration submitted by V Development Group LLC, establishing a Plan for Condominium Ownership of the premises known as 108 Jackson Condominium under the Condominium Act (the "Declaration"), dated _____, 20__ and recorded in the Kings County Register's Office on _____, 20__ as CRFN _____ together with the Exhibits attached thereto, shall have the same meanings herein as in the Declaration.

This document does not revoke any power of attorney I/we have previously executed. In order to revoke a prior power of attorney, I/we will execute a revocation specifically referring to the power to be revoked.

Notwithstanding anything set forth herein to the contrary, this power of attorney is irrevocable and shall not be revoked by any subsequent power of attorney I/we may execute.

Whenever two or more powers of attorney are valid at the same time, the agents appointed on each shall act separately, unless specified differently in the documents.

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and seal this day
of , 20__.

STATE OF NEW YORK)
 :ss
COUNTY OF)

On the day of in the year 20__, before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

STATE OF NEW YORK)
 :ss
COUNTY OF)

On the day of in the year 20__, before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

IMPORTANT INFORMATION FOR THE AGENTS:

When you accept the authority granted under this Power of Attorney, a special legal relationship is created between you and the principal. This relationship imposes on you legal responsibilities that continue until you resign or the Power of Attorney is terminated or revoked. You must:

1. act according to any instructions from the principal, or, where there are no instructions, in the principal's best interest;
2. avoid conflicts that would impair your ability to act in the principal's best interest;
3. keep the principal's property separate and distinct from any assets you own or control, unless otherwise permitted by law;
4. keep a record of all receipts, payments, and transactions conducted for the principal; and
5. disclose your identity as an agent whenever you act for the principal by writing or printing the principal's name and signing your own name as "agent" in either of the following manner: (Principal's Name) by (Your Signature) as Agent, or (Your Signature) as Agent for (Principal's Name).

You may not use the principal's assets to benefit yourself or give major gifts to yourself or anyone else unless the principal has specifically granted you that authority in this Power of Attorney or in a Statutory Major Gifts Rider attached to this Power of Attorney. If you have that authority, you must act according to any instructions of the principal or, where there are no such instructions, in the principal's best interest. You may resign by giving written notice to the principal and to any co-agent, successor agent, monitor if one has been named in this document, or the principal's guardian if one has been appointed. If there is anything about this document or your responsibilities that you do not understand, you should seek legal advice.

Liability of agent:

The meaning of the authority given to you is defined in New York's General Obligations Law, Article 5, Title 15. If it is found that you have violated the law or acted outside the authority granted to you in the Power of Attorney, you may be liable under the law for your violation.

AGENT'S SIGNATURE AND ACKNOWLEDGMENT OF APPOINTMENT: It is not required that the principal and the agents sign at the same time, nor that multiple agents sign at the same time.

I, _____, Member of V Development Group LLC, have read the foregoing Power of Attorney. V Development Group LLC is one of the entities identified therein as agent for the principal named therein. On behalf of V Development Group LLC, I acknowledge my/our legal responsibilities.

Agent(s) sign here:

V DEVELOPMENT GROUP LLC

By: _____

STATE OF NEW YORK)
 :ss
COUNTY OF)

On the day of in the year 20____, before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

AGENT'S SIGNATURE AND ACKNOWLEDGMENT OF APPOINTMENT: It is not required that the principal and the agents sign at the same time, nor that multiple agents sign at the same time.

I, _____ of the Board of Managers of 108 Jackson Condominium have read the foregoing Power of Attorney. The Board of Managers of 108 Jackson Condominium is one of the entities identified therein as agent for the principal named therein. On behalf of the Board of Managers, I acknowledge our legal responsibilities.

Agent(s) sign here:

BOARD OF MANAGERS OF 108 JACKSON CONDOMINIUM

By: _____

STATE OF NEW YORK)
 :ss
COUNTY OF)

On the day of in the year 20____, before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

POWER OF ATTORNEY

to

Board of Managers of 108 Jackson Condominium

and

V Development Group LLC
Unit ____
108 Jackson Street, Brooklyn
New York 11211

Block ____
Lot ____
County of Kings

Record and Return to:

Anthony J. Ficara
Moritt Hock & Hamroff LLP
1407 Broadway, 39th Floor
New York, New York 10018

DEED

THIS INDENTURE made the _____ day of _____, 20__ between V
DEVELOPMENT GROUP LLC, a New York Limited Liability Company, having a place
of business at 107-23 71st Road Suite 186, Forest Hills, New York 11375 Party of the
First Part and

Party of the Second Part;

WITNESSETH

That the Party of the First Part, in consideration of Ten Dollars (\$10.00), lawful
money of the United States, and other good and valuable consideration, paid by the
Party of the Second Part, does hereby grant and release unto the Party of the Second
Part, the heirs or successors and assigns of the Party of the Second part forever,

All that certain piece or parcel of real property, with the improvements therein
contained, situate and being a Condominium Unit (the "Residential Unit") in Kings
County, City and State of New York, known as Residential Unit No. _____ together
with Parking Space Unit ____ (if applicable) in the Condominium known as 108 Jackson
Condominium, said Residential Unit designated and described as Residential Unit No.
____ and said Parking Space Unit designated and described as Parking Space Unit No.
____ (if applicable), in the Declaration establishing a plan for Condominium Ownership of
said premises under Article 9-B of the Real Property Law of the State of New York (the
"New York Condominium Act"), dated and recorded in the Office of the City Register,
Kings County (the "Register's Office") on _____ in Reel _____ page
_____ and also designated as Tax Lot _____ in Block _____ of Section _____ of
Kings County on the Tax Map of the Real Property Assessment Department of the City
of New York, and on the Floor Plan of said building certified by _____ on
_____ and filed with the Real Property Assessment Department of
the City of New York on _____ as Condominium Plan No. _____, and
also filed in the Register's Office on _____ as Condominium Plan No.
_____, Map No. _____.

TOGETHER with an undivided _____% (combined Residential and Parking
Space Units, if applicable) interest in the Common Elements.

SCHEDULE F

The premises within which the Residential Unit is located are more particularly described as follows:

(PROPERTY DESCRIPTION)

TOGETHER with the appurtenances and all the estate and rights of the Party of the First Part in and to said premises.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and floor plans of the Condominium as the same may be further amended from time to time by instruments recorded or filed in the Register's Office of the City of New York, Kings County, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Residential Unit, as though such provisions were recited at length herein.

SUBJECT TO the Party of the Second Part notifying the Party of the First Part of any resale of the Residential Unit within two (2) years of the date of this indenture and the Party of the Second Part making a payment to the Party of the First Part of the greater of twenty-five (25%) percent of the resale price or ten (10%) percent of the original purchase price of the Residential Unit.

TO HAVE AND TO HOLD the premises herein granted unto the Party of the Second Part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the First Part covenants that the party of the First Part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the Party of the First Part, in compliance with Section 13 of the Lien Law, covenants that the Party of the First Part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for purpose of paying the cost of the improvement before using any part of the total of the same for any other purposes.

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

The use for which the Parking Space Unit is intended is that of a parking space for automobiles, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance is made in the regular course of business actually conducted by the Party of the First Part.

The word "Party" shall be construed as if it read "Parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Party of the First Part has duly executed this deed and the Party of the Second Part has duly assumed the mortgage therein referred to, the day and year first above written.

V DEVELOPMENT GROUP LLC

By: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ____ day of _____ in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his or her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

NOTARY PUBLIC

108 JACKSON CONDOMINIUM

January 13, 2020

**DESCRIPTION OF PROPERTY AND SPECIFICATION
OR BUILDING CONDITIONS****A. Location and Use of Property**

This property and its proposed use will comply with all zoning and use requirements and the Certificate of Occupancy will be presented at closing.

(1) Address: 108 Jackson Street, Brooklyn, NY 11211

(2) Block: 2748 Lot: 17

(3) Zoning: R6B

(4) Permissible Use: Proposed one zoning lot containing (1) five-story building with cellar. The proposed uses for the building are utility rooms, meter rooms, machine room and storage located on cellar, and Six (6) Class "A" apartment units on the 1st thru 5th floors. As defined by NYS Multiple Dwelling Law: "Class A" multiple dwellings are occupied as a rule, for permanent residence purposes.

B. Status of Construction

The building is classified as 1-B (2-hour protected-Non-Combustible) per 2014 NYC Construction Codes, in which the walls, exit ways, shafts, structural members, floors and roofs are constructed of non-combustible materials and assemblies affording the fire resistance rating of two-hour. Construction started, under approved New Building application No. 321383524; and the initial work permit was issued on January 14, 2019. All construction work including general construction, heating, ventilation, plumbing, and electrical work must be completed before a permanent Certificate of Occupancy can be issued. Current status of construction is mechanical, plumbing and sprinkler systems. The anticipated completion date of work for 108 Jackson Condominium will be April 22, 2020.

The building is a Quality Housing project and will be in compliance with all Quality Housing requirements.

As per the Quality Housing Program, the lists of required elements that will be in compliance are:

1. Windows: All windows will be double glazed.
2. Laundry Facilities: A washer and dryer will be provided within each dwelling unit.
3. Refuse Storage and Disposal: Total 6 dwelling units in building is less than 9 dwelling units. None required.
4. Recreation Space: Total 6 dwelling units in building is less than 9 dwelling units. None required.

C. Site

The building will be located at 108 Jackson Street, Brooklyn, NY 11211 and occupies Block: 2748, Lot: 17 in Brooklyn on the New York City Tax Map. The site is an interior lot and the size of the entire zoning lot is 25'x100' (2,500 Sq. Ft) as per surveyed by Professional Land Surveyor Christopher M. Buckley of Precision Surveys.

The building contains Six (6) residential units with balcony and/or terrace. The street, Jackson Street, fronting the site is public and paved with asphalt concrete in fair condition with one-way traffic running on the roadway which is approximately 30 feet wide. The street is slightly sloping down toward a northwesterly direction along Jackson Street.

The existing sidewalk is in fair condition and will be replaced with new concrete paving as per pavement plan filed with and approved by the Department of Transportation. There is no proposed catch basin; however, existing catch basins are located at the intersection of Jackson Street and Leonard Street. The existing public and paved with asphalt concrete are sloped to drain water into this catch basin. There is a fire hydrant located at opposite of the property along Jackson Street.

D. Utilities

Water:

There is an 8 inch water main on Jackson Street serviced by New York City Water Board. A tap connection will be made to the building and will be billed from common charge as per rates set by the Water Board in accordance with the water meter reading of actual consumption.

Sanitary Sewer:

There is an 18 inch city sanitary sewer on Jackson Street and is currently maintained by the New York City Sewer Department. The Condominium is responsible for repair of any damage to this sanitary sewer. There will be rental charge for the sewer connection to this street sewer, and the sewer tax will be paid to the City of New York. All sewer permits have been obtained.

Gas:

There will be no gas services in the building.

Electricity:

Electric service will be supplied by Con Edison Co. through underground conduit to an electric main on Jackson Street. There will be a total of seven (7) electric meters, six (6) for residential use (one meter per unit), and one (1) for the general common areas. All electric meters are located on cellar floor.

Telephone:

Telephone service is by Verizon and will be subscribed by the owner of each individual condominium unit.

E. Sub-soil Conditions

Test borings were reported on June 05, 2018 by ACE Inspection and Testing Services, Inc. Borings show the load bearing capacity (Soil Class 3b), which is sufficient to support the building five (5) story in height. The measured groundwater is below building basement. In general, the groundwater level is expected to fluctuate depending upon climatic factors, drainage conditions and other factors. The survey provided by Professional Land Surveyor Christopher M. Buckley of Precision Surveys indicates no visible streams or natural watercourses in the property; there is no apparent danger of flooding from bodies of water. Hazardous materials and/or environmental restrictions are not present on the property. Previously Flood Insurance Rate Map Panel 204 of 457 in Community Panel No. 3604970204F (Map Revised: September 5, 2007) and updated Community Panel No. 3604970204G (Map Preliminary December 5, 2013), determined this property is not located in Flood Zone.

F. Landscaping and Enclosures

As per NYC Zoning Code requirements, one (1) street trees are required and existing tree is protected and remaining. There is no landscaping, fencing, retaining wall and gates provided at the front of the building.

G. Building Size

The building height is Fifty feet (50'-0"). The adjacent building to the West is an existing three-story building and the total building separation of approximately one inch (1"). The adjacent building to the East is an existing three-story building and the total building separation of approximately one inch (1"). The adjacent building to the East in the rear yard is an existing two-story building. No adjacent building is at the South side. No lot line windows.

The building is legally established as five-stories high with a cellar floor below grade. The majority of living rooms and bedrooms in the residential apartments are approximately 8'-6" high. The ceilings in the bathrooms and kitchens of the residential units are approximately 8'-0" high. The parapet height on the roof is 3'-8" above finished level. The elevator machine room and utility rooms are located on the cellar. Mechanical room for hot water heaters is located on the roof.

H. Structural System

The structural system is a reinforced concrete system with poured in place reinforced concrete footing and foundation walls below the ground floor level. The new cellar floor shall be supported on 5,000 psi concrete spread footings and shall be comprised of new reinforced 6" thick concrete slab. The new perimeter foundation walls shall be reinforced concrete. The first floor shall be comprised of 9" thick reinforced concrete flat slab supported by structural concrete reinforced walls and columns beneath. The typical floors, except the cellar and first floor, are composed of 4 inch light weight concrete slab with 6x6-8/8 W.W.M. on 1.5" lok-floor 18 gage galvanized metal floor decking supported by structural steel beams and 8" structural walls. No underdrainage is to be provided below the building basement. An adhesive waterproof membrane, HB Below-Grade 60 or approved equal, self-

adhering heavy-duty below-grade waterproofing membrane, features a woven polyethylene membrane coated on both sides with a uniquely engineered waterproofing blend at the foundation walls and floor slab. The polyethylene membrane is boned to a self-sealing, highly adhesive, bituminous layer protected by a convenient release liner.

(1) Exterior of Building:

(i) Walls: There are typical two types of exterior wall assembly.

The first type of exterior walls will comprise of, from exterior face to interior face, 3-5/8" face brick, air-space, 2" extruded polystyrene insulation, fluid applied air/moisture membrane, 5-5/8" concrete masonry unit with partly grout filled, 2-1/2" metal studs with R-10 batt-insulation in between, vapor barrier and 5/8" gypsum boards with a painted finish. 2 hour fired rated exterior wall as required.

The second type of exterior walls will comprise of, from exterior face to interior face, acrylic waterproof membrane, 7-5/8" masonry unit with solid grout filled, 2" extruded polystyrene insulation, fluid applied air/moisture membrane, air-space, 2-1/2" metal studs with R-13 batt-insulation in between, vapor barrier and 5/8" gypsum boards with a painted finish. 2 hour fired rated exterior wall as required.

Weep slots will be installed along the façade of the building to allow water drainage from the exterior wall assembly. Local Law 11/98 is not applicable because the building is less than 6 stories in height.

All exit enclosures and shaft walls to be 2 hours fire rated constructed with concrete masonry units or stud wall assembly as required. All utility room and elevator machine room to be 2 hours fire rated constructed with concrete masonry units or stud wall assembly as required. All interior common corridor walls to be 1 hour fire rated. Sound attenuation insulation to provide thermal and acoustic performance of walls and roof/ceiling assemblies in compliance with building code.

Floor/suspended ceiling assembly with acoustic underlayment polyethylene foam mat SikaLayer-03 thickness 1/8", Sika AcouBond-System is minimum STC rating 60 and IIC rating 60. Additional sound attenuation batt within the ceiling will be provided to reduce/absorb sound.

- (ii) Windows: The window types to be installed are fixed and casement windows. All windows to be installed with Andersen Windows & Doors Corporation 100 series ENERY STAR certified or approved equal, fiberglass wood composite material frame with insulated double glazing windows with dual weather-stripping system combined both an exterior watershed design and a bulb weatherstrip seal between the sash and frame. All windows will be caulked from the exterior. The infiltration level will be kept to the minimum. The ability to stand the cold weather will be adequate in terms of ambient in Brooklyn Borough. Steel Lintel, stone sill will be constructed with windows and screens will be provided at operable windows. There are no window guards, storm and

sash. Andersen Windows & Doors Corporation provide exclusive Owner-to-Owner limited Warranty for 20 years on glass and 10 years on non-glass parts. No lot line windows.

(iii) Landmark Status: None.

(2) Parapets and copings:

There are typical two types of parapet wall assembly.

The first type of parapet wall will comprise of, from exterior face to interior face, 3-5/8" face brick, air-space, 2" extruded polystyrene insulation, fluid applied air/moisture membrane, 7-5/8" concrete masonry unit with solid grout filled, stainless steel counter flashing beneath, parge inside face of concrete masonry unit with acrylic coating. Painted rigidized aluminum parapet coping. The second type of parapet wall will comprise of, from exterior face to interior face, acrylic waterproof membrane, 7-5/8" concrete masonry unit with solid grout filled, stainless steel counter flashing beneath, parge inside face of concrete masonry unit with acrylic coating. Painted rigidized aluminum parapet coping.

(3) Chimney and Caps:

Direct venting boiler combustion flue and intake pipes (polypropylene) with terminal assembly shall be installed as per factory's recommendations and comply with NYF FGC. The direct venting boiler combustion flue and intake pipes are vented out to the exterior wall. All combustion flue pipe shall have minimum four (4) feet from any opening or operable windows.

(4) Balconies and Terraces:

There will be private terraces and balconies for residential units on 1st thru 5th floor. Unit 1B has one terrace at 1st floor, private garden at rear yard and one area way at cellar. Unit 2A has one balcony at front. Unit 2B has one balcony at rear. Unit 3 has one balcony at front and one balcony at rear. Unit PH at 4th floor has one balcony at front and one balcony at rear. Unit PH at 5th floor has one terrace at front and one terrace at rear. Roof terrace is for Unit 4 (PH).

The balconies will be constructed of 4 inch light weight concrete slab with metal floor decking supported by steel beams. The finish surface will be sloped to drain. The balconies will be enclosed by painted metal railing with perimeter edge drip groove anchored to the metal trim and deck. The railing design does not create a "ladder effect". There will be doors opening to the balconies and terraces. All doors to balconies and terraces are manufactured by Andersen Windows & Doors Corporation gliding patio doors with composite frame and insulated double glazing.

The private terraces floor shall be finished with concrete pavers above the concrete deck. The proposed floor material shall be of a non-slip type and shall be appropriate for foot traffic.

(5) Exterior Entrances:

The entrance to the building shall be ADA compliant. The maximum slope leading toward such entrances shall be ¼ inch maximum vertically and between ¼ and ½ inch maximum for beveled in height. The entrance door shall be manufactured by Gamco Corporation and constructed of 1" low-e laminated insulated glass and anodized aluminum door frame with thermal break and median steel pole handle with Adams Rite latch lock set at ground level. As per Energy Code C402.5.7 Exception (4), there is no vestibule door required in the building, nor has one been provided. All entrances will be illuminated by exterior ceiling-recessed light fixtures and recessed ceiling down lights in the entry hallway. No exterior stair. All railing for balconies and terrace will be constructed by painted metal railing with minimum 42" height as required.

(6) Service Entrances:

None

(7) Roof and Roof Structures:

The flat roofs of the building consist of modified bituminous membrane finished with 2" concrete pavers above the concrete deck. There is a one-year warranty for the modified bitumen membrane roofing material from Firestone Building Products Company or approved equal. The estimated useful life of roof is fifteen years, and there shall be a one year warranty on workmanship from the roofing contractor. Additionally, there is a one-year warranty for the membrane roofing material (as set forth above). The warranty periods shall commence on or about April 1, 2020. The roofs will be minimum insulated by R-15 continuous rigid roof insulation above deck and aluminum counter flashing is provided. Accessory outdoor private roof terrace at 5th floor level for duplex unit on 4th and 5th floor is indicated on the PW-1A for unit 4 (PH) as limited common element. The private roof terrace area is approximately 430 sf with irregular shape by 33'-8"x24'-4" including stair bulkhead, elevator bulkhead and mechanical room on the roof, maximum allowable occupancy 20. The purchaser can not obstacle fire department access path.

The roof drains shall be cast iron and will be equipped with control flow device to regulate the discharge into the public sewer. The cast iron scupper drain on the roof of the stairs and elevator bulkhead will be discharge onto the main roof. The storm leaders will be cast iron and will be installed within the building.

The stair roof bulkhead will be accessible by one hollow metal doors having a minimum of one and a half hour rating with self-closing door closers. Both the stair and elevator roof bulkheads will be enclosed by fire rated concrete masonry units or masonry equivalent impact-resistant with a slope roof structure finished with modified bituminous membrane and asphalt finish. A metal ladder with roof hatch is provided for access to top of stair bulkhead. All gooseneck shall be constructed of aluminum and applied with contact cement connecting to the roof if required. Iron railing is provided on the roof. No presence of any rooftop antennae, cell phone towers, satellite dishes, lightening protection and equipment.

Fixed Skylight curb mounted 30"x30" manufactured by Velux FCM3030 or equal laminated glass LowE3 with integrated gasket drain system is located at stair roof bulkhead.

(8) Fire escapes:

None

(9) Yard and Courts:

The building has a 25'-0" x 39'-8" rear yard designated as private terrace for unit 1B and accessed from 1st floor as limited common element. Area way at rear yard is accessed from cellar for unit 1B. Access to the private terrace is provided through sliding patio doors. Surface of the rear yard shall be finished with concrete pavers and/or grass. The proposed floor material shall be of a non-slip type and shall be appropriate for foot traffic. The yard drains shall be cast iron. No exterior stair at rear yard. All railing will be constructed by painted metal railing with minimum 42" height as required. Wood fencing will be provided at perimeter rear yard and integrated with brick veneer masonry or concrete wall. Reinforced concrete retaining wall is constructed by cast in place concrete with rebar and spread footing.

(10) Interior Stair:

There is one set of interior exit stairs located at opposite of the elevator at cellar to 5th floor. All stair enclosures are constructed with a masonry equivalent impact-resistant and have a minimum of a two-hour fire rating. The stairs are constructed of steel railings, steel pan metal and concrete filled stair. All stairs comply with 2014 NYC Construction Codes.

(11) Interior Doors and Frames:

All interior doors and frames for staircase are hollow metal, non-combustible, and shall have one and a half hour fire rating hollow metal with a self-closer. Corridor doors and frames are hollow metal, non-combustible, and fire ratings as required by code. Unit entrance interior doors and frames are hollow metal and shall have minimum ¾ hour fire rating hollow metal with a self-closer. The interior residential doors and frames for bedrooms and bathrooms are solid wood with wood door frame.

(12) Elevator:

There is one elevator and it is one gearless traction elevator and operates from 1st floor to 5th floor.

The manufacturer is KONE Inc. and will have one-year warranty and one-year maintenance contract. Maximum passenger load for the elevator is 3,500 pounds with speed at 150 feet per minute up and 150 feet per minute down. The KONE

EcoSpace/MonoSpace 500 passenger elevator operation is machine room less technology with gearless traction KONE EcoDisc motor. Total travel is approximately 40'-0". For safety, the elevator car control panel will have an emergency button and a dedicated outside analog telephone line. Fire safety devices are installed at the elevator control room and elevator shaft elevator. The elevator control room is located on the cellar and provide ventilation to maintain temperature at control room per code. When the fire safety devices are activated, the elevator will return to the designated egress floor (1st floor). The elevator makes five (5) stops. The power supply to the elevator is 208 Volt, 3 phase and 60 Hertz. The cab sizes is 6'-8" wide by 5'-6" deep and the single slide cab door is 3'-6" wide by 7'-0" high.

Upon completion of the elevator, KONE Inc. will receive a final sign off from the City of New York. The Local Law 10, a mandatory inspection required for elevators in operation in NYC, will then be required to be filed.

(13) Elevator cabs:

The elevator cab will receive laminated side paneling of each cab interior with grab bars located 32 inches above the finish floor. The cab floor and saddle will be finish with solid porcelain floor tiles. The ceiling will have an access panel and light fixture.

I. Auxiliary Facilities

(a) Laundry rooms:

Electric Washer and electric dryer combo are provided in each individual unit. A vent-less stacked washer and dryer is located in the laundry closet required by manufacture with additional ventilation by louver doors.

(b) Mailboxes:

Individual lockable resident mailboxes are located in the main entry on the 1st floor. The mailboxes will be of a front loading type with an anodized aluminum finish and manufactured by AF Florence Company or equivalent, and shall be USPS approved.

(c) Refuse Disposal:

Reuse storage area is approximately 38 square feet located in an enclosed and ventilated in the cellar. Then taken directly to curb on designated pick-up days. Public pick-up schedule of the refuse is at the curbside at a frequency determined by the New York City Department of Sanitation. The current collection schedule for garage is on Monday, Wednesday and Friday; the current collection schedule for recycling is on Wednesday. No compactor is require less than 12 dwelling units.

J. Plumbing and Drainage

(a) Water Supply:

Hydrant Flow Test performed by The Department of Environmental Protection on August 9th, 2018 indicates water pressure to be 57 pounds per square inch. Domestic water is supplied by ductile iron service pipe from a city water main on Jackson Street. Water usage is billed according to a water meter. The domestic water pressure for all faucets and water outlets will have a minimum of 8 psi, as required by New York City Department of Buildings. The material of water pipe is brass. All domestic cold and potable water supply is 2" and smaller. Hot water pipe risers and main sizing shall be similar to the cold water system. Hot and cold water piping is insulated by foam piping insulation of 3/4 inch minimum thickness. The domestic main shut-off valve is located in the water meter room in the cellar.

(b) Sanitary Sewage System:

The sanitary house drain, house trap, and house sewer of the cellar through 5th floors are connected for gravity flow with a 6" diameter cast iron pipe to an 18" city combined sewer on Jackson Street. The sanitary water in the cellar will be discharged to 6" house trap with C.O. plugs and then discharge to the city combined sewer system on street. There are no sewage pumps for sanitary sewage.

(c) Storm Drainage System:

The storm water drainage system designed for gravity flow will convey storm water from the building roofs, private terraces, areaways and paved area. Drainage from the roofs will be equipped with control flow device to regulate the discharge into the public sewer. Storm drainage line will be provided with 6" cast iron house trap with C.O. plugs and then discharge to the city combined storm and sanitary system on street.

The piping material above the floor will be cast iron with no-hub joints or galvanized steel. Piping below the cellar slab will be cast iron. There are no eject or sump pumps for storm drainage.

(d) Sprinkler System:

A new 4 inch sprinkler will be provided services from 4" combined sprinkler/domestic services from street main. A distribution main at cellar will supply a wet sprinkler system throughout the building with exception of electric service and elevator machine room and provide 4" fire water backflow preventer. A 3x3x4 flush type sprinkler siamese connection will be located at the street wall of the building. All sprinkler piping is of black iron schedule 40. Sprinkler heads are with 165 degree F temperature rating. The sprinkler system provided complies with 2014 NYC Construction Codes. No standpipe is required less than occupant load of 30 or less than 55 feet building height.

All residential heads in hung ceiling shall be recessed, concealed type with ceiling caps and all painted white. No sprinkler is required if area is less than 55 sf in the bathroom. The areas without ceiling should be pendant heads. Mechanical room at roof should be pendant heads.

K. Heating System

LG ductless VRF (Variable Refrigerant Flow) Split system, electric operated, in compliance with NYC Building Code; the VRF systems are selected based on the heating load calculation, to maintain and exceed minimum code required temperature 68F indoor when outdoor is 13F. As per Energy Code C403.2.9, supply and return air ducts and plenums shall be insulated with a minimum of R-6 insulation where located in unconditioned spaces and where located outside the building with a minimum of R-8 insulation in climate zones 1 through 4. Where located within a building envelope assembly, the duct or plenum shall be separated from the building exterior or unconditioned or exempt spaces by a minimum of R-8 insulation in climate zones 1 through 4.

The VRF systems for the residential units are made by LG, Model: LSN180HSV5 for Unit 1A, 1B, 2A, 2B, 3 and 4 (PH), LSN120HSV5 for 1B, 2A, 2B, 3 and 4 (PH), LMN249HVT for 1B and 3. The outdoor condenser unit model is LG, Model LMU30CHV, LMU36CHV, LMU480HV, or approved equal. All air handle units for heating with remote controller are hung on the wall in living rooms, dining rooms, bedrooms and etc within the units and controlled by individual rooms. All LG models have standard five year limited warranty for qualified system.

Heating for the residential bathrooms will be provided by electric heater manufactured by, King Electric, model PAW 2422 or equal.

Hot water heater for residential is Rheem Platinum Hybrid (Heat Pump) Electric 50 gallon model XE50T10HD50U1 with ten year limited warranty. Energy STAR rated and energy efficiency 3.55 UEF to reduce operating cost.

Heating and ventilation for the residential lobby from on 1st floor will be provided by electrical fin tube heating manufactured by Markel, model 3700 series or equal.

Heating and ventilation for utility meter rooms and cellar corridors are heated by electric heater manufactured by TPI Corp or equal.

SEER rating: LMU30CHV –32,000 Btu/h (SEER 22), LMU36CHV –41,000 Btu/h (SEER 22), LMU480HV –54,000 Btu/h (SEER 19.5). All selected VRF units have met SEER (energy efficiency) and exceed minimum SEER stated in NYC Energy Conservation Code.

L. Gas Supply

None

M. Air Conditioning

Residential Space:

Cooling for each residential unit will be provided by LG ductless VRF (Variable Refrigerant Flow) Split system, electric operated, in compliance with NYC Building Code; the VRF

systems are selected based on the cooling load calculation, and to maintain minimum code required temperature 78F indoor when outdoor is 95F.

Residential Outdoor Condenser Units:

LG, Model: LMU30CHV, LMU36CHV, LMU480HV or approved equal. All outdoor condenser units are located at stair roof bulkhead.

Residential Indoor Air Handler Units:

Each space within the residential units will be provided with air handler units and will be adequate for the area which it is serving. All air handle units for cooling with remote controller are hung on the wall in living rooms, dining rooms, bedrooms and etc within the units and controlled by individual rooms. The brand and model is as follow:

LG, Model: LSN120HSV5, LSN180HSV5, LMN249HVT or approved equal.

SEER rating: LMU30CHV –30,000 Btu/h (SEER 22), LMU36CHV –34,000 Btu/h (SEER 22), LMU480HV –48,000 Btu/h (SEER 19.5). All selected VRF units have met SEER (energy efficiency) and exceed minimum SEER stated in NYC Energy Conservation Code. All LG models have standard five year limited warranty for qualified system.

N. Ventilation

The building ventilation shall meet the requirements of the NYC Mechanical Code.

1. Ventilation will be provided to the residential corridors and connected to a duct and vertically discharge out to roof location. A ventilation rate of minimum 0.25 CFM/SF of public corridor to be provided (0.06 CFM/SF by code).
2. All toilets are provided with an exhaust fan by Broan Model Broan-744 or equal. Each fan will be connected to a duct and vertically discharge out to roof location. . A ventilation of 70 CFM at 1.5 sones for toilets to be provided (50 CFM intermittent by code).
3. Each kitchen is equipped with a hood manufactured by Greenheck, model GB series or equal. Each exhaust hood fan will be connected to a duct and vertically discharge out to roof location. All kitchen exhaust discharge will be ventilated from operable window as required by code. Additionally, a ventilation of minimum 100 CFM for kitchens to be provided (100 CFM intermittent by code).
4. The utility/meter room on cellar floor is provided with exhaust fan by Greenheck, Model CSP-A Series or equal. The exhaust fan will be connected to a duct and vertically discharge out to roof location. A ventilation of 50 CFM at 0.8 sones for utility rooms to be provided (0.06 CFM/SF by code).
5. Accessory unit at cellar is ventilated through opening to adjoining space above along exterior operable windows and/or area way.

O. Electrical system

All electrical wiring to be installed is in accordance with the requirements of the City of New York, Electrical Control Bureau and the New York Board of Fire Underwriters. The electric service main underground from Con Edison main is located in the street. The building will have 800 amp, 120/208-volts, three phase service, four wires in protective circuit breaker with copper material connected to the main switch panel to be located in the cellar meter room. There will be a total of (7) electric meters: (6) for residential units, and (1) for general common area usage. Residential units will be supplied with 200 amp 120/208 volt single phase three wires in circuit breaker panel. Each panel will have separate fixtures and convenience outlets installed in accordance with the N.Y.C. Electrical Code including separate outlets for air conditioning equipment. AFCI (Arc Fault Circuit Interrupters) breakers and GFCI (Ground Fault Circuit Interrupters) outlets are provided as required by code.

As per Building Code, this building does not need a backup generator. The electrical system is adequate to handle all mechanical systems such as the elevators, HVAC systems, etc.

Lighting fixtures will be provided in all condominium units, public halls, stairways, vestibules and utility rooms. Exterior lighting for the premises will consist of ceiling-mounted LED light fixtures at balconies & front entrance and wall-mounted LED light fixtures at roof and/or terraces parapet wall.

Lighting Schedule:

Item	Location	Type	Shape
1.	Residential Bedroom	LED Recessed Ceiling Light	Round
2.	Residential Living room	LED Recessed Ceiling Light	Round
3.	Residential Kitchen	LED Recessed Ceiling Light	Round
4.	Bathroom (s)	LED Wall Light	Decorative
5.	Balcony	LED ceiling Light	Round
6.	Roof Terrace/Terrace	LED wall Light	Round
7.	Mechanical room & Meter room (s)	LED Utility Light	Linear

P. Intercommunication and/or door signal systems, security closed circuit TV

The building has been designed for the usage of telephone system, TV cable, intercom.

Each apartment and the lobby are hardwired to Aiphone video intercom system. A camera and a microphone are installed at the front door entry so all tenants can view and speak to the visitor, then press the unlock button on their stations to allow visitor's access. Intercommunication and door signal system is manufactured by Aiphone, model GT Series-1C7 and has a one year warranty. The security CCTV system is manufactured by LTS camera system, Model LTS-LTN8704Q-P4 and has a one year limited warranty. Elevator card reader will have cabling run to a dedicated access control panel inside the elevator control room.

Q. Public area lighting

All public areas have LED lightings and illumination levels conforming to the standard requirements. Lighting for public areas are provided by the use of recessed lighting fixtures manufactured by Topaz, model RH4/RLED/IC/AT or approved equal. Public area lighting will comply with 2014 NYC Construction Codes.

R. Garages and Parking Area

None

S. Swimming Pool

None

T. Tennis Courts, Playgrounds and Recreation Facilities:

None

U. Permits, Inspection and Violations

The following permits listed are required with their respective agencies:

Department of Buildings:

(a) Demolition Permit; (b) New Building Construction Permit; (c) Plumber's Affidavit and Permit; (d) Equipment use Permit;

Department of Transportation:

(a) Crosswalk Use Permit; (b) Roadway Paving Permit; (c) Sidewalk Paving Permit

Department of Environmental Protection: (a) Sewer Connection

Permit. Department of Water Supply, G.T.E.: (a) Water Tap Permit.

The architect's plans have been filed with the job number 321383524 and were approved by the New York City Building Department on 12/11/2018.

Recurring Inspections to be done after the building is in operation:

(a) Elevator:

Category one (Cat-1): No load safety test performed annually.

Category Five (Cat-5): Performed with rated load and speed every five years.

(b) NFPA 80: Annually inspection.

(c) Sprinkler: Monthly, quarterly and annually inspection.

(d) RPZ: Annually inspection.

(e) Fire Alarm: Semi-annually inspection

(f) Fire Extinguisher: Annually inspection.

V. Violations

The sponsor will cure any outstanding violation prior to the closing.

W. Unit Information

All condominium unit plans contain overall key plan with hatching to indicate the exact location of individual unit.

Abbreviations:

ACT	- Acoustic Tile	GT	- Glass Tiles
BR	- Brick	LF	- Laminate Flooring
CB	- Concrete Block	PNT	- Painted
CONC	- Concrete	PT	- Porcelain Tile
CT	- Ceramic Tile	ST	- Stone Tile
CPT	- Carpet	WCB	- Waterproof Cement Board
GWB	- Gypsum Wall Board	WP	- Wallpaper

(a) Finish Material Used:

Notes: No material containing asbestos are to be used in this construction.

All surfaces scheduled to be painted shall be primed with two coats of Benjamin Moore Paint Primer.

All hardwood floor scheduled to be approximately ½" oak engineered hardwood flooring with underlayment polyethylene foam mat SikaLayer-03 thickness 1/8" or approved equal.

All exterior metals including fasteners are finished to be corrosion resistant.

ROOM	SUB-FLOOR	FLOOR	WALLS	CEILING
Living Room/ Dining	CONC	HWF	GWB/PNT	GWB/PNT
Kitchen	CONC	HWF	GWB/PNT	GWB/PNT
Hallway	CONC	HWF	GWB/PNT	GWB/PNT
Bedroom	CONC	HWF	GWB/PNT	GWB/PNT
Bathroom	CONC	PT	PT-GWB OR PT-WCB	GWB/PNT

* Porcelain or stone tile backsplash above countertop and below wall cabinets.

** Waterproof Cement Board around tub surround only and moisture resistant gypsum wall board elsewhere.

(b) Bathroom fixtures for all residential units:

Unit: All units

Toilet

Make: TOTO

Model: CST746CEMFRG

Unit: All units

Faucet

Make: Grohe

Model: 2020900A

Unit: 1A/1B/2A/2B/3
Bathtub
 Make: Duravit
 Model: 700095000000090

Unit: 4
Bathtub
 Make: Kohler
 Model: K-1121-0

Unit: All units
Shower set (Tub)
 Make: Grohe
 Model: GSS-Europlus-TPB-06-000

Unit: 3/4
Shower Set (shower)
 Make: Grohe
 Model: 35051001

Unit: 4
Tub Set at wall (Tub)
 Make: Grohe
 Model: GRFLX-PB202000

Unit: All units
Exhaust Fan
 Make: Broan (or equal)
 Model: Broan-744

Unit: All units
Toilet Paper Holder/Bar/Robe Hook
 Make: Grohe
 Model: 40776001

Unit: 1A/1B/2A/2B/3
Sink
 Make: Cabinet Basin w/mirror

Unit: 4
Sink
 Make: Cabinet Basin w/mirror

All residential bathrooms will have the following:

1. Porcelain or stone tile floors.
2. Porcelain or stone tile walls.
3. Water closet tank and bowl.
4. Vanity with mirror.
5. Towel bar and toilet paper holder.

(c) Kitchen equipment for all residential units:

Unit: 1A/1B/2A/2B/3
Induction Range
 Make: Bosch
 Model: HII8056U

Unit: 4
Induction Range
 Make: Bertazzoni
 Model: MAST365INMXE

Unit: 1A
Refrigerator
 Make: Blomberg
 Model: BRFB1044SS

Unit: 1B/2A/2B
Refrigerator
 Make: Blomberg
 Model: BRFB1812SSN

Unit: 3/4
Refrigerator
 Make: Bosch
 Model: B21CT80SNS

Unit: 1A
Dishwasher
 Make: Blomberg
 Model: DWS51500SS

Unit: 1B/2A/2B/3/4
Dishwasher
 Make: Bosch
 Model: SHEM63W55N

Unit: 1A/1B/2A/2B/3
Microwave
 Make: Bosch
 Model: HMOV3053U

Unit: 4
Range Hood
 Make: Bertazzoni

Unit: 4
Speed Oven
 Make: Bosch

Unit: 4
Wine Cooler
 Make: Avanti

Model: K36HERX14

Model: HMC54151UC

Model: WC3015S3S

Unit: 1A/1B/2A/2BUnit: 3/4Kitchen SinkKitchen Sink

Make: Kohler

Make: Kohler

Model: K-3822-4-NA / K-8801

Model: K-5409-NA / K-8801

Unit: All unitsKitchen Faucet

Make: Grohe

Model: 32665

*(d) Laundry equipment for all residential units:*Washer & Dryer

Make: Bosch

Model: WAT28400UC & WTZ20410

1. All kitchen cabinets will be painted or laminate wood or equal.
2. The counter tops will be quartz or stone with under-mount stainless steel sink.
3. Hardwood floors.

Residential Unit/Room Schedule

Floor	# of Apts.	Total # of Rooms
1 st Floor	2	5
2 nd Floor	2	6
3 rd Floor	1	6
4 th Floor (PH)	1	6
<i>Total</i>	<i>6</i>	<i>23</i>

X. Finish Schedule for spaces other than apartment units

ROOM	FLOOR	WALLS	CEILING	REMARKS
Utility Rooms	CONC	CB/CONC	-	
Lobby	ST	GWB/WP	GWB/PNT	1 st Floor
Elevator Lobby/ Corridor	ST	GWB/PNT	GWB/PNT	Cellar, 1 st Floor, 2 nd Floor
Stairway	PNT	GWB/PNT	GWB/PNT	Cellar-Roof

Y. Safety and Warning Devices

Apartments have one hard wired with battery back-up operated smoke detector at the hall to the bedroom area as required by code. The building will have an automatic smoke detection and sprinkler fire alarm system. A fire alarm control panel (FACP) manufactured by Edwards EST2 or EST3 or approved equal will be located on the first floor residential lobby area.

Z. Additional Information:

- (1) A site plan will be included within this offering plan showing (if any) landscape features, roads, the outside dimensions of the building(s) and designated common areas.
- (2) An area map will be included within this offering plan showing the location of the condominium with respect to its surroundings.
- (3) Floor plan of each unit type will be drawn to scale and will indicate the unit boundaries.
- (4) Floor to ceiling heights of a typical residential unit vary throughout.
- (5) Approximate total area of each residential unit is set forth on Exhibit A.
- (6) Master floor plan showing unit boundaries and the relationship of units to each other.

BB. Further Development:

There is not further development planned for this project. The Sponsor has utilized the maximum available FAR for this site.

General Note: In accordance with the terms of the Offering Plan, the Sponsor reserves the right to make any substitutions of equipment, materials, finishes, or fixtures as stated herein. Provided that the changes are substantially equal or better quality as recognized by industry standards of performance, efficiency, longevity, and other classifications as applicable.

Prepare By Li-Yuan Lin  Date 01/13/20

108 JACKSON
CONDOMINIUM

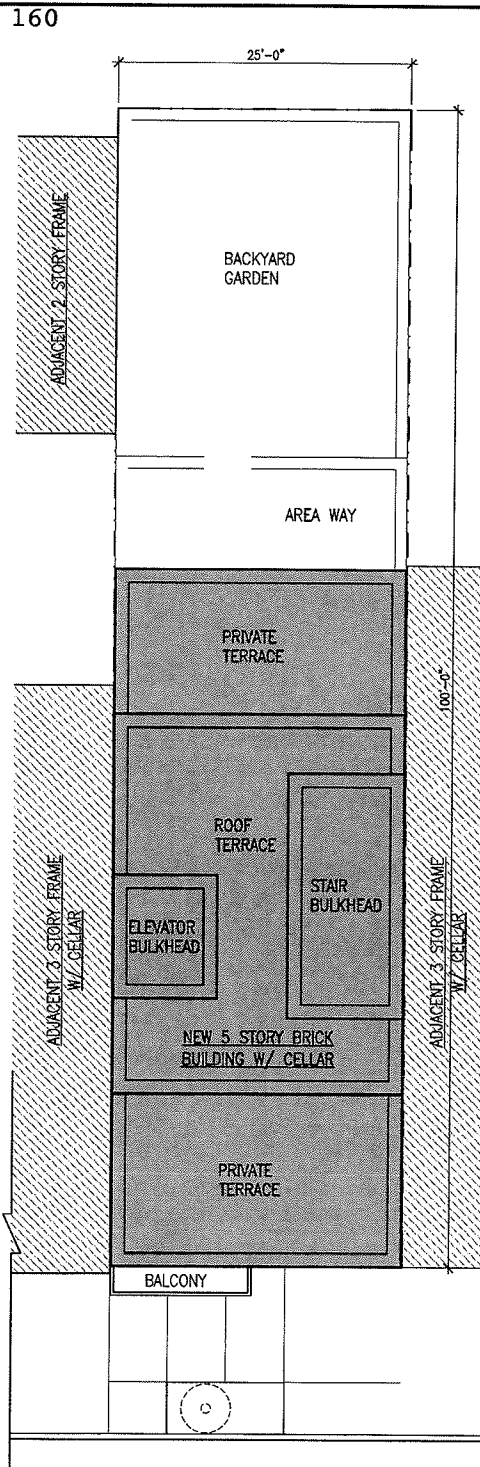
ADDRESS:
108 JACKSON STREET
BROOKLYN, NY 11211

ZONE: R6B
MAP: 13a
BLOCK: 2748
LOT: 17

LOT AREA: 2,500 SF

MANHATTAN AVENUE
60 FT (NARROW STREET)

150 FT



PLOT PLAN
SCALE: 1/16" = 1'-0"

0 2 4 8 FEET 16

108 JACKSON STREET
BROOKLYN, NY 11211

ARCHWEY ARCHITECT PLLC

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN. FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATIONS AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATIONS.

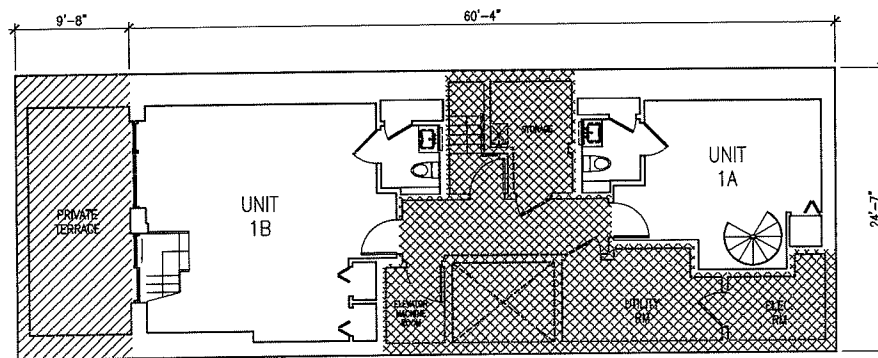
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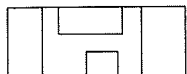
SCHEDULE G-1

108 JACKSON CONDOMINIUM

-  RESIDENTIAL UNIT
 GENERAL COMMON ELEMENT
 LIMITED COMMON ELEMENT



CELLAR PLAN



JACKSON STREET

NOTE:

UNIT# 1A AND 1B: INCLUDE ACCESSORY SPACE AREA WILL NOT BE USED AS LIVING ROOMS OR FOR SLEEPING PURPOSE AND WILL NOT BE RENTED INDEPENDENTLY IN THE OFFERING FLOOR PLAN AT CELLAR.

0 2 4 8 FEET 16

108 JACKSON STREET
BROOKLYN, NY 11211

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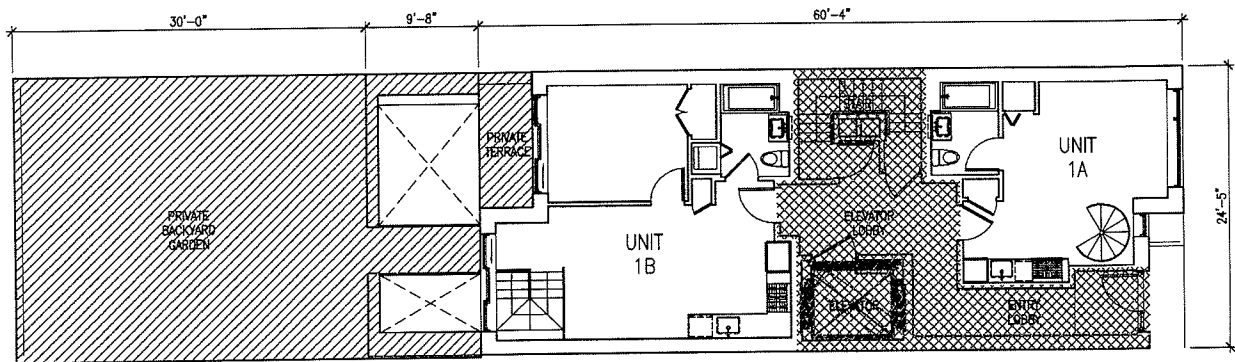
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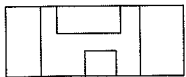
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108 JACKSON CONDOMINIUM

-  RESIDENTIAL UNIT
 GENERAL COMMON ELEMENT
 LIMITED COMMON ELEMENT



1ST FLOOR PLAN



JACKSON STREET

NOTE:

UNIT # 1A AND 1B: INCLUDE ACCESSORY SPACE AREA WILL NOT BE USED AS LIVING ROOMS OR FOR SLEEPING PURPOSE AND WILL NOT BE RENTED INDEPENDENTLY IN THE OFFERING FLOOR PLAN AT CELLAR.

0 2 4 8 FEET 16



108 JACKSON STREET
BROOKLYN, NY 11211

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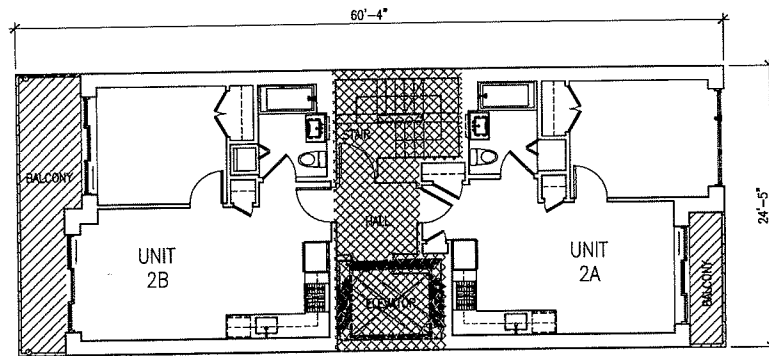
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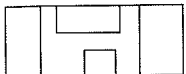
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-  RESIDENTIAL UNIT
 GENERAL COMMON ELEMENT
 LIMITED COMMON ELEMENT



2ND FLOOR PLAN



JACKSON STREET

0 2 4 8 FEET 16

108 JACKSON STREET
BROOKLYN, NY 11211

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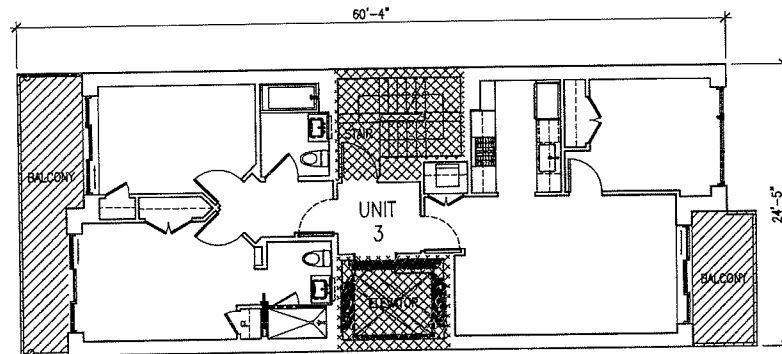
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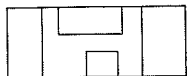
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108 JACKSON CONDOMINIUM

-  RESIDENTIAL UNIT
 GENERAL COMMON ELEMENT
 LIMITED COMMON ELEMENT



3RD FLOOR PLAN



JACKSON STREET

0 2 4 8 FEET 16

108 JACKSON STREET
BROOKLYN, NY 11211

ARCHWEY ARCHITECT PLLC

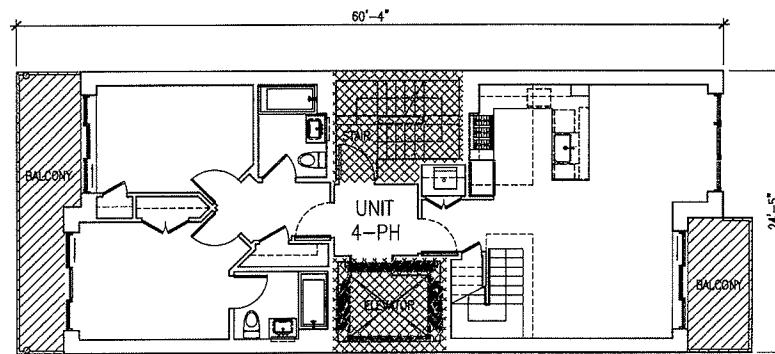
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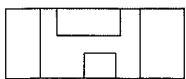
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-  RESIDENTIAL UNIT
 GENERAL COMMON ELEMENT
 LIMITED COMMON ELEMENT



4TH FLOOR PLAN (DUPLEX LOWER LEVEL)



JACKSON STREET

0 2 4 8 FEET 16

108 JACKSON STREET
BROOKLYN, NY 11211

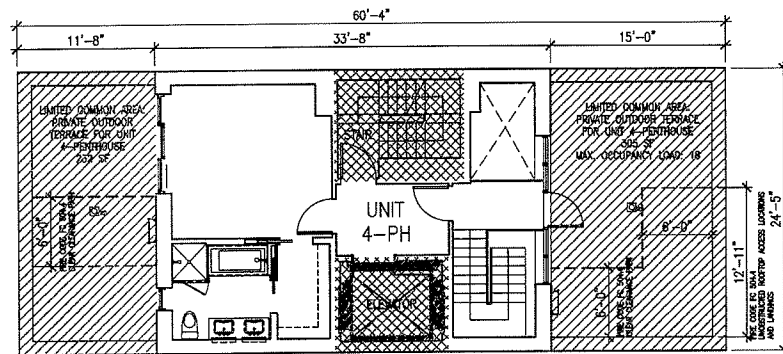
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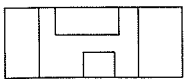
DATE: 06.18.2019

16988a

 LIMITED COMMON ELEMENT



5TH FLOOR PLAN (DUPLEX UPPER LEVEL)



JACKSON STREET

0 2 4 8 FEET 16

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[illegible]

ROOF PLAN



JACKSON STREET

0 2 4 8 FEET 16

108 JACKSON STREET
BROOKLYN, NY 11211

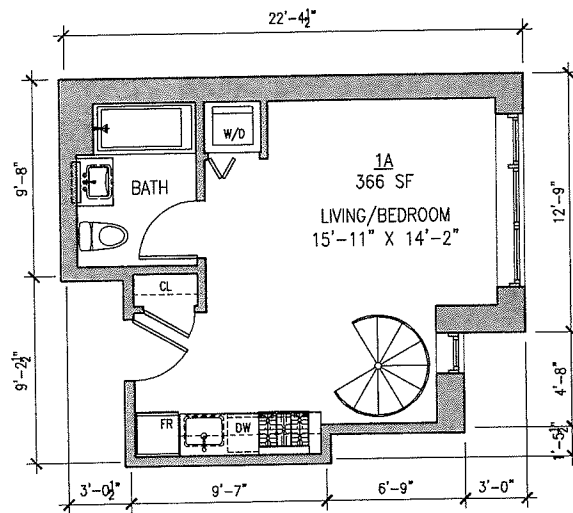
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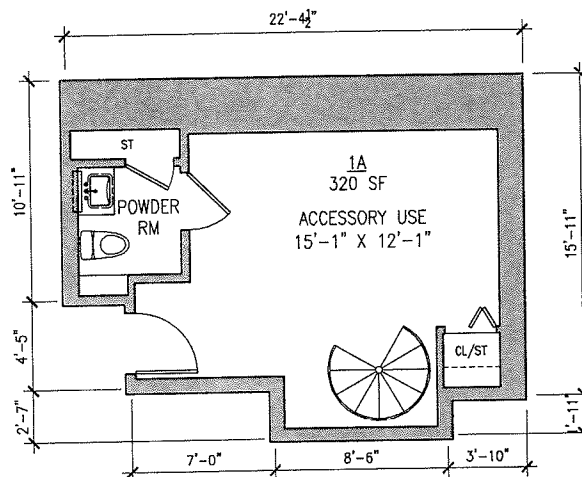
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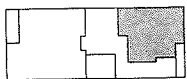
108 JACKSON CONDOMINIUM



UNIT 1A (APARTMENT WITH ACCESSORY USE CELLAR - 1ST FLOOR)



UNIT 1A (APARTMENT WITH ACCESSORY USE CELLAR - LOWER LEVEL)



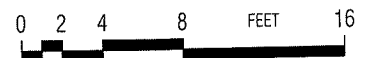
JACKSON STREET

UNIT 1A

366 SF
320 SF (CELLAR)
TOTAL: 686 SF
0 BEDROOM
1.5 BATHROOM

NOTE:

UNIT # 1A AND 1B: INCLUDE ACCESSORY SPACE AREA WILL NOT BE USED AS LIVING ROOMS OR FOR SLEEPING PURPOSE AND WILL NOT BE RENTED INDEPENDENTLY IN THE OFFERING FLOOR PLAN AT CELLAR.



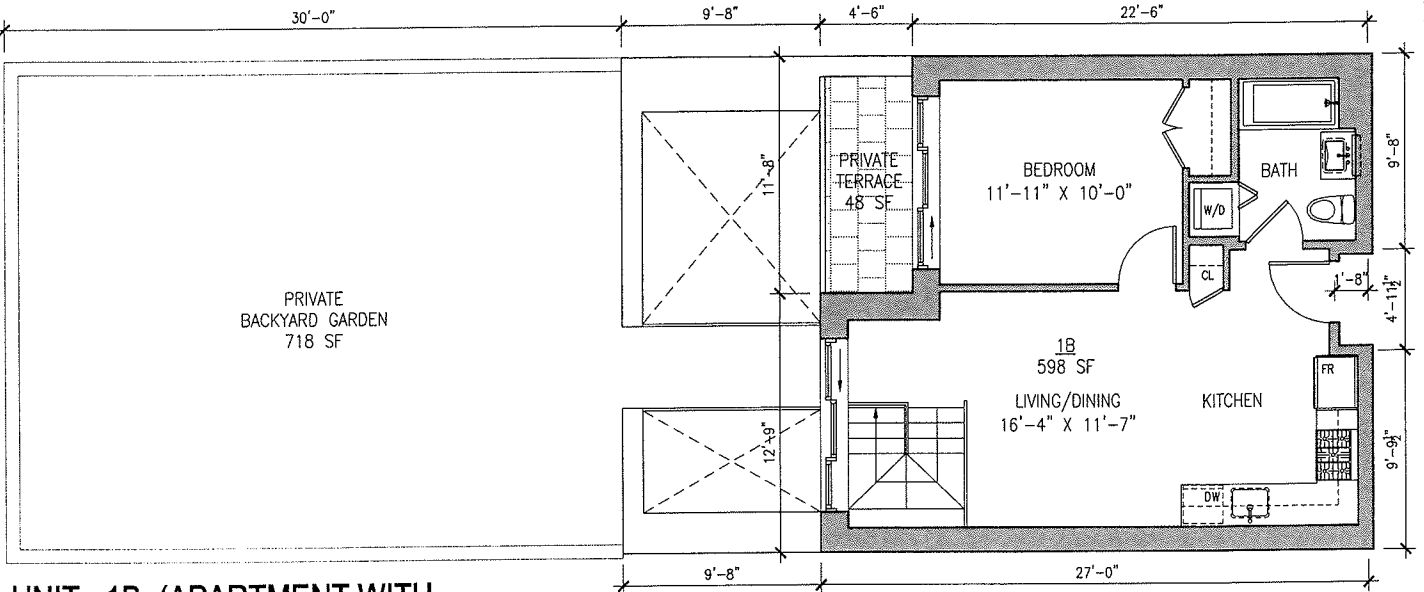
108 JACKSON STREET
BROOKLYN, NY 11211

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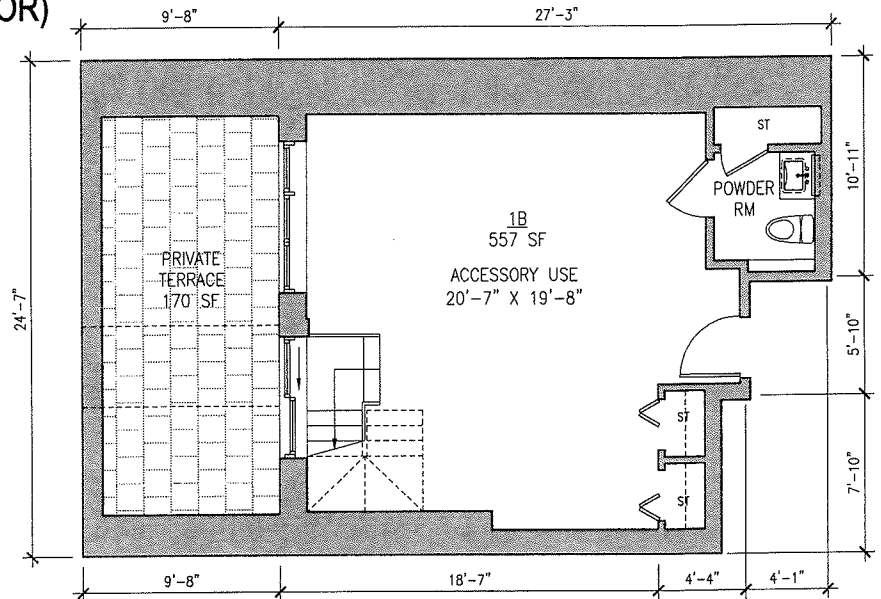
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DATE: 06.18.2019

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108 JACKSON
CONDOMINIUM

**UNIT 1B (APARTMENT WITH
ACCESSORY USE CELLAR - 1ST FLOOR)**



**UNIT 1B (APARTMENT WITH
ACCESSORY USE CELLAR - LOWER LEVEL)**

UNIT 1B

598 SF

557 SF (CELLAR)

TOTAL: 1,155 SF

1 BEDROOM

1.5 BATHROOM

TERRACE: 218 SF

BACKYARD GARDEN/TERRACE: 718 SF

NOTE:

UNIT# 1A AND 1B: INCLUDE ACCESSORY SPACE AREA WILL NOT BE USED AS LIVING ROOMS OR FOR SLEEPING PURPOSE AND WILL NOT BE RENTED INDEPENDENTLY IN THE OFFERING FLOOR PLAN AT CELLAR.



JACKSON STREET

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BROOKLYN, NY 11211

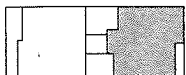
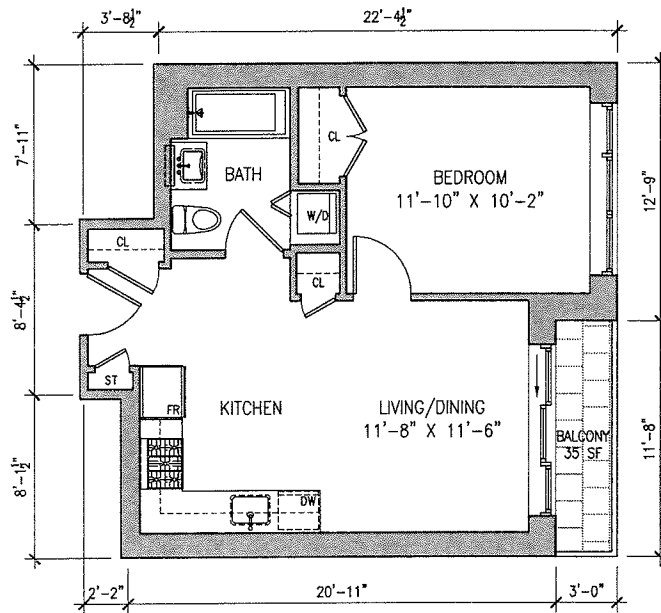
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DATE: 06.18.2019

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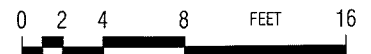
UNIT 2A

556 SF

1 BEDROOM

1 BATHROOM

BALCONY: 35 SF



108 JACKSON STREET
BROOKLYN, NY 11211

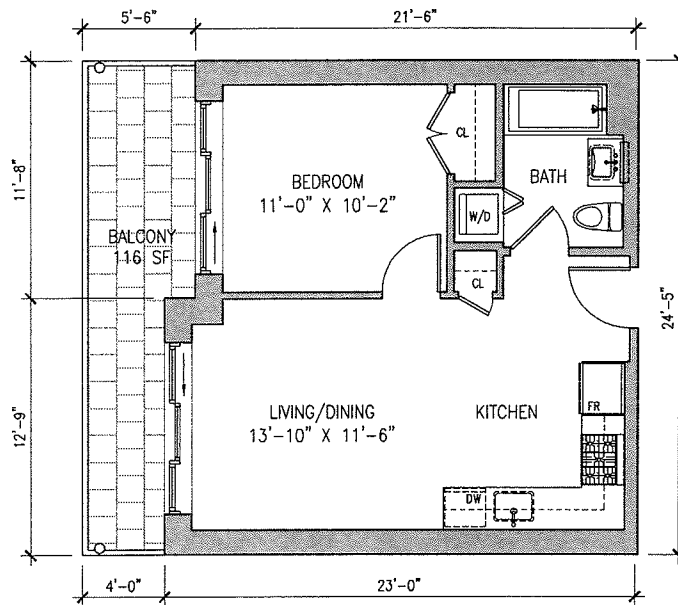
ARCHWEY ARCHITECT PLLC

DATE: 06.18.2019

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108 JACKSON CONDOMINIUM



JACKSON STREET

UNIT 2B

545 SF

1 BEDROOM

1 BATHROOM

BALCONY: 116 SF



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BROOKLYN, NY 11211

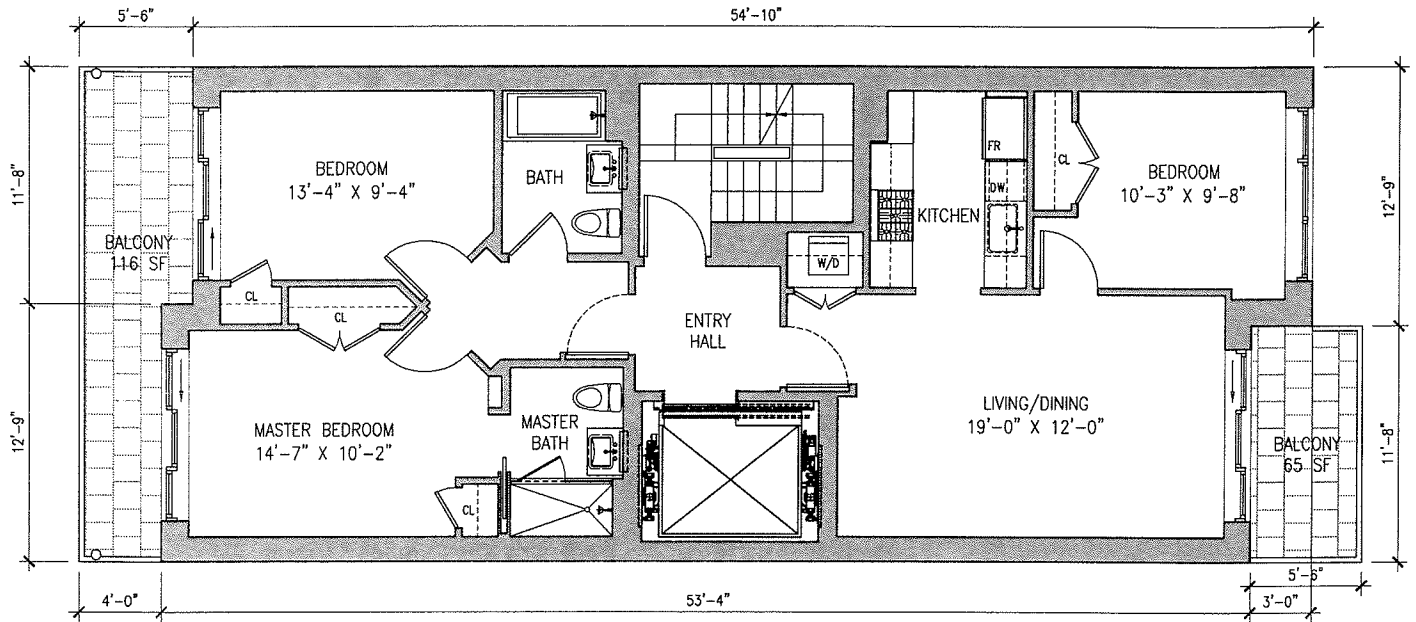
ARCHWEY ARCHITECT PLLC

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DATE: 06.18.2019

16988a

108 JACKSON CONDOMINIUM



JACKSON STREET

UNIT 3

1,148 SF
3 BEDROOM
2 BATHROOM
BALCONY: 181 SF



108 JACKSON STREET
BROOKLYN, NY 11211

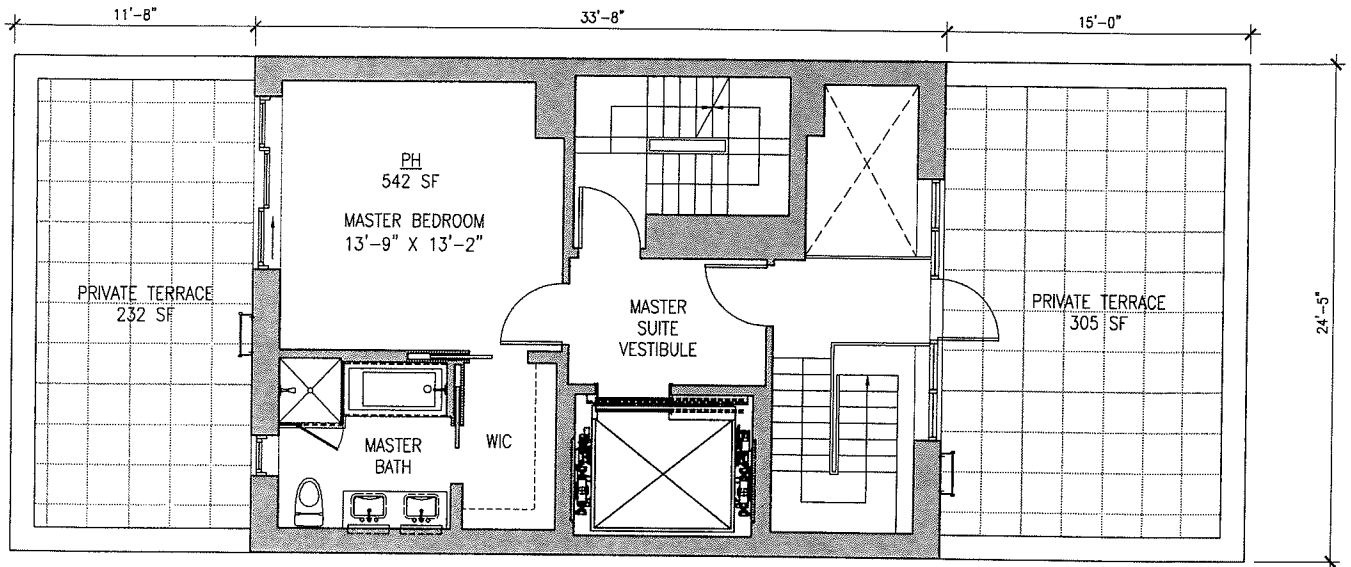
ARCHWEY ARCHITECT PLLC

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN. FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATIONS AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATIONS.

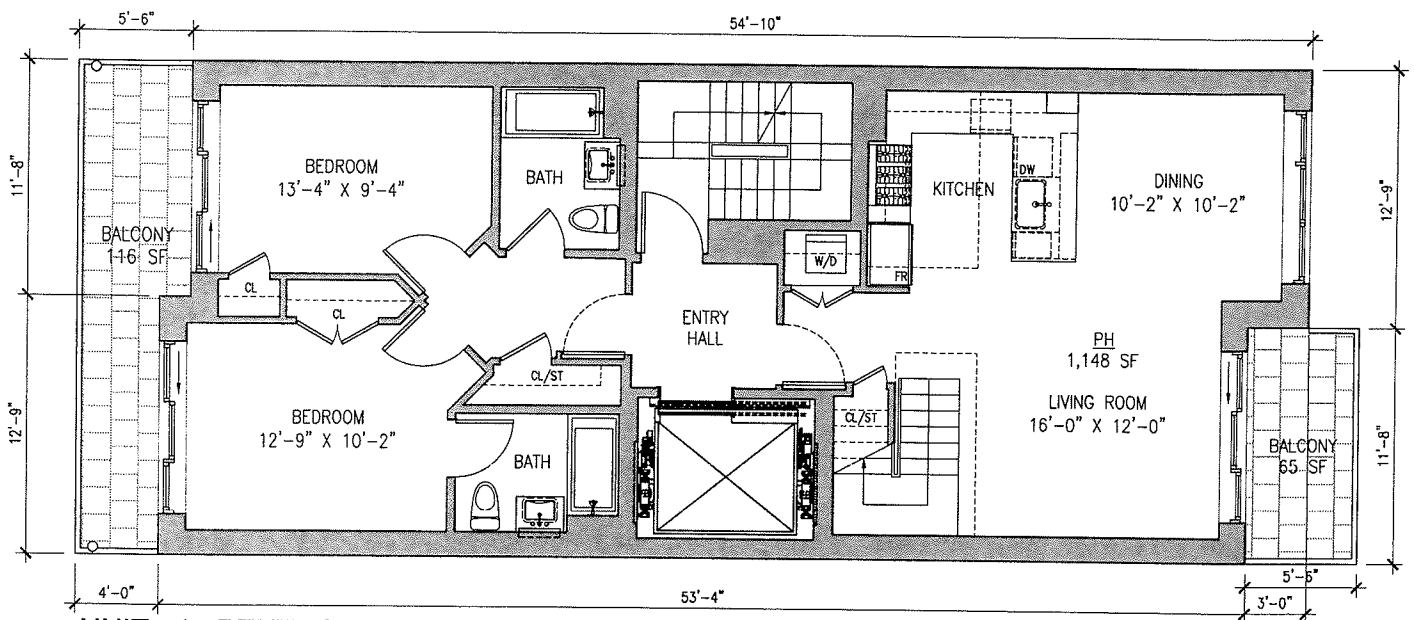
DATE: 06.18.2019

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108 JACKSON CONDOMINIUM



UNIT 4 - PENTHOUSE (DUPLEX UPPER LEVEL)



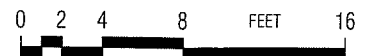
UNIT 4 - PENTHOUSE (DUPLEX 4TH FLOOR LEVEL)

UNIT 4 - PENTHOUSE (PH)

1,690 SF
3 BEDROOM
3 BATHROOM
BALCONY/TERRACE: 718 SF
ROOFTOP TERRACE: 430 SF



JACKSON STREET



108 JACKSON STREET
BROOKLYN, NY 11211

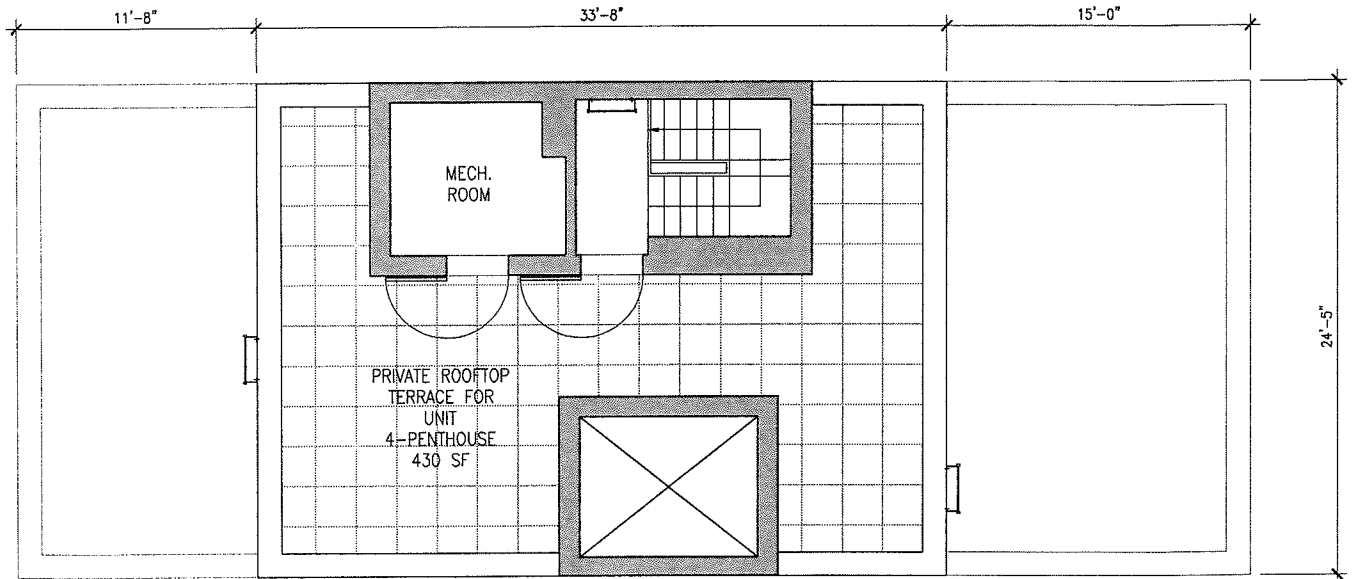
ARCHWEY ARCHITECT PLLC

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DATE: 06.18.2019

16988a

108 JACKSON CONDOMINIUM



UNIT 4 - PENTHOUSE (ROOF LEVEL)



JACKSON STREET

UNIT 4 - PENTHOUSE (PH)

1,690 SF
3 BEDROOM
3 BATHROOM
BALCONY/TERRACE: 718 SF
ROOFTOP TERRACE: 430 SF



108 JACKSON STREET
BROOKLYN, NY 11211

ARCHWEY ARCHITECT PLLC

DATE: 06.18.2019

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN. FLOOR NUMBERING REPRESENTS SALES UNIT DESIGNATIONS AND MAY VARY FROM CONSTRUCTION UNIT DESIGNATIONS.

16988a

PROJECT TITLE:
108 JACKSON RESIDENTIAL PROJECT

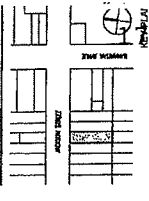
ARCHITECT
ARCHITECT

OWNER:
V Development Group LLC
100 WEST 17TH AVENUE, SUITE 1000
DENVER, CO 80202
TEL: 303.733.8000
FAX: 303.733.8001

STRUCTURAL:
JA Engineering, P.C.
100 WEST 17TH AVENUE, SUITE 1000
DENVER, CO 80202
TEL: 303.733.8000
FAX: 303.733.8001

MEP:
MVD Engineering, P.C.
100 WEST 17TH AVENUE, SUITE 1000
DENVER, CO 80202
TEL: 303.733.8000
FAX: 303.733.8001

NOTES:
1. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2015 INTERNATIONAL RESIDENTIAL CODE BOOK (IRC) AND THE 2015 INTERNATIONAL BUILDING CODE (IBC).
2. ALL MATERIALS AND METHODS OF CONSTRUCTION SHALL BE APPROVED BY THE LOCAL BUILDING DEPARTMENT.
3. THE ARCHITECT IS NOT RESPONSIBLE FOR THE DESIGN OF THE FOUNDATION OR THE STRUCTURAL INTEGRITY OF THE BUILDING.
4. THE ARCHITECT IS NOT RESPONSIBLE FOR THE DESIGN OF THE MECHANICAL, ELECTRICAL, OR PLUMBING SYSTEMS.
5. THE ARCHITECT IS NOT RESPONSIBLE FOR THE DESIGN OF THE LANDSCAPE OR THE EXTERIOR FINISHES.
6. THE ARCHITECT IS NOT RESPONSIBLE FOR THE DESIGN OF THE INTERIOR FINISHES OR THE FURNITURE.
7. THE ARCHITECT IS NOT RESPONSIBLE FOR THE DESIGN OF THE SITEWORK OR THE UTILITIES.
8. THE ARCHITECT IS NOT RESPONSIBLE FOR THE DESIGN OF THE TRAFFIC SIGNALS OR THE STREET LIGHTS.
9. THE ARCHITECT IS NOT RESPONSIBLE FOR THE DESIGN OF THE PARKING SPACES OR THE DRIVEWAYS.
10. THE ARCHITECT IS NOT RESPONSIBLE FOR THE DESIGN OF THE WALKWAYS OR THE BIKEWAYS.



NO.	REVISION	DATE
1	ISSUED FOR PERMITTING	01/15/2020
2	REVISED FOR PERMITTING	01/15/2020
3	REVISED FOR PERMITTING	01/15/2020
4	REVISED FOR PERMITTING	01/15/2020
5	REVISED FOR PERMITTING	01/15/2020
6	REVISED FOR PERMITTING	01/15/2020
7	REVISED FOR PERMITTING	01/15/2020
8	REVISED FOR PERMITTING	01/15/2020
9	REVISED FOR PERMITTING	01/15/2020
10	REVISED FOR PERMITTING	01/15/2020

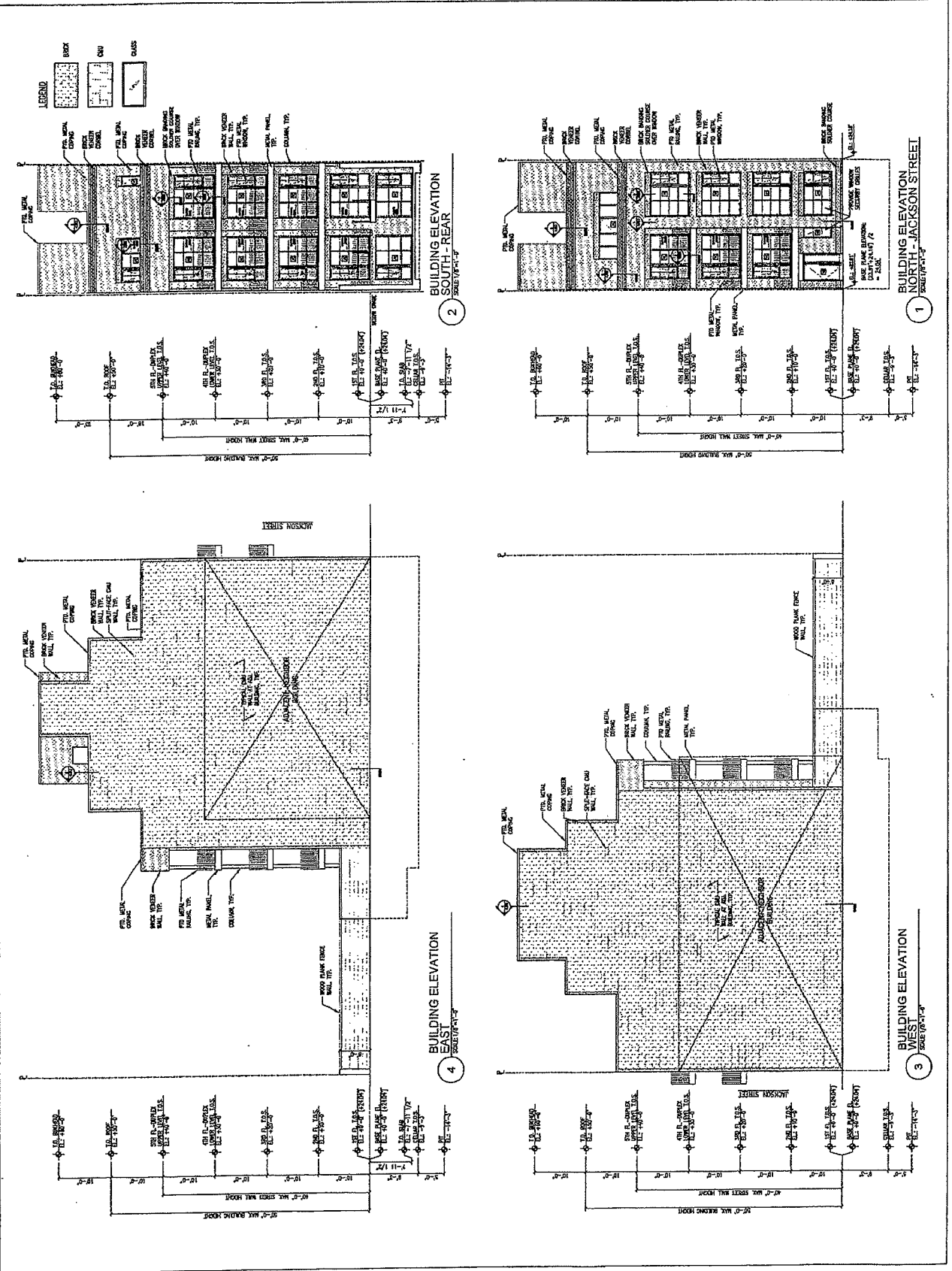


PROJECT NO: 108-001
PROJECT MANAGER: JUNEY
DRAWN BY:
DRAWING SCALE: AS NOTED
DRAWING TITLE:
BUILDING ELEVATIONS

DRAWING NO:
A-301.00

SHEET NO:
35 OF 35
DATE:
01/15/2020

BY:
CHECKED BY:
APPROVED BY:



SCHEDULE G-4

FEE TITLE DESCRIPTION

A "Residential Unit" as hereinafter referred to shall be defined as follows:

Each Residential Unit shall consist of the area enclosed horizontally by the exterior side of the exterior walls of the Building and by the centerline of those walls and partitions which separate the Residential Unit from the corridors, stairs, mechanical equipment spaces and other Residential Units, and enclosed vertically by the top of the concrete slab floor, underneath the Residential Unit's finished flooring and under side of the concrete slab above. The doors and windows which open from the Residential Unit shall be deemed part of the Residential Unit. No Residential Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Residential Unit which are utilized for or serve more than one (1) Residential Unit. The Description of Residential Units set forth herein pertains to the location of the walls, floors and roof of the Residential Units as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

Each Unit consists of the area contained within the painted lines of the parking space.

SCHEDULE H

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
OF PREMISES LOCATED AT
108 JACKSON STREET, BROOKLYN
CITY AND STATE OF NEW YORK,
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY
LAW OF THE STATE OF NEW YORK.

NAME: 108 Jackson Condominium

DECLARANT: V Development Group LLC
107-23 71st Road, Suite 186
Forest Hills, New York 11375

DATE OF DECLARATION:

BLOCK: 2748
FKA LOT: 17
NKA LOTS:

MORITT HOCK & HAMROFF LLP
Attorneys for the Sponsor
1407 Broadway, 39th Floor
New York, New York 10018

SCHEDULE I

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EXHIBIT A

Legal Description

EXHIBIT B

By-Laws of Condominium

PLAN OF CONDOMINIUM UNIT OWNERSHIP

DECLARATION OF 108 JACKSON CONDOMINIUM PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

In the Borough and County of Kings, City and State of New York on this ____ day of _____, 20, V Development Group LLC, a limited liability company organized and existing under the laws of the State of New York, whose principal office is situated at 107-23 71st Road, Suite 186, Forest Hills, New York 11375, hereinafter referred to as the "Declarant" or "Sponsor" represented in this Declaration by Gwo-Shenq Wey, who is fully empowered and qualified to execute this Declaration on behalf of the company does hereby state:

FIRST: SUBMISSION OF PROPERTY. By this Declaration the Declarant submits the property described in this Declaration, including the land and the Building and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: DESCRIPTION OF PROPERTY. The Declarant owns all that certain plot, piece or parcel of land, with the building and improvements thereon erected, situate, lying and being in Borough and County of Kings, City and State of New York, and more particularly bounded and described on Exhibit A annexed hereto and made a part hereto.

THIRD: DEFINITIONS. The following words as hereinafter referred to shall be defined as follows:

1. "Area Median Income" ("AMI") – For the purposes of this project, the AMI shall mean 130%. As defined by U.S. Department of Housing and Urban Development (HUD), the 2019 AMI for the New York City region is \$124,930 for a three-person family (130% AMI).
2. "Board of Managers" - The governing body of the Condominium responsible for its affairs.
3. "Board Member" - Each individual representative elected, designated or appointed to the Board of Managers.
4. "Building" – The five (5) story building with penthouse and cellar level, containing six (6) Residential Units.
5. "By-Laws" - The document governing the operation of the Condominium.

6. "Common Charges" - Each Unit Owner's proportionate share of the General Common Expenses as determined in accordance with the Common Interest appurtenant to the Unit.
7. "Common Elements" - All portions of the Condominium, other than the Units. Common Elements are divided into General Common Elements which are Common Elements shared by all Unit Owners, including all sewer and drainage pipes for the Building, and Limited Common Elements which are Common Elements that are irrevocably restricted for the exclusive use of an individual Residential Unit Owner.
8. "Common Expenses" - (a) Expenses incurred by all Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.
9. "Common Interest" - The proportionate, undivided interest each Unit Owner has in the Common Elements.
10. "Condominium" - 108 Jackson Condominium, which is comprised of the Common Elements, Residential Units and Unit Owners.
11. "Declaration of Condominium" - The instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time is amended, consistent with the provisions of the Condominium Act and of the By-Laws.
12. "Development" - As used herein refers to 108 Jackson Condominium.
13. "Equal or Better Quality" - As used herein shall mean comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classification, as applicable.
14. "Escrow Account" - The attorney's account where a Purchaser's initial deposit will be held as provided for in Section X of the Offering Plan.
15. "Escrow Agent" - The attorney or law firm overseeing the Escrow Account as provided for in Section X of the Offering Plan.
16. "Limited Common Elements" - A Common Element appurtenant to a particular Residential Unit or Units, the use of which is restricted to the Owners of such Residential Unit or Units.

17. "Purchaser" - The person(s) who have entered into a Purchase Agreement to acquire a Residential Unit in the Condominium.
18. "Purchase Agreement" - The document to be executed by the Purchaser which will obligate the Purchaser to acquire the Residential Unit in the Condominium and which will obligate the Seller to sell to Purchaser the Residential Unit in the Condominium.
19. "Residential Units" or "Units"- The six (6) Residential Units designated in the Declaration of Condominium for residential use. As used herein the terms "Residential Unit" is equivalent to the term "Unit" in Article 9-B of the Real Property Law of the State of New York.

The approximate physical dimensions of each Residential Unit shall consist of the area measured horizontally by the exterior face of the exterior walls of the Building and by the unit sides of the walls and partitions which separate the Residential Unit from the corridors, stairs and mechanical equipment spaces, and by the centerline of the walls which separate a Residential Unit from other Residential Units, and enclosed vertically by the underside of the Residential Unit's finished flooring and the unexposed side of the Residential Unit's drywall ceiling where applicable. The doors and windows which open from the Residential Unit shall be deemed part of the Residential Unit. No Residential Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines or Common Elements running through the Residential Unit which are utilized for or serve more than one (1) Residential Unit. The Description of Residential Units set forth herein pertains to the location of the walls, floors and roof of the Residential Units as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

20. "Sponsor" – V Development Group LLC, a New York limited liability company with an address at 107-23 71st Road, Suite 186, Forest Hills, New York 11375, and its successors and/or assigns.
21. "Unit Owner" or "Residential Unit Owner" – A Unit Owner includes all the Unit Owners in the Condominium.
22. "Unsold Unit" or "Unsold Residential Unit"- Any Residential Unit in which title is retained by the Sponsor and any successors or assigns until such time as the same has been sold and title conveyed to a third party. It shall not include a Residential Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns.

FOURTH: COMMUNITY. The Declarant is constructing on the parcel of land described above a Condominium Community known as 108 Jackson Condominium,

according to the plans filed simultaneously with the recording of this Declaration in the Office of the Register of the City of New York, Kings County, which Plans set forth a description of the Building stating the number of stories and number of Units.

The Community will consist of six (6) Units located in a five (5) story building with a penthouse and cellar as set forth on the Floor Plans filed simultaneously with this Declaration. The Building structure will be masonry, steel and concrete. Each of the Units has access to a public street by means of a walk, driveway or roadway. For the purposes of describing the location of a Building, approximate area, type and number of rooms of each Unit and the Common Elements to which each Unit has immediate access, each Unit is described on Schedule B annexed hereto. Each Unit will be sold to one or more Unit Owners, each Unit Owner obtaining fee ownership in, and exclusive right of occupancy and possession of, the Unit, together with an undivided interest in the Common Elements of the Condominium, as listed hereinafter in this Declaration, and referred to as the "Common Elements," all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. Each Unit Owner will automatically become a part of the Condominium. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Declarant and the Unit Owner at the time of construction of the Unit.

The aforesaid Condominium has a total lot area of approximately 2,500 square feet.

FIFTH: COMMON ELEMENTS. The Common Elements will consist of the entire property, including all parts of the Building and improvements thereon, other than the Units, and will consist of General Common Elements to be shared by all Unit Owners and Limited Common Elements irrevocably restricted in use to specified Unit Owners.

A. General Common Elements - General Common Elements are those shared by all Unit Owners and include all portions of the Condominium except for the individual Units and the Limited Common Elements and include without limitation the following:

1. The land on which the Building is erected and all other land within the boundaries of the property;
2. All foundations, columns, girders, beams and supports;
3. Those portions of the walls and partitions dividing Units located between the unexposed faces of the sheetrock walls enclosing the Units; those portions of the ceilings of the highest floor above the unexposed face of the sheetrock;
4. Roofs, stairs and stairways, which are not located wholly within a Unit and entrances to and exits from a Building other than entrances to the individual Units;

5. All improved and unimproved areas of the property outside the boundary of an individual Unit except for any Limited Common Elements;
6. All central and appurtenant installations in the Building or Property that provide service to the entire Building, such as power, light, telephone, television, gas, hot and cold water and heat (including all pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces;
7. All sewer pipes and drainage pipes and facilities that provide service to the entire Building or two (2) or more Units;
8. All meter rooms, compactor rooms, refuse rooms, power room, utility rooms, equipment rooms and any other mechanical rooms or areas that service two (2) or more Units;
9. All pedestrian walkways, intended for the common use of all Unit Owners; and
10. The intercom system;
11. The lobby;
12. The elevator;
13. The storage located in the Cellar;
14. All other parts of the property and all apparatus and installations existing in a Building or on the property for common use to all Units or necessary or convenient to the existence, maintenance or safety of the property.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Unit or Common Element and subject to the rules of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Unit Owner. Following are detailed descriptions of the irrevocably restricted common elements:

1. The balconies appurtenant to Units 2A, 2B, 3 and PH.
2. The terraces appurtenant to Units 1B and PH.

3. The private garden appurtenant to Unit 1B.
4. The rooftop appurtenant to Unit PH.
5. Any heating, cooling or other mechanical system servicing an individual Unit that is located in or on the Common Elements.
6. All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit a Unit exclusively.

All general maintenance, repairs and replacements to a balcony, terrace, accessory unit, private garden or rooftop that is a Limited Common Element, including cleaning, snow removal and all repairs not structural in nature, including the repair of leaks and the repair or replacement of the surface of balcony, terrace, accessory unit, private garden or rooftop shall be the responsibility of the Unit Owner whose balcony, terrace, accessory unit, private garden or rooftop is appurtenant to their Unit and is a Limited Common Element of their Unit.

C. Provisions Applicable to All Common Elements -

1. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.
2. The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law.
3. The percentage of the undivided interest in the Common Elements established herein shall not be changed except with the consent of all of the Unit Owners affected expressed in a duly recorded amendment to this Declaration.
4. The undivided interest in the Common Elements shall not be separated from the Units to which it appertains and shall be deemed conveyed or encumbered with the Units even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SIXTH: EASEMENTS. All pipes and maintained wires, conduits and public utility lines located within each Unit shall be owned and maintained by such Unit Owner. Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements and servicing two or more Units, will be owned in common by the Unit Owners. Every Unit Owner shall have an easement in common with the owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Unit Owner's Unit. Each Unit shall be subject to an easement in favor

of the Unit Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Unit and servicing any other Unit or causing damage to any other Unit. The cost of such repairs shall be a Common Expense. In the event any portion of such pipes, wires, conduits and public utility lines is located in any of the Limited Common Elements, the cost of any repairs to such pipes, wires, conduits and public utility lines shall be the sole responsibility of the respective Unit Owner(s) for whom the Limited Common Element is limited in use. The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not.

The Board of Managers shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to or upon any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Unit for its permitted purposes by its owner, tenants or occupants.

The Declarant, its successors, assigns, and purchasers of undeveloped or unsold Units, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing construction and sale of the Units and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, solar energy panels and other utilities and for any other materials or services necessary for the completion of the work. The Declarant, its successors, assigns, and purchasers of undeveloped or unsold Units, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Elements. The Declarant, its successors and assigns, and purchasers of undeveloped or unsold Units, shall have an easement to erect and maintain general sales, leasing, business or administration offices and/or model Units, to erect, maintain, repair and replace from time to time one or more free-standing and other selling, directional and informational signs in/or on the Condominium as it deems necessary for the purposes of advertising the sale or lease of Units, and for the purpose of showing the Property to prospective Purchasers or lessees and for access to Units and Common Elements consistent with the purposes of the Declaration, as the same may be amended, and Declarant's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair,

refurbish, offer, sell and lease Units, together with their interest in the Common Elements. Finally, the Declarant, its successors, assigns and purchasers reserve the right to continue to use the Common Elements and any facilities, sales offices, model Units, signs located on the Common Elements, in its efforts to market or lease Units constructed in the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Declarant.

Each Unit Owner hereby grants a right of access to and through their Unit to Declarant or its designee, and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Declarant with respect to the Common Elements and/or the Units.

The Board of Managers will have and each Unit will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements.

The Board of Managers shall have an easement through the Units for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Building.

Each Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacement thereof and additions thereto and an easement of necessity, and each Unit will be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

Each Unit will have an easement for lateral and vertical support among all adjoining Units and Common Elements.

Any easements granted to Declarant, the Board of Managers, any Unit or any Unit Owner under this Declaration and the By-Laws may be exercised by such Declarant's, Board of Managers or Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, visitors, tenants, subtenants, tenants and/or tenant-shareholders, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Declarant, the Unit Owner or Board of Managers.

Each Unit Owner will have a right and easement to use its Unit and the Limited Common Elements appurtenant to such Unit, and the General Common Elements, subject to and in accordance with the terms and conditions of this Declaration and By-Laws.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical shall be granted an easement of ingress and egress over, upon and through any access areas in The Aaron Condominium. This Paragraph may not be amended by the Unit Owners in the Condominium.

SEVENTH: SERVICE OF PROCESS: Service of process on the Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State as the agent of the Board of Managers of the Condominium. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent for service of this Condominium during the period the Declarant controls the Board of Managers is: V Development Group LLC, 107-23 71st Road, Suite 186, Forest Hills, New York 11375. Once the Declarant no longer controls the Board of Managers, the Board of Managers must notify the Secretary of State that the post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent of this Condominium is: Board of Managers, 108 Jackson Condominium, 108 Jackson Street, Brooklyn, New York 11211 or such other address as the Board of Managers of the Condominium selects.

EIGHTH: COMMON INTEREST. Each Unit Owner shall have such percentage of interest in the Common Elements as is set forth in Schedule B attached hereto and shall bear such percentage of the Common Expenses of the Condominium except as otherwise described herein in reference to the Limited Common Elements. Each Unit Owner shall have one vote for all voting purposes at any meeting of the Unit Owners. The percentage of interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular unit. Said method of determining the percentage of Common Interest in a condominium complies with and is pursuant to Section 339-i (1) (iv) of the Real Property Law of the State of New York.

NINTH: ADMINISTRATION. The administration of the Condominium, and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Exhibit "B".

TENTH: AMENDMENTS AND WITHDRAWAL.

A. The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless eighty (80%)

percent of the Unit Owners in number and in Common Interest and the first mortgagees, if any, of each of these same Units agree to such revocation or removal of the property from the Plan by duly recorded instruments.

B. The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66 $\frac{2}{3}$ %) percent of the Unit Owners in number held at a duly-called meeting of the Unit Owners, provided however, that:

1. No amendment shall change any condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Unit, unless all of record owner(s) in number and Common Interest thereof and the first mortgagees, if any, of each of these same Units agree to such revocation by recorded instrument.
2. No amendment shall be passed which shall impair of prejudice the validity, interest, rights and priorities of mortgagees.
3. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of, to or from this Declaration, the By-Laws or any rules and regulations shall be effective in any way against Declarant or its designee or any Unsold Unit, as long as the Declarant owns an Unsold Unit in the Condominium unless the Declarant has given its prior written consent thereto. This provision is not subject to amendment.

There shall be a presumption for a period of sixty (60) days subsequent to the recording of the amendment that the vote of the Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the sixty (60) day period such presumption will be deemed conclusive.

C. The Declarant, its successors, assigns and purchasers of undeveloped or unsold Units shall have the right without vote or consent of the Unit Owners, the Board of Managers or the holders of Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, Kings County and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the Building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built, or (ii) utility easements, or (iii) technical corrections to the Declaration to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend Schedule B of this Declaration to conform the model type, square footage and type and number of rooms and any other required information for a specified Unit, so long

as the appurtenant percentage of Common Interest does not change for said Unit, or (v) to amend Schedule B of this Declaration to consolidate Units subject to all necessary approvals by the City of New York, to revise the square footage and type and number of rooms and any other required information for a specified Unit and to change the appurtenant percentage of Common Interest so long as the new percentage of Common Interest equals the combined percentage of Common Interest of the Units that were combined, or (vi) to effectuate permissible changes in unsold Units or (vii) to amend Schedule B to make technical corrections to said Schedule including, but not limited to, square footage of Units, assign or revise Limited Common Elements appurtenant to a Unit or to revise the number and description of rooms contained in a Unit or (viii) the carrying out of other provisions of the Offering Plan of 108 Jackson Condominium.

D. Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Register of the City of New York, Kings County.

Regardless of any other provision of this Declaration, no action for partition or division of the Common Elements shall be brought nor shall this plan of condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

ELEVENTH: SUBJECT TO DECLARATION, BY-LAWS, ETC. All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units of the Condominium or the mere act of use or occupancy of any of said Units shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: COMMON CHARGES. All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner shall constitute a lien on his or her Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivisions of any governmental authority, including but not limited to State, County, City, and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees and costs of collection (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, where the

holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges will be charged to all other Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Declarant to a purchaser of a Unit or in which the Declarant participates with one of the above.

In addition to the Board's right to bring an action to foreclose a lien on a Unit Owner's Unit, the Board (on behalf of the Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such charges. In such an event, the Condominium shall be entitled to recover all cost of suit including reasonable attorneys' fees.

Every Unit Owner shall pay the Common Charges assessed against the Unit Owner when due as determined by the Board of Managers and no Unit Owner may be exempt from liability for the payment of the Common Charges assessed against the Unit Owner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by the Unit Owner of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: UNITS ACQUIRED BY THE BOARD. In the event any Unit Owner shall convey their Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

FOURTEENTH: POWER OF ATTORNEY. In order to carry out the provisions of Article Thirteenth of the Declaration and Article XI of the By-Laws, each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest to the Board of Managers and their successors to acquire title or lease any such Unit acquired by the Board of Managers under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board in its sole discretion shall deem proper. Each Unit Owner shall upon becoming a Unit Owner further grant an irrevocable power of attorney, coupled with an interest to the Board of Managers to nominate, designate,

constitute and appoint the members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Unit Owner's Condominium Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium.

FIFTEENTH: ENCROACHMENTS. The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

SIXTEENTH: UNIT OWNERSHIP. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain such until such time as the Unit Owner ceases to own the Unit for any reason. Occupancy of the Units shall be restricted to residential occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

SEVENTEENTH: USE OF UNITS. Units shall be restricted to residential occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

EIGHTEENTH: CONVEYANCE OF A UNIT. In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the Grantor and such Grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

NINETEENTH: COVENANT OF FURTHER ASSURANCES. Any party subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee

of a Unit Owner, or the occupant of a portion of a Unit, a Member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Unit Owner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request thereof, to take any action which the Unit Owner or such other party is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, or other party and such document or action shall be binding on such Unit Owner or other party.

If any Unit Owner or the Board of Managers or any other party who is subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within ten (10) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Declaration at the request of Declarant or Declarant's designee, then Declarant or Declarant's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

Each Unit Owner will have the affirmative duty to maintain its respective Unit in such a manner so as to reasonably prevent and avoid inflicting harm to other Units, the Limited Common Elements, however described, the General Common Elements or the Building. In the event any Unit Owner causes or permits any condition, or fails to take any action to prevent a condition, that has a deleterious effect on another Unit, any Limited Common Element, the General Common Elements or the Building, the Condominium Board will give written notice to such Unit Owner including a request that the Unit Owner take specific steps to ameliorate such a condition ("Remedy Notice"). If the Unit Owner fails to remedy the condition within seven (7) days of the receipt of the Remedy Notice, or, if the condition is such that it cannot be remedied within seven (7) days, fails to commence appropriate remedies, the Condominium Board may, upon ten (10) business days additional notice to the Unit Owner, enter into the Unit and effect a reasonable remedy, at the Unit Owner's sole cost and expense. In the event a Unit Owner reasonably believes another Unit Owner has caused, permitted, or failed to prevent a condition that has a deleterious effect on its Unit, the first Unit Owner may request that the Board of Managers send a Remedy Notice. If the Board of Managers fails or otherwise determines not to

send the Remedy Notice, the Unit Owner will have all rights to enjoin, abate or remedy by appropriate legal proceedings against the other Unit Owner or the Board of Managers, either at law or in equity, the continuance of any such condition or breach and to seek reimbursement for any costs or expenses incurred in connection therewith.

The Board of Managers will not promulgate and/or enforce any rules or regulations, or otherwise act, in a discriminatory manner.

TWENTIETH: COVENANTS AND RESTRICTIONS. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

- (a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.
- (b) No alteration, addition, decoration or change to any part of the Common Elements may be made and no structure or other improvement may be built or placed on any portion of the Common Elements or Limited Common Elements or any portion of the Condominium which affects two (2) or more Units, without the written consent of the Board of Managers. The provisions of this paragraph shall not apply to Declarant.
- (c) No Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Unit, any Limited Common Element or any portion of the Condominium which affects two (2) or more Units, without the prior written approval of the Board of Managers. In addition, no Unit Owner may alter or remove any interior wall without written approval of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Unit Owner shall make any structural addition, alteration or improvement in or to any Unit or any Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of

Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the City of New York or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Unit or Limited Common Element shall be completed by the Unit Owner and 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 materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

In the event a Unit Owner violates this provision of the Declaration, the Board of Managers, in addition to all remedies it may have under this Declaration and the By-Laws, may institute legal action against the Unit Owner for the enforcement of this provision. In such an event the Unit Owner shall be responsible for the payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit, as well as all costs associated with remedying the violation.

These provisions shall not apply to Units owned by the Declarant or its designee until such Units shall have been initially conveyed by the Declarant or such designee.

- (d) Any interior alterations or improvements made to a Unit shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.
- (e) Any Unit Owner who mortgages their Unit shall notify the Board of Managers providing the name and address of the mortgagee.
- (f) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.

- (g) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.
- (h) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- (i) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Unit Owners, provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.
- (j) The Common Charges shall be paid when due.

TWENTY-FIRST: FIRST LIEN HOLDERS' RIGHTS

(a) Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Condominium, (such request to state the name and address or such holder, insurer or guarantor and the unit number), shall be entitled to timely written notice of:

- (1) Any proposed amendment of the Condominium instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interest in the general or Limited Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the Condominium appertaining to any Unit or (iv) the purposes to which any Unit or the Common Elements are restricted;
- (2) Any proposed termination of the Condominium regime;
- (3) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- (4) Any delinquency in the payment of assessments or charges owed by a Unit Owner of a Unit subject to the mortgage of such eligible holder, insurer or guarantor, which such delinquency has continued for a period of sixty (60) days; and

- (5) Any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

(b) Other Provisions for First Lien Holders. To the extent permitted under applicable law, the following protections for the benefit of first mortgage holders will be legally binding with respect to the Condominium:

- (1) Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on Units to which at least fifty-one (51%) percent of the votes of Units subject to mortgages held by such eligible holders are allocated, is obtained;
- (2) Any election to terminate the Condominium regime after substantial destruction or a substantial taking in condemnation of the Condominium property must require the approval of the eligible holders of first mortgages on Units to which at least fifty-one (51%) percent of the votes of Units subject to mortgages held by such eligible holders are allocated; and
- (3) Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the Condominium project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium project may be effected without the approval of the eligible holders of first mortgages on Units to which at least eighty (80%) percent of the votes of Units subject to mortgages held by such eligible holders are allocated.

As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a Unit in a Condominium which has requested notice in accordance with the provisions of (a) above.

TWENTY-SECOND: SPECIAL RIGHTS OF DECLARANT.

Notwithstanding anything to the contrary contained herein Declarant, its successors, assigns or designees shall have the right, without requiring the consent of either the Condominium or Board of Managers, and without charge or limitation, to:

- (a) have its employees, contractors, subcontractors and sales agents present on the properties described in Exhibit "A" and any Building erected thereon;

- (b) erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Units;
- (c) use any one or more Units as;
 - (i) model Units,
 - (ii) offices for the promotion, sale, rental, management and/or operation of any unsold Units,
 - (iii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or the Units; or any unsold Units; and/or
 - (iv) for any other purpose;
- (d) do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the Common Elements, the Units and any unsold Units) for the purpose of:
 - (i) the promotion, sale, rental, management and/or operation of any unsold Units,
 - (ii) the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or
 - (iii) the exercise performance and discharge of Declarant's other rights and obligations under this Declaration, the By-Laws or the rules and regulations;
- (e) make any other changes required by the City of New York or other Municipal Agency.

In no event, however, shall Declarant or such designee be entitled to use any portion of the Common Elements in such a manner as will unreasonably interfere with the use of the same or of any Unit for its permitted purposes.

The provisions of this Article Twenty-Second may not be amended without the written consent of the Declarant, or its successors or assigns.

TWENTY-THIRD: INVALIDITY. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

V Development Group LLC

By: _____

STATE OF NEW YORK)
) ss.:
 COUNTY OF)

On the ____ day of _____ in the year 20__, before me, the undersigned a Notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

 NOTARY PUBLIC

EXHIBIT A

TO FOLLOW DIRECTLY HEREAFTER

Exhibit A to the Declaration of Condominium

DECLARATION OF CONDOMINIUM AND BY-LAWS

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
OF PREMISES LOCATED AT
108 JACKSON STREET, BROOKLYN
CITY AND STATE OF NEW YORK,
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY
LAW OF THE STATE OF NEW YORK.

NAME: 108 Jackson Condominium

DECLARANT: V Development Group LLC
107-23 71st Road, Suite 186
Forest Hills, New York 11375

DATE OF DECLARATION:

BLOCK: 2748
FKA LOT: 17
NKA LOTS:

MORITT HOCK & HAMROFF LLP
Attorneys for the Sponsor
1407 Broadway, 39th Floor
New York, New York 10018

**BY-LAWS
OF
108 JACKSON CONDOMINIUM**

MORITT HOCK & HAMROFF LLP
Attorneys for the Sponsor
1407 Broadway, 39th Floor
New York, New York 10018

**EXHIBIT B
to the Declaration of Condominium**

SCHEDULE J

BY-LAWS
OF
108 JACKSON CONDOMINIUM
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**BY-LAWS
OF
108 JACKSON CONDOMINIUM**

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Unit Ownership. The property located at 108 Jackson Street, Brooklyn, Kings County, City and State of New York as specifically set forth in the Declaration and more commonly known as 108 Jackson Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the Building and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof, the term "Building" as hereinafter used shall be as defined in the Declaration of Condominium.

Section 3. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of use or occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

Section 4. Definitions. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise indicated.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners.

Section 2. Voting. Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all Unit Owners' meetings for each Unit or Units owned by such Unit Owner, but in the event the Board of Managers acquires a Unit on behalf of the Condominium it shall not cast any of its votes appurtenant to said Unit for the election of any Member to the Board.

Section 3. Quorum. So many Unit Owners as shall represent at least fifty-one (51%) percent of the total authorized votes of all Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting. At such adjourned meeting so many Unit Owners as shall represent at least thirty-three and one-third (33 $\frac{1}{3}$ %) percent of the total authorized votes of all Unit Owners shall constitute a quorum. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting. At such adjourned meeting so many Unit Owners as shall represent at least twenty-five (25%) percent of the total authorized votes of all Unit Owners shall constitute a quorum. Any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings Control of Board of Managers by Sponsor. The initial Board of Managers will call for the first annual meeting of the Unit Owners to elect a new Board of Managers within one (1) year of the closing of the first Unit. At such meeting, Members of the Board of Managers shall be elected by the Unit Owners, other than the Members of the Board the Sponsor shall have the right to designate, and the former Members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year or such other convenient date as the Board of Managers may so designate. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them. The Sponsor will have voting control and may designate a majority of the Board of Managers for a period ending (i) three (3) years from date of the closing of the first Unit, or (ii) one hundred and twenty (120) days after the closing of seventy-five (75%) percent of all Units in the Condominium, whichever is later. Thereafter, the Sponsor shall retain the right to designate one (1) Member of the Board of Managers until such time as Sponsor no longer owns a Unit. At such time as Sponsor no longer owns a Unit in the Condominium, Sponsor may not hold a seat on the Board of Managers.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 11 of this Article to each Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 10 unless a later date is agreed to in writing by the Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Unit Owners of the Condominium are present in person or by proxy. Any or all of the Board of Managers of the Condominium, other than those designated by the Declarant may be removed without cause by vote of the Members at a special meeting called pursuant to this section if the meeting is called for such purpose.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll Call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Report of officers
- (e) Report of committees
- (f) Election of inspectors of election (in the event there is an election and only if requested by a Unit Owner present at the meeting)
- (g) Election of managers (in the event there is an election)
- (h) Unfinished business
- (i) New business

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of three (3) Members designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners. Until succeeded by the Members elected at the first annual meeting of Unit Owners, Members need not be Unit Owners; thereafter, all Members, other than designees or nominees of the Sponsor, shall be Unit Owners. The Members shall be elected or designated at the annual meeting of the Unit Owners.

At the first annual meeting of Unit Owners called pursuant to Section 9 of Article II a total of three (3) Members shall be elected or designated. All Members, other than those designated by the Sponsor, shall be elected by the Unit Owners. The term of office of one (1) of the Members shall be fixed for three (3) years, the term of office of one (1) of the Members shall be fixed at two (2) years, and the term of office of one (1) of the Members shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Unit Owner shall be entitled to cast one vote on each ballot for each Unit owned. The one nominee(s) on each of the ballots, as the case may be, receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Member, the Member's successor shall be elected to serve a term of three (3) years. The Members shall hold office until their successors have been elected and hold their first meeting.

Notwithstanding the foregoing, the Sponsor will have voting control and may designate a majority of the Board of Managers for a period ending (i) three (3) years from date of the closing of the first Unit, or (ii) one hundred and twenty (120) days after the closing of seventy-five (75%) percent of all Units in the Condominium, whichever is earlier. Thereafter, the Sponsor shall retain the right to designate one (1) Member of the Board of Managers until such time as Sponsor no longer owns a Unit.

This Section may not be amended without the written consent of Sponsor.

Section 2. Vacancy and Replacement. If the office of any Member or Members becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining Members, though less than a quorum, at a special meeting of Members duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. The Board of Managers shall also have the right to call for a special meeting in accordance with Article II, Section 10 to elect the Member's successor to fill the unexpired portion of the term of office. In the event of the failure to hold any election of the Board of Managers at the time designated for the annual election of the Board of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a special meeting of the Unit Owners to elect a new Board of Managers or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of the Unit Owners. If the vacancy occurs with respect to any Member of the first Board of Managers (see Section 4 of this Article III) or any other Member who has been designated by the Sponsor and the Sponsor still retains ownership of at least one (1) Unit, the Sponsor shall have the sole right to choose such Member's successor to fill the unexpired portion of the term.

Section 3. Removal. Members may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Member, other than a Member of the first Board of Managers or a designee of the Sponsor, shall continue to serve on the Board if, during their term of office, they shall cease to be a Unit Owner. In the event a Sponsor designee is removed for cause and the Sponsor still retains ownership of at least one (1) Unit, the Sponsor shall have the sole right to designate a replacement.

Section 4. Resignation. Any Member may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 5. First Board of Managers. The first Board of Managers shall consist of, Kevin Wey, Jen-Kai Yang and Lan-Ying Huang who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. The Sponsor has the right to substitute or change any or all of said representatives of the first Board of Managers. Any or all of said Members shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 6. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of annual Common Charges, if required, to meet any additional necessary expenses, but said increases can only be assessed among all the Unit Owners pro-rata according to their respective percentage of Common Interest.
2. To collect, use, and expend the Common Charges collected to maintain, care for and preserve the Units, the Building, and other Common Elements;
3. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;
4. To make repairs, restore or alter any Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
5. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care and preservation of the property. No notice is required to gain access for repairs. Any repairs required as the result of negligence of the Unit Owner will be at the expense of the Unit Owner;
6. To insure and keep insured the General Common Elements, Limited Common Elements and the Units. A Unit Owner may secure supplemental coverage for the Unit and its contents and the liability coverage for the Unit;
7. To collect delinquent Common Charges and special Common Charge assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the house rules or rules and regulations herein referred to;
8. To make reasonable rules and regulations applicable to the Common Elements of Units and Unit Owners and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit;
9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters hereinabove set forth;

10. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium and to levy special Common Charge assessments to pay for the cost of such litigation;
11. To acquire a Unit in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;
12. To make additions, alternations, or improvements to the General Common Elements of the Condominium and those portions of the Condominium which are included in the description of an individual Unit but which service two (2) or more Units in the Condominium;
13. To borrow money on behalf of the Condominium when required in connection with the operation, care upkeep and maintenance of the General Common Elements, provided, however, that 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 Owners of said Unit.
14. Pursuant to Section 339-y(4) of the New York Real Property Law, the Board of Managers may (but is not obligated to) act as an agent for one or more Unit Owners who have given their written authorization to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessments of their Units. In such event, the Board could retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit;
15. To make payment for the real estate taxes assessed to the Building until the Units are separately assessed for taxes and to collect a reasonable adjustment for same from the individual Unit Owners.
16. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one (1) or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owners, the consent of all such affected Unit Owners shall be required in writing before such easement shall be granted); and

17. To impose reasonable fines upon Unit Owners for violating the rules and regulations of the Community, as contained in these By-Laws or as promulgated by the By-Laws.

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to include at least one (1) Member which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, for a period ending not more than five (5) years after the closing of title to the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner, the Board of Managers, may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the Common Elements or to any Unit, costing cumulatively more than \$25,000, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, in excess of the reserve for contingencies contained in the Condominium budget for the first year of operation, (iii) hire any employee in addition to the employees referred to in the Plan of Condominium ownership, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of closing of the first Unit, or (v) borrow money on behalf of the Condominium, (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, or (vii) charge any special Common Charge assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the Condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) percent from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize Condominium funds or assess the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals.

(d) Notwithstanding Article III, Section 6(c) of these By-Laws Sponsor may not exercise veto power over expenses described in the proposed first year budget, as described in the Offering Plan, or over expenses required:

- (i) to comply with applicable laws or regulations; or
- (ii) to remedy any notice of violation; or

- (iii) to remedy any matter regarding the health and safety of the occupants of the Building; or
- (iv) to remedy any work order by an insurer.

(e) Sponsor may exercise veto power over expenses, other than those described in Article III, Sections 6(c) and (d) of the By-Laws, for a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

Section 7. Repairs and Maintenance. All maintenance, repairs and replacements to the Common Elements including but not limited to exterior walls of the Building, windows, roof and roof members, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one (1) Unit or so much of any pipes (including sewer and water pipes), wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Charge payable by all Unit Owners. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements.

All maintenance (including electrical and plumbing repairs in the Units and painting and decorating of the inside of the Units), repairs and replacements to the Units including windows (including all glass breakage), doors, windows and doors which open from a Unit (except painting and maintenance of the exterior surface which is performed by the Board of Managers on behalf of the Condominium), and repairs to any heating (boiler)/air conditioning/hot water system servicing a Unit, pipes, wires and conduits located within or without the same Unit other than as set forth above shall be made by the respective Unit Owners at their own expense.

All general maintenance, repairs and replacements to a balcony, terrace, Accessory Unit, private garden and/or rooftop that is a Limited Common Element, including cleaning, snow removal and all repairs not structural in nature, including the repair of leaks and the repair or replacement of the surfaces of balcony, terrace, Accessory Unit, private garden and/or rooftop shall be the responsibility of the Unit Owner whose balcony, terrace, Accessory Unit, private garden and/or rooftop is appurtenant to their Unit and is a Limited Common Element of their Unit. No Unit Owner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to any Limited Common Element, without the prior written approval of the Board of Managers. Any repair or replacement to any Limited Common Element by a Unit Owner, if permitted, shall conform to the requirements contained in Article Eighteenth (2) of the Declaration of Condominium. The balconies and terraces are not permitted to be used for storage and are not permitted to be

enclosed. The private garden, Accessory unit and Rooftop are not permitted to be used for sleeping, cooking and/or living purposes. All repairs, maintenance and any replacement of any heating, cooling or other mechanical system servicing an individual Unit that is located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which serve or benefit a Unit exclusively shall be the responsibility of the Unit Owner. All repairs to the exterior of any door, building, open area or other generally visible portion of the Condominium must be in conformation with the style and colors initially installed by the Sponsor.

All maintenance, repairs and replacements to the Storage Limited Common Elements will be made by the Board of Managers and the cost thereof will be a Common Expense payable by all Unit Owners.

The Board of Managers on behalf of the Condominium shall repair and replace any public utility lines located underground or overhead of any Limited Common Element except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the Unit Owner to which the Common Element is restricted in use, in which event such Unit Owner shall make such repairs or replacements at their own expense.

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

All replacements, repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of a Unit, including roofs, or to any generally visible portion of the Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor and shall comply with the requirements of Article Twentieth (c) of the Declaration of Condominium.

In the event that a Unit Owner fails to perform any maintenance or repair which maintenance or repair is necessary to protect any of the Common Elements or any

other Unit, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of any emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to Unit Owner's Unit or for repairs to any Common Element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Unit Owner shall be liable for the reasonable Attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

Section 8. Compensation. Members and officers, as such, shall receive no compensation for their services.

Section 9. Meetings.

- (a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall take place.
- (b) Regularly scheduled meetings of the Board may be held without special notice.
- (c) Special meetings of the Board may be called by the President on two (2) days notice to each Member either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) Members.
- (d) At all meetings of the Board, a majority of the Members shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Members present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of Members, the Members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.
- (e) Before or at any meeting of the Board of Managers, any Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any

meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

- (f) Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 10. Annual Statement. The Board of Managers shall furnish to all Unit Owners and their mortgagees and shall present annually (at the annual meeting, but in no event later than four (4) months after the close of the fiscal year) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 11. Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 12. Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 13. Liability of the Board of Managers, Officers and Unit Owners. No Member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as a Member of the Board or officer, provided that this provision does not eliminate or limit the liability of a Member of the Board or officer if a judgment or other final adjudication adverse to him or her establishes (a) that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee

benefit plan or other enterprise, which any Member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or officer of the joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board or officer if a judgment establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or the advantage to which he or she was not legally entitled.

The Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provision of the Declaration or of these By-Laws. 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 (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. 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 Member 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 interest 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).

Each Unit Owner's liability pursuant to this Section 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.

ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Managers may also choose one (1) or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be Unit Owners, Members of the first Board of Managers or designated Members of the Board of Managers of the Sponsor. Two (2) or more offices may be held by the same person, except that the President may only hold the office of President.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners Meeting shall elect a President, a Vice-President, a Secretary and a Treasurer. Only the President must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; the President shall preside at all meetings of the Unit Owners and Members, the President shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation of the State of New York.

Section 6. The Vice-President. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision the Secretary shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium as may be ordered by the Board, making proper vouchers for such disbursements and shall render to the

President and Members, at the regular meeting of the Board or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. NOTICES

Section 1. 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 Member or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such Member or Unit Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective Common Interest appurtenant to such Units. This proration of assessments shall remain constant

regardless of the percentage of the building square footage included in each Unit or the Common Elements restricted to the use of the Unit Owner of said Unit.

Said assessments shall be payable monthly or such other manner as ordered by the Board of Managers and shall be referred to as Common Charges. Special Common Charge assessments, should such be required, shall be levied and paid in the same manner as herein above provided for regular assessments.

The Unit Owner agrees to pay promptly when due the monthly Common Charges and all special Common Charge assessments assessed against the Unit Owner's own Unit. In the event any Unit Owner fails to make payment of the Unit Owner's Common Charge payment, the Unit Owner who owns such Unit shall be obligated to pay (a) a "late charge" of \$.15 for each \$1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of two (2%) percent per month (but in no event in excess of the maximum rate theretofore collected on such amounts) computed from the due date thereof, and (c) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit Owner's Unit arising from said unpaid Common Charges in the manner permitted by applicable law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

In addition, in the event of a default in payment of Common Charge assessments by any Unit Owner, the Board, at its sole option, may declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make the late payment.

The Board may take action to collect any Common Charges due from any Unit Owner which remains unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise. During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than thirty (30) days in arrears of Common Charges.

No Unit Owner shall be liable for any Common Charges, which accrue against the Unit Owner's Unit subsequent to a sale, transfer or other conveyance of the Unit by the Unit Owner in accordance with these By-Laws and the Declaration. A purchaser of a Unit shall be liable for the payment of all future Common Charges assessed against the Unit as well as unpaid Common Charges assessed against the Unit at the time of the purchase. However, where a holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the

Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, its successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges will be charged to all other Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Declarant to a purchaser of a Unit or in which the Declarant participates with one of the above.

Section 3. Purpose of Common Charges. The Common Charges shall be used to pay for the Common Expenses of the Condominium including but not limited to repair and maintenance of the General Common Elements, including all sewer and drainage pipes for the Building; insurance; common utilities; labor; common water and sewer charges; legal and accounting; services and supplies; management fees; contingencies; reserve fund and any other expenses that are Common Expenses of the Condominium.

Section 4. Foreclosures of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Unit. In either event the Unit Owner shall be liable for all costs of suit, including reasonable attorneys' fees.

Section 5. Statement of Common Charges. Upon the written request of any Unit Owner or their mortgagee, the Board shall promptly furnish such Unit Owner or their mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 6. Liability for Utilities. Any utility, including gas and electricity, consumed and individually metered in a Unit shall be an expense of each individual Unit Owner.

Section 7. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account," into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 8. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

Section 9. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the General Common Elements and Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the General Common Elements and other expenses for, and allocate and assess such Common Charges and Common Expenses among all the Unit Owners in proportion to their respective Common Interests in the Condominium as reflected in Schedule A of the Declaration of Condominium.

The Common Expenses of the Condominium shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Article VIII and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the General Common Elements including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale.

The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and expenses are based, to all Unit Owners pursuant to the provisions of Article III, Section 10 of these By-Laws.

The Sponsor or its designee shall be responsible for the Common Charges assessed against each Unit owned by it until such Unit is sold to a bona fide purchaser.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable from generally acceptable insurance carriers, the following insurance: blanket property insurance, liability insurance as provided below, flood insurance (if applicable), fidelity bond coverage and worker's compensation, insuring all of the Common Elements, Limited Common Elements and the Units in the Building in the Condominium (except land, foundations, excavation and other items normally excluded from coverage) including fixtures, to the extent they are part of the Common Elements of the Condominium, building service equipment and supplies, and other common personal property belonging to the Condominium. In addition, any fixtures, equipment or other property

within the Units which are to be financed by a mortgage (regardless of whether or not such property is part of the Common Elements, but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by the Unit Owners), contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building, exclusive of land, foundation, excavation and other items normally excluded from coverage. Each of such policies shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee as defined below, and that the net proceeds thereof, if \$40,000 or less, shall be payable to the Board of Managers, and if more than \$40,000 shall be payable to the Insurance Trustee. Each Unit Owner and each Unit Owner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership applicable to said Unit.

The fire insurance will commence with the Closing of Title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the Closing of Title to all Units. Until the first meeting of the Board of Managers following the first Unit Owners meeting, such amount shall be at least in the sum as provided for in the estimated first year budget contained in the Offering Plan upon completion of the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of a Unit. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of a Unit at least ten (10) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Unit Owners individually; that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Unit Owners collectively; and that the policy is primary in the event the Unit Owner has other insurance covering the same loss. All policies

shall include the standard form of a "Special Condominium Endorsement" or its equivalent. All policies shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement".

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 the Common Elements, each Member and Officer of the Board of Managers, the managing agent and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall be a minimum of \$1,000,000 covering all claims for bodily injury, deaths and property damage arising out of one occurrence in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Condominium. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Condominium and to each holder of a first mortgage on any Unit in the Condominium which is listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage may also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Such public liability insurance shall commence on the closing of title to the first Unit.

In addition to the above, blanket fidelity bonds shall be required to be maintained by the Condominium for all officers, directors and employees of the Condominium and all other persons handling or responsible for, funds of or administered by the Condominium. In the event a management agent has the responsibility for handling or administering funds of the Condominium, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Condominium. Such fidelity bonds shall name the Condominium as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Condominium or the management agent, as the case may be, at any given time during the term of each bond. In no event may the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate assessments on all units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Condominium as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Condominium or Insurance Trustee. Such bonds shall also provide that, if applicable, the Federal National Mortgage Association ("FNMA") and servicers on behalf of FNMA, shall also receive such notice of cancellation or modification.

Unit Owners shall be required to carry separate Condominium Unit insurance for their own benefit. Such policies must contain waivers of subrogation and further provide that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 2. The Insurance Trustee. The Board of Managers on behalf of the Condominium, shall name an authorized representative, including any trustee with whom the Condominium may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose subject to the adjustment of loss provision contained in the first paragraph of this Section 1 of Article VII. The Insurance Trustee shall be a bank or trust company located in the State of New York, designated by the Board of Managers and costs associated with the Insurance Trustee shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York. The Insurance Trustee shall have a capital, surplus and undivided profits of \$50,000 or more.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed 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 Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

ARTICLE VIII. HOUSE RULES

Section 1. General. In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Units and the conduct of all residents thereof:

- (a) All Units shall be used for residential purposes only. All rentals, other than rentals by the Sponsor, must be subject to local zoning ordinances and must comply with the requirements contained in these By-Laws under Article XI, Section 2.
- (b) Owners, members of their families, their employees, guests and their pets, if permitted, shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said Owners, or in such a way as to be injurious to the reputation of the Condominium.
- (c) The Common Elements shall not be obstructed, littered, defaced or misused in any manner.
- (d) Every Unit Owner must perform promptly all maintenance and repair work to their own Unit and any Limited Common Element for the Unit Owner's exclusive use which, if omitted, would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the Building of which the Unit forms apart, the Unit Owner being expressly responsible for the damages and liabilities that the failure to do so may engender.
- (e) All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations shall be at the Unit Owner's expense.
- (f) Unit Owners are not permitted to make any alterations to any part of the General Common Elements nor may any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Unit, or any Limited Common Element for its exclusive use, without the prior written approval of the Board of Managers. In addition, no alteration or removal of an interior wall of a Unit may be made without the prior written approval of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in

such Unit Owner's Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Unit Owner shall make any structural addition, alteration or improvement in or to any Unit or any Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the City of New York or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Unit or Limited Common Element for its exclusive use shall be completed by the Unit Owner and 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 materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Units owned by the Sponsor or its designee until such Units shall have been initially conveyed by the Sponsor or such designee.

- (g) No resident of the Condominium shall post any signs, advertisement, or posters of any kind in or on the Common Elements (General or Limited) or their Units including "For Sale" and "For Rent" signs except as authorized and approved by the Board of Managers.

- (h) No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out of a Unit or on any balcony or exposed on any part of the Common Elements. The General Common Elements and Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials. No rugs or mops shall be shaken or hung from or on any of the doors, windows, or balconies, nor shall a Unit Owner sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.
- (i) No Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Unit.
- (j) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior of the Building without the prior written consent of the Board of Managers.
- (k) Each Unit Owner shall keep their Unit and its appurtenant Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.
- (l) No animals shall be kept or harbored in the Condominium or any Unit except except that each Unit Owner may keep up to two (2) domestic dogs or household cats; two (2) domestic birds and domestic fish. Fish tanks and/or aquariums shall not exceed one-hundred (100) gallons. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. The Board of Managers may require the permanent removal of any animal kept in a Unit that is not in compliance with the above as well as any animal causing or creating a nuisance or unreasonable disturbance or noise upon three (3) days written notice from the Board of Managers. In no event shall any pet be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash. All Unit Owners shall be responsible for picking up and disposing of their pets' waste and responsible and liable for any damage caused by their pets to any Common Elements of the Condominium and shall comply with the local and municipal rules and regulations regarding pets.
- (m) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior Unit without the prior written consent of the Board of Managers. The Board of Managers may adopt such rules and regulations pertaining to antenna so as to comply with the Federal Communications Commission rules adopted on October 14, 1996.
- (n) Any Unit Owner who sells their Unit shall notify the Board of Managers, providing the name and address of the new Unit Owner, within thirty (30)

days of the execution of the Purchase Agreement of the sale of the Unit for the new Purchaser.

- (o) All Unit Owners who mortgage or refinance their Unit shall be required to provide the Board of Managers with the name and address of the mortgagee within thirty (30) days of the issuance of the mortgage.
- (p) The Board of Managers shall, at the request of the mortgagee of the Unit, report any delinquent assessments due from the Owner of such Unit.
- (q) Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner, the Unit Owner's permitted lessees and occupants of Units, their respective family members and guests and such other person for whose conduct the Unit Owner is legally responsible.
- (r) No Unit Owner shall make or permit any disturbing noises in any Unit or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners.
- (s) No Unit Owner nor any of the Unit Owner's agents, servants, employees, licensees, or visitors shall at any time bring into or keep in their Unit or any storage area any flammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.
- (t) The agents of the Board of Managers or the managing agent, if any, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any Unit at any reasonable hour of the day 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, insect or other pest, provided that such right will be exercised in such a manner as will not unreasonably interfere with the residential use of the Units.
- (u) If any key or keys are entrusted by a Unit Owner or occupant or by the Unit Owner's agent, servant, employees, licensee or visitor to any employee of the Board of Managers, whether for any Unit or an automobile or other type of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.
- (v) The Board of Managers or the managing agent may retain a pass-key to each Unit. The Unit Owner shall not alter any lock on any door leading to their Unit without the written consent of the Board of Managers or the

managing agent. If such consent is given, the Board of Managers or the managing agent shall be provided with a key.

- (w) No Unit Owner shall install or permit to be installed any window mounted air conditioning unit in their Unit.
- (x) Any and all curtains, blinds or shades hung on an exterior window must have a white colored backing facing such window.
- (y) Planting of fruits or vegetables is absolutely prohibited in or on any Common Element and/or Limited Common Element.
- (z) Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the managing agent with respect to services provided and the management of the Building.
- (aa) All Unit Owners shall keep their thermostats at a minimum of sixty (60°) degrees Fahrenheit to prevent freezing of pipes. Any Unit Owner failing to adhere to this requirement shall be responsible for any damage done to the Common Elements of the Condominium and/or any other Unit.
- (bb) The entrances, passages, public halls, elevators (if applicable), vestibules, corridors and stairways of the Condominium may not be obstructed or used for any other purpose other than ingress to and egress from the Units.
- (cc) No article (including, but not limited to, bicycles, garbage cans, bottles or mats) may be placed in any of the passages, elevators (if applicable), public halls, vestibules, corridors or stairways of the Condominium, nor may any fire exit be obstructed in any manner.
- (dd) Neither occupants nor their guests are permitted to play in, exercise or use for any unintended purposes, the entrances, passages, public halls, elevators (if applicable), vestibules, corridors and stairways of the Condominium.
- (ee) No public hall or public elevator or vestibule, if applicable, of the Condominium is permitted to be decorated or furnished by any Unit Owner in any manner.
- (ff) No window guards or window decorations (other than curtains and window treatments which conform to the By-Laws) are permitted to be used in or about any Unit, unless otherwise required by law, except such as will have been approved in writing by the Board of Managers.

- (gg) No construction or repair work or other installation involving noise is permitted to be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by the Sponsor.
- (hh) Water closets and other water apparatus and utility closets are not permitted to be used for any purpose other than those for which they were designed, nor are any sweepings, rubbish, rags or any other article permitted to be thrown into the same. Any damage resulting from misuse of any water closets or other apparatus in a Unit will be repaired and paid for by the Unit Owner of such Unit.
- (ii) No Unit Owner is permitted to send any employee of the Condominium or of the managing agent thereof out of the Building on any private business.
- (jj) Corridor doors are required to be kept closed at all times except when in actual use for ingress or egress to and from public corridors.
- (kk) Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees are not permitted at any time or for any reason whatsoever to enter upon or attempt to enter upon the roofs of the Building.
- (ll) Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees will not cause or permit any unusual or objectionable odors to be produced upon or to emanate from their Units or any public portions of the Building.
- (mm) Nothing may be done or kept in any Unit or in the General or Limited Common Elements, which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board of Managers. No Unit Owner will permit anything to be done or kept in such Unit Owner's Unit or in the General or Limited Common Elements which may result in the cancellation of insurance on the Building or which would be in violation of any law. No waste will be permitted in the General or Limited Common Elements.
- (nn) No group tour or exhibition of any Unit or its contents will be conducted, nor will any auction sale or other sale of contents be permitted to be held in any Unit, without the prior consent of the Board or the managing agent.
- (oo) In the event that any Unit is used for home occupation purposes, which may be permitted by Law and the By-Laws, in no event will any patients,

clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

- (pp) There will be no barbecuing permitted in the Units, in or on their Limited Common Elements, or the General Common Elements.
- (qq) The roof terrace may be used by Unit Owners and their guests according to the rules and regulations set forth by the Board of Managers, which is subject to change from time to time. No Unit Owner will be permitted to access any other areas of the exterior roof for any purpose whatsoever.
- (rr) All Unit Owners will be required to register each of their automobiles with the Board of Managers.

Section 2. Violations of Rules and Regulations.

- (a) Upon receipt, by the President of the Board of Managers or by the managing agent, of a signed written complaint alleging violation of any of the House Rules or other provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the Board, or in the President's absence, the Vice President together with a minimum of two (2) other Members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. Any Unit Owner accused of a violation of the House Rules or other provisions of the By-Laws shall be entitled to receive written notice by registered mail of such accusation. The written notice shall contain the following statements:
 - i) A copy of the rule or regulation the Unit Owner has violated and a description of the manner in which the Unit Owner violated the rule or regulation.
 - ii) A time and place at which the Unit Owner shall be given the opportunity to present a defense before final action is taken.
- (b) If, after said notice and hearing it is determined that the complaint is valid and justified the managing agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to five hundred (\$500) dollars upon the violator; such fine is to be considered as an additional Common Charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided for in the Declaration of Condominium or By-Laws. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to five hundred (\$500) dollars each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to property classified as a Common Element, the Board of Managers shall itself or direct the managing agent,

if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional Common Charge.

Section 3. Costs. Any costs incurred by the Board of Managers to remedy or cure any violation of these By-Laws, the Rules and Regulations as herein or hereafter established, shall be an additional Common Charge charged to the violator in addition to the five hundred (\$500) dollar fine(s) levied upon the violator. Fines may be levied against a Unit Owner's tenant, and the Unit Owner shall be jointly and severally liable with his tenant for the payment of same.

In the event the Condominium institutes legal action for the collection of any fines or the enforcement of any of the provisions of the Declaration, By-Laws and/or Rules and Regulations of the Condominium, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit.

Section 4. Board of Managers Right to Change Rules and Regulations. The Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Board of Managers, the Board of Managers deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or for the operation or maintenance of the Condominium or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Condominium. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant will operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

Section 5. Sponsor. The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

Section 6. Smoking Policy. In compliance with Local Law 147 and pursuant to Article 17 of the New York City Administrative Code, the following smoking policy has adopted for the Building (the "Smoking Policy"):

Smoking is PROHIBITED (i) in all commons areas of the Building, including, but not limited to, the lobby, entryways, vestibules, ante rooms, mail rooms, storage rooms, bike rooms, common rooms, amenity rooms, gym, roof decks, garbage chute rooms, compactor rooms, basement, corridors, hallways, stairwells, elevators, playroom, garage, garage ramp, walkways, ; and (ii) within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units.

For the purposes of this Smoking Policy, the term "smoking" includes, but is not limited to, inhaling, exhaling, burning or carrying any lighted cigar, cigarette, pipe or any

other form of lighted object or device which contains tobacco, including the use of electronic cigarettes or any similar device that delivers vapor for inhalation (including any refill, cartridge or other component of an electronic cigarette or similar device), or any other items or materials that may be smoked, whether such substance is a legal substance or an illegal substance. This Smoking Policy applies to all unit owners, tenants, subtenants, occupants and residents of the Building, and to any guests, agents, licensees and invitees of a Unit Owner. It is the Unit Owner's responsibility to ensure that its tenants, subtenants, occupants, residents, guests, agents, licensees and invitees comply with this Smoking Policy.

Smoking is PERMITTED within individual apartments and on the terraces, balconies, patios and yards attached to individual apartments (except within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening onto Common Elements or Units). However, if there are reported and substantiated incidents of infiltration of smoke/smoke odors into common areas of the Building (including, but not limited to, hallways) and/or other apartments in the Building, it will be the offending Unit Owner's responsibility, at its sole cost and expense, to abate the nuisance.

Any Unit Owner who sells, leases, or subleases its apartment must include a copy of this Smoking Policy in the contract of sale, lease or sublease.

In the event of a violation of this Smoking Policy, in addition to and not in diminution of, all other remedies available to the Condominium, as provided in its Declaration of Condominium and By-Laws, or at law or in equity, with regard to a default by the Unit Owner, the Board shall have the right to impose an administrative fee in the amount of Two Hundred Fifty (\$250.00) Dollars on the Unit Owner for each such violation of this Smoking Policy. A continuing violation shall be considered a new violation. This fine shall be in addition to any other violation fine permitted in these By-Laws.

The Board will advise Unit Owners of any changes to the Smoking Policy.

ARTICLE IX. DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, as determined by the Board of Managers, the Board of Managers, acting in behalf of the Board shall notify the Unit Owner and the mortgagee, if any, of such Unit. If such sum, charge or assessment shall remain unpaid for ninety (90) days after the giving of such notice, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Unit does not pay the Common Charge assessment required to be paid by him on its due date, the Board of Managers may collect said fees and take such action as is provided in Article VI, Section 2 of these By-Laws and said Unit Owner shall be liable for the Condominium's reasonable

costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

In addition to the Board's right to bring an action to foreclose a lien on a Unit Owner's Unit, the Board (on behalf of the Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such charges. In such an event the Unit Owner shall be liable for the reasonable costs and reasonable attorney's fee incurred by it incident to the collection of the delinquent Common Charges

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-six and two-thirds (66 $\frac{2}{3}$ %) percent of the Unit Owners in number and Common Interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owners' interest and/or the validity, interest, rights and priorities of holders of a mortgage encumbering a Unit or Units.

Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of, to or from the By-Laws or any rules and regulations shall be effective in any way against Sponsor or its designee or any Unsold Unit, as long as the Sponsor owns an Unsold Unit in the Condominium unless Sponsor has given its prior written consent thereto. This provision is not subject to amendment.

ARTICLE XI. SELLING, MORTGAGING AND LEASING UNITS

Section 1. Selling and Leasing Units. Any Unit may be conveyed or leased, subject to the leasing requirements contained in Section 2, subject to local zoning ordinances, by its Unit Owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease their Unit unless and until all unpaid Common Charges assessed against the Unit Owner's Unit shall have been paid to the Board of Managers of the Condominium. However, such unpaid Common Charges can be paid out of the proceeds of the sale of a Unit, or by the Grantee. Notwithstanding the above any Unit Owner who wishes to enter into a lease for the Unit Owner's Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease prior to its execution. All leases must comply with all the requirements contained in Section 2 below. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium. Further, a Unit Owner may convey the Unit Owner's Unit and Common Interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

The provisions of this section shall not apply to the acquisition or sale of a Unit by a first mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagees.

Whenever the term "Unit" is referred to in this section, it shall include the Unit, the Unit Owners undivided interest in the Common Elements and the Unit Owners interest in any Units acquired by the Board of Managers.

Section 2. Leasing Requirements. Except as noted in Sections 4, 5 and 6 every lease on every Unit in the Condominium is subject to the following rules and regulations, regardless of whether stated in the lease:

- (a) the lease must be in writing;
- (b) the lease must be for the entire Unit;
- (c) the lease must be for a minimum and maximum of twelve (12) months. Renewals shall be for a one (1) year term and are subject to review by the Board of Managers of the Condominium;
- (d) the Unit must be covered by adequate renters insurance for the duration of the lease and any subsequent extensions. A copy of such policy shall be forwarded to the Board of Managers prior to a tenant taking occupancy of a Unit.
- (e) the use of the premises is subject to the Declaration and the By-Laws of the Condominium and the rules and regulations of the entire Condominium;
- (f) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the managing agent or if no managing agent to a Member of the Board of Managers of the Condominium;
- (g) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the managing agent or if no managing agent to the Board of Managers of the Condominium for review;
- (h) the Unit cannot be used as a motel or hotel or otherwise for transient tenants;
- (i) it is expressly prohibited to use the Unit in connection with any reservation service for temporary and/or short-term occupancy.
- (j) if any Unit Owner (landlord) or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including any rules and regulations, the Board of Managers of the Condominium may bring an action in its own name or in the name of the Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

In order to carry out the provisions of this Article XI and pursuant to the provisions of Article Fourteenth of the Declaration of Condominium each Unit Owner

shall upon becoming a Unit Owner grant or be deemed to have granted an irrevocable power of attorney, to nominate, designate, constitute and appoint the Members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Unit Owner's Condominium Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Board of Managers of the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Unit that shall bind the Unit in the hands of the then Unit Owner and the Unit Owner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Unit Owner written notice of the nature of the violation of the rules, and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

Section 3. Tenant Bound by Declaration. By becoming a tenant, each tenant agrees to be bound by the Declaration, By-Laws and the other rules and regulations of the Condominium and recognizes and accepts the right and the power of the Board of Managers of the Condominium to evict the tenant for any violation by the tenant of the above, and the other rules and regulations of the Condominium.

Section 4. Lenders. To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Units in the Condominium, only subsections (b), (d), (e), (f), (g) and (h) of Section 2 of this Article XI shall apply to a first mortgage lender who has title to the Unit through (a) foreclosure of its first mortgage on the Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Unit. Any subsequent purchaser from the first mortgage lender is subject to all the terms of Article XI.

Section 5. Sponsor. The terms of Sections 2, 3 and 4 of this Article XI shall not be applicable to the Sponsor, its successors or assigns.

Section 6. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 7. Real Property Law Section 339-kk. Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying Unit Owner who rents any Unit in the Condominium 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 is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. The

provisions of Section 339-kk of the Real Property Law shall control any dispute pursuant to this provision of the By-Laws.

Section 8. Gifts, etc. Any Unit Owner may convey or transfer their Unit by gift during their lifetime or devise their Unit by will or pass the same by intestacy, without restriction.

ARTICLE XII. CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$40,000 and to the Board of Managers if the award is \$40,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) so much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to the respective Common Interest appurtenant to the Units owned by such Unit Owners.

(b) so much of the award as is applicable to Irrevocably Restricted Common Elements to the Unit Owner having general use of such Common Element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each Irrevocably Restricted Common Element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to the arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII. SPONSOR RIGHTS

Section 1. Sales. The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales offices in and about the Condominium, including any model Units located within the Condominium Buildings or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the Common Elements, and without limitation, to do any and all things necessary to incident to the sale of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

Section 2. Signs. The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. This Article XIII may not be modified or amended without the written

consent of the Sponsor so long as the Sponsor continues to own one (1) or more unsold Units.

ARTICLE XIV. MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in their Unit which will increase the insurance rates on their Unit or any other Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages a Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers of the Condominium and the President of the Board of Directors of the Unit Owners Association in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owners of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 20__, between V DEVELOPMENT GROUP LLC, with an address at 107-23 71ST Road, Ste.186, Forest Hills, New York 11375 ("SPONSOR") as Sponsor of the offering plan for 108 Jackson Condominium and Moritt Hock & Hamroff LLP, with an address at 1407 Broadway, 39th Floor, New York, New York 10018 ("ESCROW AGENT") as ESCROW AGENT.

WHEREAS, V DEVELOPMENT GROUP LLC, is the SPONSOR of an offering plan to develop a condominium for the premises located at 108 Jackson Street, Brooklyn, New York 11211, which premises are known as 108 Jackson Condominium; and

WHEREAS, Moritt Hock & Hamroff LLP, is authorized to act as an ESCROW AGENT hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the New York State Attorney General's ("Attorney General") regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as ESCROW AGENT for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT

1.1. ESCROW AGENT shall establish an escrow account for the purpose of holding the Deposit made by purchasers or subscribers. The escrow account has been opened with TBD located at TBD in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Moritt Hock & Hamroff LLP IOLA/FBO 108 Jackson Condominium" ("Escrow Account"). The account number is TBD.

1.2. ESCROW AGENT has designated the following MHH partners to serve as signatory: Anthony J. Ficara, Esq., Ted A. Berkowitz, Esq., and Robert M. Finkel, Esq. All designated signatories are admitted to practice law in the State of New York.

All signatories on the Escrow Account have an address of 1407 Broadway, 39th Floor, New York, New York 10018, and a telephone number of 212-239-2000.

1.3. ESCROW AGENT and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing

1.5 The Escrow Account is an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Moritt Hock & Hamroff LLP, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 ESCROW AGENT is hereby obligated to send a notice of all Deposits received by ESCROW AGENT to a purchaser within ten (10) business days of receipt of same. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the purchaser does not receive notice within fifteen (15) business days after tender of the Deposit, the purchaser may cancel the subscription purchase agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, N.Y. 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of defaulting purchaser to SPONSOR until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan shall not relieve SPONSOR or ESCROW AGENT of any obligation to a purchaser as set forth in GBL §§ 352-3(2-b) and 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) pursuant to terms and conditions set forth in the purchase agreement and this Agreement, upon closing of title to the [shares/unit/membership interest/fractional interest]; 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 of competent jurisdiction; or (d) the ESCROW AGENT is changed pursuant to the terms of the Escrow Agreement in connection with the transfer of funds to the new escrow agent; or (e) funds which were deposited prior to the acceptance of the contract are returned to the purchaser because of rejection of the contract by the SPONSOR; or (f) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from SPONSOR's regular suppliers or from using same in the construction and/or completion of the Home making the construction or completion of the Development unlikely; or (g) SPONSOR is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, acts of God or national emergencies making the construction or completion of the Development unlikely; or (h) the installation of public utilities is restricted or curtailed making the construction or completion of the Development unlikely; or (j) until released in accordance with paragraphs 3.3 and 3.4. Funds deposited in escrow for upgrades and extras to the Unit may be released from the escrow account without the requirements outlined herein provided SPONSOR uses the funds for such upgrades and extras and notifies the ESCROW AGENT in writing of such fact.

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

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

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

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

4. RECORDKEEPING

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT

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

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

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

6. RESPONSIBILITIES OF SPONSOR

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the [unit/shares/membership interest/fractional interest] to a designated attorney who is a member of or employed by ESCROW AGENT, within two (2) business days of tender of the Deposit by a purchaser, along with the form of tender of deposit attached hereto as Exhibit "A" to this Escrow Agreement, executed by Sponsor.

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

6.3 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each purchaser and deliver such form to ESCROW AGENT together with the Deposit and purchase agreement.

7. TERMINATION OF AGREEMENT

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

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

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

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

8. SUCCESSORS AND ASSIGNS

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

9. GOVERNING LAW

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

10. ESCROW AGENT'S COMPENSATION

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

11. SEVERABILITY

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

12. INDEMNIFICATION

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

13. ENTIRE AGREEMENT

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

14. NOTICES

14.1 Any notice required to be given or given hereunder shall be given by depositing such notice in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Postal Service within New York State, or by Express Mail, Federal Express or similar overnight courier, facsimile transmission, messenger service (with proper receipt therefor), addressed to the party at the address herein above set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT:

Moritt Hock & Hamroff LLP
1407 Broadway, 37th Floor
New York, New York 10018
Attn: Anthony J. Ficara, Esq.

IF TO SPONSOR:

V DEVELOPMENT GROUP LLC
107-23 71st Road, Suite 186
Forest Hills, New York 11375
Attn: Kevin Wey

Any notice may be given by the attorney for a party and shall have the same force as if given by the party. Either party may, by notice, change the address at which notices are to be given hereunder.

15. CAPTIONS AND HEADINGS

15.1 The captions and headings used in this Agreement are intended for convenience and reference only and shall not imply or convey any additional meanings to the contents of the respective provisions.

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

ESCROW AGENT:

MORITT HOCK & HAMROFF LLP

By: _____

SPONSOR:

V DEVELOPMENT GROUP LLC

By: _____
Kevin Wey, Member

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of \$ _____, for Unit _____ at _____
 _____ located at _____, New
 York.

Purchaser(s) named below has/have tendered on _____, 20__, the
 above escrow deposit to Sponsor/Selling Agent as a deposit for the above Unit.

Purchaser(s)

Address of Purchaser(s)

Phone number of Purchaser(s):

Home:

Business:

Social Security Number(s) or
 Tax Identification Number(s)
 of Purchaser(s)

RECEIPT

The SPONSOR/SELLING AGENT of the above named property hereby
 acknowledges receipt of the above escrow deposit.

By: _____

 Title of Position

Date of Receipt: _____

EXHIBIT "A"

**CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS
PURSUANT TO 13 NYCRR 20.4 (b)**

Date: 7/24, 2019

State of New York
Department of Law
28 Liberty Street
New York, NY 10005

RE: 108 Jackson Condominium

Gentlepeople:

We are the Sponsor and the principals of Sponsor of the Condominium Offering Plan for the above-captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as they 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.

Very truly yours,

V DEVELOPMENT GROUP LLC

By: _____

Kevin Wey, Managing Member

SPONSOR'S PRINCIPALS:

Kevin Wey

Sworn to before me this
24th day of July, 2019

Notary Public

WEI SHEN
NOTARY PUBLIC-STATE OF NEW YORK
No. 01SH6340611
Qualified in Kings County
My Commission Expires 04-18-2020

**SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION
PURSUANT TO 13 NYCRR 20.4 (c)**

Date: February 14, 2020

State of New York
Department of Law
28 Liberty Street
New York, NY 10005

RE: 108 Jackson Condominium

Gentlepeople:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me/our firm to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications that were prepared by Gwo-Shenq Wey, RA dated June 10, 2019 and I prepared the Report dated January 13, 2020, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a licensed professional engineer in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth 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.

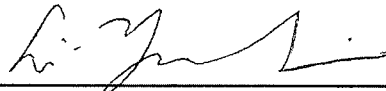
I certify that the Report:

- (i) sets forth in narrative form the description 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/we examined;
- (ii) in my/our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I/we examined;

- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I/we: (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.

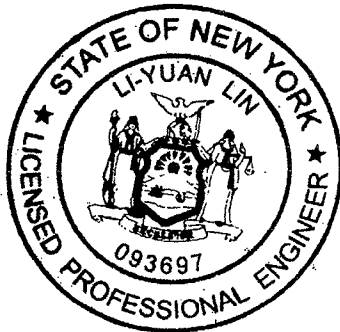
I further certify that I am are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing this Report is not contingent on the conversion of the property to a condominium, or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,



Signature of Individual or Name of Firm

Li-YUAN-LIN

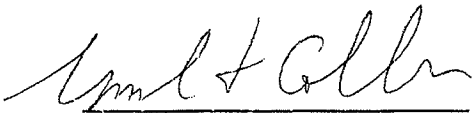


By:

Signature of Individual if prepared by Firm

Title or Position if prepared by Firm

Sworn to before me this
19 day of February, 2020



Notary Public

MICHAEL F COLLINS

Notary Public - State of New York

NO. 01C06235576

Qualified in Nassau County

My Commission Expires

2/14/2023

**CERTIFICATION OF ADEQUACY OF OPERATING BUDGET
PURSUANT TO 13 NYCRR 20.4 (d)**

Date: August 15, 2019

State of New York
Department of Law
28 Liberty Street
New York, NY 10005

RE: 108 Jackson Condominium

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My/or our experience in this field includes:

12 years of experience in this field and we manage approximately 20 number of properties. 217 Grand St, NY NY 10013 / 18 East Broadway NY NY 10002 / 1 East Broadway NY NY 10002 / 4235 Main St., Flushing NY 11355 / 849 57th St., Brooklyn NY 11223 / 139 Centre St., NY NY 10013 / 749 61st St., Brooklyn NY 11234 / 125 Canal St., NY NY 10013.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

I/we have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I/We also have relied on my/our experience in managing residential buildings.

I/we certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/we certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

SCHEDULE L-3

- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I/we: (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/we further certify that I am/we are not owned or controlled by the Sponsor. I/we understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

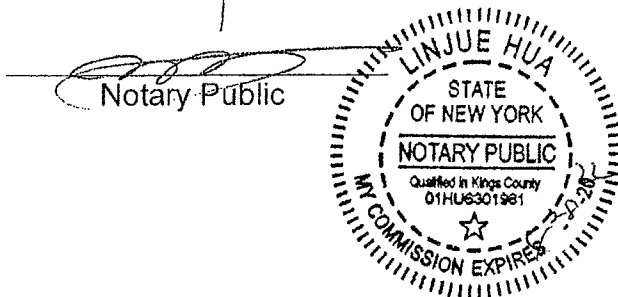
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Chun Hing Gary Chong, President
Print Name and Title or Position

Sworn to before me this
15th day of Aug, 2019



The Real Property Law is amended by adding a new Section 339-kk to read as follows:

“§ 339-kk. Rents. (a) For the purposes of this section, “non-occupying owner” shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association’s claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner’s position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that 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.”

This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

SCHEDULE M

HOUSING MERCHANT IMPLIED WARRANTY LAW

ARTICLE 36-B

WARRANTIES ON SALE OF NEW HOMES

Section 777. Definitions.

777-a. Housing Merchant Implied Warranty.

777-b. Exclusion or Modification of Warranties.

Section 777. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in titled twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided in or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

SCHEDULE N

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Section 777-a. Housing merchant implied warranty.

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

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

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

c. six years from and after the warranty date the home will be free from material defects.

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

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials

supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

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

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

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

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

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which

excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

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

777-b. Exclusion or modification of warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability,

conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under Section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.