CONDOMINIUM OFFERING PLAN
FOR SALE OF RESIDENTIAL UNITS

IN

174 RICHARDSON STREET CONDOMINIUM
Located At:
174 Richardson Street
Brooklyn, New York 11222
Kings County

Total Offering Price of Two (2) Residential Units (A third Residential Unit is not being offered for sale to the public)	$ 3,645,000.00

Name and Address of Sponsor:	**Name and Address of Selling Agent:**
174 Richardson LLC **174 Richardson Street #B** **Brooklyn, New York 11222**	**MNS** **40 North 6th Street** **Brooklyn, New York 11249**

Date of Acceptance for Filing: _____, 20__. This Offering Plan May Not Be Used After _____, 20__ Unless Extended By An Amendment to the Offering Plan.

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER THE PLAN HAS BEEN CONSUMMATED, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. MOREOVER, THE OWNER-OCCUPANTS OF UNITS MAY NEVER CONTROL THE BOARD OF MANAGERS OF THE CONDOMINIUM UNDER THE TERMS OF THIS PLAN. (SEE THE SPECIAL RISKS SECTION OF THE OFFERING PLAN).

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS, SEE PAGE 1

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SPECIAL RISKS

1. All Residential Units except for Unit 1 are being offered pursuant to the Offering Plan. As of the date of submission of the Plan, Unit 1 is occupied by a family member of one of the principals of Sponsor pursuant to a residential lease in effect until August 31, 2021, and is anticipated to be transferred to such family member or an affiliate of Sponsor; in such case, it is anticipated that such family member or affiliate will occupy Unit 1 for personal use, rather than offer Unit 1 for sale to the public. However, in the event such family member or affiliate wishes to offer Unit 1 for sale to the public in the future, such party shall amend the Offering Plan accordingly prior to doing so.

Although it is the intent of Sponsor to sell all of the Residential Units, with the exception of Unit 1, which is anticipated to be transferred to a family member of one of the principals of Sponsor or an affiliate of Sponsor, Sponsor does not endeavor in good faith to sell all of the Units offered hereunder in a reasonably timely manner. Further, although Sponsor is not obligated to make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences (collectively, "owner-occupants"), prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole and absolute discretion of the Sponsor. However, with the exception of Unit 1, the Sponsor may not lease Units without restriction prior to the Plan being consummated. With respect to all other Units, the only permitted occupancy before the Plan is consummated is via an interim use and occupancy agreement signed in conjunction with a Purchase Agreement. The By-Laws do not contain any restriction or limit on the number of Unit Owners who may purchase a Unit for investment rather than for personal occupancy. As a result, there may be a substantial percentage of owners who are non-residents. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. 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 still owns a substantial ownership interest, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor has an ownership interest of ten percent (10%) or more. It also may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply

indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units after the Plan has been consummated, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. Purchasers who intend to be owner-occupants should be aware of the potential for inherent conflicts on how the Condominium should be managed between owner-occupants and "investors" and/or "non-occupant owners" of Units, due to their different reasons for purchasing a Unit; i.e., as a home as opposed to an investment. However, as set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

See the section of the Offering Plan titled "Introduction," located in Part I of the Offering Plan for further details.

2. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety (90%) percent of the Common Interest allocated to all the Residential Units; or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Accordingly, it is possible that Sponsor and/or its designee(s) may control the Board of Managers for as long as five (5) years from the date of the First Unit Closing. See the section of the Offering Plan located in Part I, titled "Control By Sponsor," for further details.

3. As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interest allocated to the Units, but in no event for a period in excess of five (5) years from the date of the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to (a) the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such

fund does not exceed four percent (4%) of the budgeted expenses of the Condominium, and (b) the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B for the Property and as required by the Federal Housing Administration and Fannie Mae guidelines, to the extent that the aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B located in Part I of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B located in Part I of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B located in Part I of the Offering Plan. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, including but not limited to any matter affecting the health and safety of occupants of the Building, to remedy any notice of violation or to remedy any work ordered by an insurer. See the section of the Offering Plan located in Part I, titled, "Control By Sponsor," for further details.

With respect to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify a reduction of the Major Capital Improvement Replacement Reserve Fund, in the event such study is obtained by Sponsor, or by the Board of Managers while Sponsor is in control of the same, Sponsor shall pay for the reserve study. However, if the reserve study is obtained by the Board of Managers after Sponsor has turned over control of the same, the reserve study shall be an expense of the Condominium.

Sponsor makes no representation that the Major Capital Improvement Replacement Reserve Fund line item included in Schedule B will be, or is intended to be, adequate or sufficient to cover periodic maintenance, repair, and replacement expenses of the Common Elements for the first year or any subsequent year of Condominium operation. See the section titled, "Notes to Schedule B" located in Part I of the Offering Plan, for further details.

4. At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium the sum equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing. This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the contribution to Working Capital paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the Working Capital contribution checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of

Managers will pay the note in full from its general funds. The Board of Managers will be entitled to repay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of Working Capital contribution for each Unit in the Building. If the result of the closing adjustment is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as well as determined by the Board of Managers in its sole discretion. The post-closing amendment shall disclose how net closing adjustments, if any, were paid.

Other than as set forth above, no provision has been made for a Working Capital Fund. Further, other than as set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Beginning January 1, 2021," no provision has been made for a Reserve Fund. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

5. Purchasers will be required to make a Down Payment upon execution of a Purchase Agreement in an amount equal to ten percent (10%) of the purchase price. Notwithstanding the foregoing, if a Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser will be required to make a Down Payment equal to fifty percent (50%) of the applicable purchase price. The requirement of this fifty percent (50%) Down Payment is a special risk of the Offering Plan.

If a Purchaser defaults under his Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. Time is of the essence for the Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time is of the essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment deposit, together with any accrued interest, and any other amounts paid by the Purchaser for any special or custom work shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void.

If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, or the Adjourned Closing Date (as defined in the form of Purchase Agreement set forth in Part II of the Offering Plan), and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustment for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the

Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% (10.95% annual percentage interest) of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in successfully defending Sponsor's rights under the Purchase Agreement, or in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations thereunder.

See the section of the Offering Plan located in Part I, titled, "Procedure to Purchase," for further details.

6. Pursuant to the Offering Plan, one of Purchaser's costs of closing title to his or her Unit shall be the payment of the cost of fee title insurance which, if requested by Purchaser, Sponsor shall order on Purchaser's behalf from Commonwealth Land Title Insurance Company, having an office at 630 Third Avenue, 12th Floor, New York, NY 10017, telephone number 212-490-2277, attn.: Anthony Della Salla ("Commonwealth"). Obtaining title insurance from Commonwealth shall facilitate the Closing and avoid unnecessary delays. However, notwithstanding anything herein to the contrary, Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company. Purchasers are advised that obtaining title insurance from another title insurance company and/or abstract company may cause a delay of the Closing of title to the Unit. There shall be no additional cost if Purchaser elects to obtain title insurance from another title insurance company and/or abstract company. See the section titled, "Unit Closing Costs and Adjustments" located in Part I of the Offering Plan for further details.

7. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. In the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, who are not then in default, will be given, for a period of fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, in the event a Purchaser who first became an occupant of the Building pursuant to an Interim Use and Occupancy Agreement elects to exercise a right of rescission as provided above, the return of all down payment funds paid pursuant to the Purchase Agreement will be conditioned on the cancellation of such Interim

Use and Occupancy Agreement and surrender of possession of his Residential Unit within thirty (30) days thereafter. For a further discussion please consult the section of the Offering Plan located in Part I, titled "Rights and Obligations of Sponsor".

8. As set forth in the section of the Offering Plan titled "Procedure to Purchase," although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase. Neither the Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the closing of title to the Unit. The failure of a Purchaser to obtain financing will not relieve a Purchaser from his or her obligations under the Purchase Agreement to pay the balance of the Purchase Price when due and if payment is not made when due, including the applicable grace period, the Down Payment may be forfeited.

Notwithstanding the fact that a Purchaser's Purchase Agreement will not be contingent upon financing, to the extent permitted by applicable Law, the provisions of the Declaration and By-Laws may comply with certain requirements of the Federal National Mortgage Association ("Fannie Mae") and the Federal Housing Authority ("FHA"). Sponsor, at its sole cost and expense, may, but has not obligated itself, to file applications with Fannie Mae and FHA in order to have the Condominium added to a list of "approved" condominiums. There is no guaranty, assurance or obligation that Sponsor will complete said applications or satisfy the criteria for approvals, or in the event that either or both of the Fannie Mae and FHA requirements are satisfied, whether the Condominium will continue to satisfy such criteria. Purchasers should further be advised that if FHA approval is granted to the Condominium, no more than thirty percent (30%) of the total Residential Units may be encumbered by FHA securitized, guaranteed or insured loans. It shall not be a basis for a Purchaser to rescind a Purchase Agreement if for any reason, Sponsor's application to either or both of Fannie Mae and FHA, is not submitted or approved. In addition, in accordance with the requirements of Fannie Mae and FHA, at least ten percent (10%) of the total operating budget for the First Year of Condominium operation is required to be set aside for a Major Capital Improvement Replacement Reserve Fund in order to fund the replacement reserves for capital expenditures and deferred maintenance (the "Reserve Contribution"), as more particularly described in "Schedule B, Projected Budget for First Year of Condominium Operation, Commencing January 1, 2021," located in Part I of the Plan, but subject to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify the reduction of the requisite percentage. There is no guarantee or assurance that the Reserve Contribution will be provided as a line item in the operating budget after the First Year of Condominium operation or that Purchasers will be able to obtain mortgages insured by Fannie Mae and/or FHA. The Condominium Board reserves the right, in its sole discretion (including without limitation during the time that Sponsor controls the Condominium Board) to use the Reserve Contribution towards any capital expenditures it deems appropriate. However, the Reserve Contribution can only be used for the repair and replacement of the Common Elements. Please see Article VI of the By-Laws of the Condominium set forth in Part II of the Plan for further details.

With respect to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify a reduction of the Major Capital Improvement Replacement Reserve Fund, in the event such study is obtained by Sponsor, or by the Board of Managers while Sponsor is in control of the same, Sponsor shall pay for the reserve study. However, if the reserve study is obtained by the Board of Managers after Sponsor has turned over control of the same, the reserve study shall be an expense of the Condominium.

9. Pursuant to the terms of the Offering Plan and the Purchase Agreement contained in Part II, the Purchaser is required to pay as a closing cost the New York State Real Estate Transfer Tax ("NYS Transfer Tax") and the New York City Real Property Transfer Tax ("NYC Transfer Tax"). Though a seller is typically responsible for paying these real estate transfer taxes, in condominium transactions, these transfer taxes can be paid by either the seller or the purchaser. The obligation is assumed by the purchaser if such obligation is imposed on the purchaser by the terms of the sale.

The NYS Transfer Tax rate was formerly equal to $2.00 per each $500.00 of consideration or part thereof, irrespective of consideration amount. However, pursuant to revisions to the State Tax Law, Section 1402-a, that apply to conveyances occurring on or after July 1, 2019 (other than conveyances pursuant to binding written contracts entered into on or before April 1, 2019) that occur in cities in the State of New York with populations of one million or more (including the City of New York), a higher rate of $3.25 per each $500.00 of consideration or part thereof shall be applicable to (i) conveyances of residential real property where consideration is $3,000,000.00 or more, and (ii) conveyances of any other real property where consideration is $2,000,000.00 or more. For avoidance of doubt, the former across-the-board rate of $2.00 per each $500.00 of consideration or part thereof shall continue to apply with respect to each conveyance of residential real property where consideration is less than $3,000,000.00, and with respect to each conveyance of any other real property where consideration is less than $2,000,000.00.

For purposes of paying the NYS Transfer Tax with respect to this project, consideration also includes the amount of NYS Transfer Tax and NYC Transfer Tax to be paid for the Unit as well as Purchaser's payment of Sponsor's legal fees.

The NYC Transfer Tax rate is currently equal to one percent (1%) of the consideration paid for residential real property if such consideration is $500,000.00 or less, and one and four hundred twenty-five thousandths percent (1.425%) of the consideration paid for residential real property where such consideration is greater than $500,000.00. The non-residential rates where consideration is $500,000.00 or less, and where consideration is greater than $500,000.00, are one and four hundred twenty-five thousandths percent (1.425%) and two and six hundred twenty-five thousandths percent (2.625%), respectively.

For purposes of paying the NYC Transfer Tax with respect to this project, consideration also includes the amount of NYS Transfer Tax and NYC Transfer Tax to be paid for the Unit as well as Purchaser's payment of Sponsor's legal fees.

In the event that the taxing authority of the City of New York determines that the conveyance of more than one (1) condominium Unit to the same Purchaser is taxable at the non-residential rates, then, in such event, (a) the NYC Transfer Tax to be paid by Purchaser shall be one and four hundred twenty-five thousandths percent (1.425%) of the aggregate consideration, as discussed above, where the consideration is $500,000.00 or less, and two and six hundred twenty-five thousandths percent (2.625%) of the aggregate consideration when the consideration is greater than $500,000.00, and (b) the higher NYS Transfer Tax rate of $3.25 for each $500.00 of consideration or part thereof shall apply where the aggregate consideration is $2,000,000.00 or more, even if such consideration is less than the $3,000,000.00 minimum where such higher rate would be applicable to residential real property.

Under the State Tax Law, Section 1402-a, an additional tax of one percent (1%) of the total consideration is payable by the grantee (Purchaser) on each conveyance of residential real property where the consideration for the entire conveyance is $1,000,000.00 or more (the "Mansion Tax"). However, pursuant to revisions to the State Tax Law, namely, to the addition of Section 1402-b thereto, that apply to conveyances occurring on or after July 1, 2019 (other than conveyances pursuant to binding written contracts entered into on or before April 1, 2019) that occur in cities in the State of New York with populations of one million or more (including the City of New York), the following higher rates for the Mansion Tax shall be applicable: (i) one and one-quarter percent (1.25%) of consideration with respect to each conveyance where such consideration for the entire conveyance is $2,000,000.00 or more but less than $3,000,000.00; (ii) one and one-half percent (1.50%) of consideration with respect to each conveyance where such consideration for the entire conveyance is $3,000,000.00 or more but less than $5,000,000.00; (iii) two and one-quarter percent (2.25%) with respect to each conveyance where such consideration for the entire conveyance is $5,000,000.00 or more but less than $10,000,000.00; (iv) three and one-quarter percent (3.25%) with respect to each conveyance where such consideration for the entire conveyance is $10,000,000.00 or more but less than $15,000,000.00; (v) three and one-half percent (3.50%) with respect to each conveyance where such consideration for the entire conveyance is $15,000,000.00 or more but less than $20,000,000.00; (vi) three and three-quarters percent (3.75%) with respect to each conveyance where such consideration for the entire conveyance is $20,000,000.00 or more but less than $25,000,000.00; and (vii) three and nine-tenths percent (3.90%) with respect to each conveyance where such consideration for the entire conveyance is $25,000,000.00 or more. For avoidance of doubt, the former across-the-board rate of one percent (1%) of consideration shall continue to apply with respect to each conveyance where such consideration for the entire conveyance is $1,000,000.00 or more but less than $2,000,000.00. Under the terms of the Offering Plan, a Purchaser shall be liable for payment of the Mansion Tax, if applicable, at the closing of title of the Unit being purchased.

For purposes of paying the Mansion Tax with respect to this project, consideration also includes the amount of NYS Transfer Tax and NYC Transfer Tax to be paid for the Unit as well as Purchaser's payment of Sponsor's legal fees.

Purchasers should note that for purposes of this discussion of transfer taxes, "residential real property" shall include a one, two, or three-family house, an individual condominium unit

(including an individual Residential Unit hereunder), or a cooperative apartment, that is or may be used, in whole or in part, as a personal residence, and that, as explained hereinabove, the transfer of a Residential Unit with any other Residential Unit could potentially trigger the non-residential tax rates with respect to the NYS Transfer Tax and NYC Transfer Tax.

In the event the City or State of New York shall promulgate a new or additional real estate transfer tax that shall apply to a transaction contemplated hereunder (e.g., a City equivalent of the Mansion Tax), such transfer tax shall be payable solely by the Purchaser.

Furthermore, in the event that the City of New York determines additional transfer taxes are due following an audit of any closed transactions, it shall be the Purchaser's sole obligation, which shall survive the closing, to respond to and defend such audit and pay any additional tax imposed.

See the section of the Offering Plan located in Part I, titled "Unit Closing Costs and Adjustments," for further details.

10. Pursuant to the terms of the Offering Plan, Sponsor may declare the Plan effective when Purchase Agreements have been executed and accepted by Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan. Unless this Offering Plan is amended to offer Unit 1 for sale to the public, Unit 1 may not be the sole Unit used by Sponsor to declare the Offering Plan effective; i.e., Sponsor must use at least one (1) of the Units being offered for sale to the public in order to meet the fifteen percent (15%) effectiveness requirement. Prior to effectiveness, Sponsor will at all times offer at least fifteen percent (15%) of the total number of anticipated Units in the Condominium to the public. For purposes of calculations regarding effectiveness, Sponsor will determine the number of Units in contract required to declare the Plan effective based upon the total number of anticipated Units in the Condominium rather than the number of Units offered for sale to the public by Sponsor at such time. Further, with respect to any advertising material that contains percentages of Units sold, Sponsor shall calculate such percentages based upon the total number of anticipated Units in the Condominium rather than the number of Units offered for sale to the public by Sponsor at such time. Finally, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective prior to closing on any Units, irrespective of whether the Declaration of Condominium has already been recorded.

The availability of financing to Purchasers may be limited based upon such minimum sales. 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 still owns a substantial ownership interest, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor has an ownership interest of ten percent (10%) or more. It also may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See the section of the Offering Plan located in Part I, titled "Effective Date of Plan," for further details.

11. Pursuant to the terms of the Offering Plan, the ten percent (10%) or, if applicable, fifty percent (50%), Down Payment made by Purchaser upon execution of a Purchase Agreement may be increased by the cost of special custom work requested by the Purchaser which is agreed to by Sponsor in its sole discretion, and itemized in the Purchase Agreement. All funds received by Sponsor for such custom work will initially be placed in an escrow account. However, subsequent to Sponsor declaring the Plan effective, the escrowed funds for custom work may be released from the escrow account to Sponsor as long as Sponsor uses the additional escrowed funds for custom work actually performed. As a result, in the event a Purchaser is entitled to rescind his Purchase Agreement subsequent to the release of the additional escrowed funds, the Purchaser will not receive a refund of any such funds required for the actual costs incurred or due for any special custom work ordered by Purchaser. However, if Sponsor abandons the Offering Plan, Sponsor shall return to Purchaser all funds received by Sponsor for any custom work.

If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than ten percent (10%) or, if applicable, fifty percent (50%), of the total purchase price plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, Sponsor may receive the actual costs incurred for any special custom work ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) or, if applicable, fifty percent (50%), of the total of the purchase price.

See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

12. In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001, telephone number (212) 564-9800, to serve as the escrow agent ("Escrow Agent") for Sponsor and Purchaser to hold all Deposits, Down Payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchaser, either directly or through its agents or employees in trust, whether received before or after the date of Consummation of the Plan (the "Deposit" or "Deposits"). The Escrow Agent shall establish a special segregated escrow account or accounts at First Republic Bank located at 1230 Avenue of the Americas, New York, New York 10020 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is titled "D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, Escrow Account for 174 Richardson Street Condominium" or a similar name ("Escrow Account"). Within five (5) business days after the Purchase Agreement is executed by all necessary parties and tendered along with the Deposits to Escrow Agent, Escrow Agent shall place the Deposits in the Escrow Account. Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser's funds at the Bank, including funds in the additional account

and the Down Payment, may not be insured in excess of $250,000.00. Therefore, if a Purchaser has an additional account at the Bank, that a Purchaser's Down Payment, including a Down Payment that is less than $250,000.00, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000.00. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of the Bank. If the limits of federal bank deposit insurance change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account. See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

13. The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit (which election shall be made within one hundred twenty (120) days of loss or casualty) whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty not covered by either Sponsor's insurance or the Board's insurance, with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit and/or, including but not limited to its appliances, fixtures and equipment. For further details, see the section of the Plan titled "Procedure to Purchase," located in Part I of the Offering Plan.

14. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit (or Limited Common Elements appurtenant thereto) affected within six (6) months from the date of closing of title to such Unit or, with respect to General Common Elements, that Sponsor is notified by the Board of Managers (or, while Sponsor is in control of the Board of Managers, that Sponsor is notified by a Unit Owner) within six (6) months after substantial completion of the General Common Element in question. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit (or Limited Common Elements appurtenant thereto) within one (1) year from the closing of title to such Unit or is notified by the Board of Managers (or, while Sponsor is in control of the Board of Managers, that Sponsor is notified by a Unit Owner) with respect to General Common Elements within one (1) year after substantial completion of the General Common Element in question. However, nothing herein shall be construed to limit any rights which the Attorney General may have under the Martin

Act, Executive Law or any other applicable law or regulation. Notwithstanding anything contained herein to the contrary, any work shall be comparable to local standards customary in the particular trade and shall be done in accordance with all applicable codes and approved plans and specifications for the Building. See the section of the Plan titled "Rights and Obligations of Sponsor," located in Part I of the Offering Plan, for further details.

Effective March 1, 1989 a state law went into effect which grants to buyers of newly constructed condominium units and cooperative apartments in buildings of five (5) stories or less, including the Units covered by this Offering Plan, a Housing Merchant Implied Warranty. The Housing Merchant Implied Warranty can be limited, and is limited, in this Offering Plan. A summary of the law and the aforementioned limitations appears in the section of the Offering Plan titled "Rights and Obligations of Sponsor." This Limited Warranty is extended to the initial Purchasers of residential condominium units located at 174 Richardson Street, Brooklyn, New York at 174 Richardson Street Condominium. The warranty is not extended to any subsequent owners. ADDITIONALLY, THE LIMITED WARRANTY SPECIFICALLY EXCLUDES ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES AS A RESULT OF DEFECTS COVERED BY THE LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE OF THE LIMITED WARRANTY OFFERED TO THE INITIAL PURCHASERS OF RESIDENTIAL CONDOMINIUM UNITS AS DESCRIBED IN GREATER DETAIL IN THE "RIGHTS AND OBLIGATIONS OF SPONSOR" SECTION OF THE OFFERING PLAN.

15. The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located in Part I of the Offering Plan for the anticipated First Year of Condominium operation are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT, WITH RESPECT TO REAL ESTATE TAX INCREASES DUE TO ANY SUCH FUTURE CHANGE, SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT.

Real estate taxes for the Property have been projected by The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, New York 10004 ("Mazursky"). A copy of Mazursky's letter is set forth in the "Estimate of Real Estate Assessment" section of Part I of the Plan.

Based upon (a) the $77,358.00 2020/2021 actual assessment for the Property as set forth by the Department of Finance of the City of New York, and a 2020/2021 tax rate of 21.25% as projected by Mazursky, the real estate taxes due for the entire 2020/2021 tax year would be approximately $16,438.00 for the Property, half of which, corresponding to the second half of the 2020/2021 tax year, would be $8,219.00, and (b) an estimated $82,000.00 2021/2022 actual assessment for the Property as projected by Mazursky, and a 2021/2022 tax rate of 21.25% as

projected by Mazursky, the real estate taxes due for the entire 2021/2022 tax year would be approximately $17,425.00 for the Property, half of which, corresponding to the first half of the 2021/2022 tax year, would be $8,713.00, it is projected that (c) the real estate taxes due for the projected First Year of Condominium operation would be approximately $16,932.00 for the Residential Units in the aggregate.

See Note 7 of the Notes to Schedule A, located in Part I of the Offering Plan, for a full discussion of Sponsor projections of real estate taxes.

16. As against all other Unit Owners, their successors, assigns and/or heirs, and any mortgagees thereof, and the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor, Sponsor's designee, and/or their successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property (collectively, "Unused Development Rights"), which Sponsor is herein reserving for itself, its designee, and/or their successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended. Sponsor has also bound itself, its designee, and/or their successors and assigns from transferring, assigning, or surrendering in whole or in part any Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration, or (ii) will allow any party, including Sponsor as the holder of Unsold Units, but excluding the non-Sponsor controlled Board of Managers of the Condominium, to build on or directly above the land and/or expand the Building.

With regard to (ii) above, the Sponsor, its designee, and/or their successors and assigns, may transfer (pursuant to terms and conditions mutually agreed upon by the foregoing and the Board of Managers) in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers. In such event, any construction by the Condominium shall (i) not increase the number of Units in the Building; (ii) be limited in scope to a minor alteration to a Unit and/or the Building; (iii) not have any material impact on the operating budget of the Condominium; (iv) not impact the Percentage of Common Elements allocated to any of the Units; and (v) be made only in accordance with the Condominium's Declaration and By-Laws and all applicable law, including any requirements of the Landmarks Preservation Commission and the requirements of 13 NYCRR 20.3(af) of the Attorney General's Regulations. As used herein, "Unused Development Rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor and Sponsor's designee, their successors and assigns, will not build any further on or above the Property. Any and all consideration paid to Sponsor, its designee, and/or their successors and assigns in connection with a transfer of any Unused Development Rights shall be the sole and absolute property of the Sponsor, its designee, and/or their successors and assigns.

Based upon the approved Building Plans and the constructed Building, there are no remaining Unused Development Rights pertaining to the Property. However, if the floor area ratio for the zoning district in which the Building is located changes in the future, such change may create additional excess transferable air rights and/or development rights pertaining to the Property at that time. Until such time as the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development air rights and/or development rights that would be generated from the Property or how many stories that may be added to adjoining properties based upon such additional excess air rights and/or development rights.

As a result of Sponsor's reservation of Unused Development Rights for itself, its designee, and/or their successors and assigns, the Building may not be expanded without the purchase of said rights from Sponsor, Sponsor's designee, and/or their successors and assigns. Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

At the closing of title to a Unit, Purchasers shall appoint the Sponsor, Sponsor's designee, and/or their successors and assigns as their attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, Sponsor's designee, and/or their successors and assigns, in whole or part, of the Unused Development Rights which Sponsor has retained for itself, its designee, and/or their successors and assigns. See the section of the Offering Plan titled, "Reservation of Air and Development Rights," located in Part I of the Offering Plan for further details.

17. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) will be required at the time of closing of title to the Purchaser's Unit, to expressly waive any and all immunity from suit by Sponsor and/or the Board of Managers of the Condominium. Such Purchasers at closing will be required to execute the "Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction" set forth as **Exhibit A** to the Purchase Agreement which is included in Part II of the Offering Plan. See the section of the Offering Plan titled, "Procedure to Purchase," located in Part I for further details.

18. It is a special risk of this Offering Plan that the Approximate Square Footage of a Unit set forth in column numbered (3) of Schedule A is a gross square footage of the Unit.

The approximate gross square footage of the Units is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, mechanical equipment spaces, and other Common Elements; or, if applicable, to the exterior side of the glass or the exterior side of the opposite exterior walls of the Building. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are

not deducted from the approximate gross square foot area of the Units; however, common corridors, common stairways, mechanical equipment spaces, and other Common Elements located outside of the Units are not included in the square footage calculations for the Units.

Measured vertically, each Residential Unit will consist of the space from the top of the floor slab below (located under the finished flooring and sub-floor materials, if applicable) to the underside of the floor slab above.

The gross square footage of a Residential Unit is greater than the approximate square footage of a Unit measured by using the legal definition of such Residential Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these gross square footages substantially exceed the useable floor area of each Residential Unit.

The approximate square footage of exterior private patio, terrace, or yard areas is measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area, within reasonable tolerances, and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon.

Further, please note that the ceiling heights for the Units and/or Common Element as set forth in the "Description of Property and Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

19. Notwithstanding anything in the Offering Plan to the contrary, until title to all Units has been conveyed, the Sponsor as the owner of any Unsold Units, may delay the commencement of Common Charges and decide that Sponsor will, at Sponsor's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan. Further, Sponsor reserves the right to use its majority vote on the Board of Managers to cause a refund to be issued to Unit Owners, including Sponsor, for Common Charges collected pursuant to an annual Condominium operating budget, which are in excess of actual Condominium operating expenses.

In the event Sponsor elects to delay the collection of Common Charges and instead make "in lieu" payments, Sponsor shall indicate on the closing statement for each Purchaser that closes during the delay period that Common Charges have been waived (except with respect to the two

months of Common Charges collected for contribution to the Working Capital Fund). Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated 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 owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. During any such delay period, Sponsor shall: (i) timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (ii) pay from Sponsor's funds any reserve fund payments; and (iii) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, and during the period that Sponsor controls the Board of Managers, there will not be an assessment for any item set forth in the approved Budget of the Condominium. See the section of the Offering Plan titled, "Rights and Obligations of Sponsor," located in Part I for further details.

20. The First Year of Condominium operation is estimated to be January 1, 2021 through December 31, 2021. Given the vagaries of the condominium conversion process, it is difficult to predict with precision the date Sponsor will first be able to close title to the Residential Units. Accordingly, it is a special risk of this Offering Plan that the First Unit Closing may occur sooner or later than the projected First Year of Condominium operation and closing to certain Residential Units may occur substantially before or after closings for other Residential Units.

Purchasers should note that even if the First Unit Closing occurs on or before January 1, 2021 (or, in the event Sponsor amends the Plan to disclose an updated projected date of commencement of the First Year of Condominium operation, such updated date projected at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates. In such case, provided that Sponsor is in compliance with its obligations under the Plan, Purchaser will not be entitled to a right to rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the Total Purchase Price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

See the Section of the Offering Plan titled "Procedure to Purchase" in Part I of the Plan for further details.

21. It is a special risk of this Offering Plan that Sponsor and its designee(s) shall have the right, until the earlier of the tenth anniversary of the First Unit Closing or sale of all of the Units, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions with respect to any sales programs for Unsold Units. Such activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

See the section of the Offering Plan located in Part I titled "Sponsor's Rights and Obligations" for further details.

22. A Unit Owner must notify the Board of Managers in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. In addition, the Residential Unit Owner shall install at the Residential Unit Owner's own expense, the required window guards, as previously approved by the Board of Managers, in all windows of the Unit and shall not remove them until permitted by applicable law and in any event, without the full knowledge of the Board of Managers. See the section of the Offering Plan located in Part I titled "Rights and Obligations of Unit Owners" for further details.

23. Pursuant to the Geographic Targeting Order issued on January 6, 2016 (as revised and as may be further revised from time to time, the "Order") by the Director of the United States Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), title companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a "Legal Entity" as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan, or Staten Island; (3) the total purchase price is $300,000.00 or more; (4) the purchaser does not obtain a bank loan or similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, a funds transfer, or virtual currency. The Order affects all residential real property closings occurring on or after March 1, 2016 and until the expiration of the effective period of such Order, i.e., May 4, 2021, which date is subject to change by FinCEN.

24. The accessory space at the lower level of Unit 1 is not intended for sleeping, cooking and/or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code. Further, such lower level accessory space shall not be rented independently from the rest of the Unit.

25. As set forth in the "Description of Property and Specifications" included in Part II of the Offering Plan, certain portions of the Residential Units have wood floors, which should be maintained according to the manufacturer's recommendations. Wood is subject to changes as a result of temperature and humidity as well as chipping, scratching, and cracking. Sponsor makes no representation or warranty that the wood floors will maintain their appearance after they are subject to wear and tear.

26. Pursuant to the form Purchase Agreement set forth in Part II of the Offering Plan, the Purchaser thereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with the Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

27. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (hereinafter referred to collectively as "Smoking Apparatus") in any of the

indoor portions of the Building, including individual Units and common areas, at any time. Though smoking shall be permitted in any outdoor areas of the Condominium that are accessible to Unit Owners, including a private patio, terrace, roof terrace, and/or yard, no person may smoke or otherwise burn any Smoking Apparatus in any outdoor areas of the Condominium in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium.

28. In addition to Sponsor, the individual principals of Sponsor are required by the Department of Law to execute the Certification by Sponsor and Sponsor's Principals (the "Certification") set forth in Part II of the Plan, solely in connection with enforcement by the Department of Law of Article 23-A of the General Business Law (the "Martin Act"). The principals of Sponsor who have executed the Certification expressly disclaim the existence of any private right of action in connection with or arising from their execution of the Certification. As decided by the unanimous appeals court in the recent case entitled Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, et al., 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013), Appellate Division, First Department, individual principals of a sponsor are not personally liable for claims (as described in the case and pleadings) by individual unit owners or the Condominium Board to the extent such claims are premised solely on alleged violations of an offering plan and the certification of sponsor and principals contained in the offering plan, absent liability under another statute or under an alter-ego or other veil-piercing theory.

29. In no event shall the presence of any furniture, furnishings, finishes, light fixtures, equipment or decorations, wall coverings, window treatments, carpeting, built-ins, light fixtures and the like ("FFE") in any portion of the Building or Units set forth in any marketing materials, advertisements, and/or websites used in connection with the sales and marketing of the Units imply or represent that any such FFE will be located within any portion of the Building or Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Units that differ from, but are consistent with, the designations utilized on the Floor Plans of the Units set forth in Part II of the Offering Plan; however, in no event shall any such designation, labels or nomenclatures conflict with the legally permitted uses of such areas or rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials. See the section of the Offering Plan titled "Rights and Obligations of Sponsor," located in Part I hereof, for further details.

30. 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. With respect to deductions related to ownership of a Residential Unit at the Condominium, please see the tax opinion by D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP ("Sponsor's Counsel"), set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter." As set forth therein, it is the opinion of Sponsor's Counsel that a Residential Unit Owner who itemized his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be

entitled to a deduction limited to $10,000.00 ($5,000.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Internal Revenue Code, as amended. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit Owner may deduct for real estate taxes and state and local income taxes combined is $10,000.00 ($5,000.00 in the case of a married individual filing a separate return). Though the foregoing limitation is in effect as of the date of filing of the Offering Plan, neither Sponsor nor Sponsor's Counsel make any representation as to whether the same will be in effect, or what the Internal Revenue Code or state or local tax code will provide, at any time in the future, as such applicable law is subject to change without notice.

31. Purchasers should note that, in the event the Units are not yet separately assessed for real estate tax purposes as of the First Unit Closing and any subsequent closings, Purchasers may be required to fund multiple real estate tax escrows, including one with the Board of Managers and another with their mortgage lender, if applicable. Additionally, in the event Sponsor elects to establish a real estate tax escrow at the First Unit Closing in lieu of electing to cause the Board of Managers to charge each Unit Owner, as a Common Charge, its respective pro rata share (on the basis of the percentage of Common Interest attributable to such Unit) of all real estate taxes with respect to the Property, Purchasers, at the option of Sponsor, shall reimburse Sponsor for such escrow on a Unit by Unit basis. See the section of the Offering Plan located in Part I titled "Unit Closing Costs and Adjustments" for further details.

32. Pursuant to the Declaration, the Sponsor and its designees, the Board of Managers, and all Unit Owners, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the common entrances to the Building and through the public staircase in, on, over and across the main roofs or other applicable roofs of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including but not limited to, air-conditioning equipment, located on such roofs of the Building which services one or more of the Units. This includes, but is not limited to, an easement on, over, and across the Unit 2 private terrace at the main roof of the Building in order to access any HVAC equipment serving the Units located on top of the stair bulkhead.

33. It is a special risk of this Offering Plan that pursuant to the terms of the form Purchase Agreement set forth in Part II of the Plan, the Sponsor shall be excused from timely performing any obligation or undertaking provided for in the Purchase Agreement and/or under the Offering Plan, as amended, for so long as such performance is prevented, delayed or hindered by the following occurrences or similar or dissimilar occurrences which are not within the control of Sponsor: an act of God, weather, fire, flood, explosion, war, riot, sabotage, outbreaks, epidemics, pandemics, order(s) of public authority having jurisdiction implementing shelter-in-place rules, requirements and/or quarantine measures, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, government prohibitions, governmental restrictions, governmental orders, governmental preemptions or governmental approvals, strike, lockout, action of labor unions or any other cause. Sponsor's time to perform such delayed obligations or

undertakings shall be tolled for the length of time during which such performance and/or obligation was excused in accordance with this sub-paragraph or as otherwise determined in a final decision or order issued by a court of competent jurisdiction or any governmental or quasi-governmental Department or agency or by an executive order.

Purchasers are advised that executing a Purchase Agreement that includes the foregoing provisions may impact the Purchaser's ability to close on his or her Unit in the time frame originally contemplated in the Purchase Agreement and may limit the Purchaser's remedies for any such delay in the closing date. The Attorney General strongly recommends that Purchasers consult with their attorneys regarding any risks associated with executing a Purchase Agreement containing the foregoing provision prior to executing the Purchase Agreement.

34. Sponsor has obtained a permanent Certificate of Occupancy #321129088F, dated November 1, 2017 for the Building, which provides for all three (3) of the Residential Units therein. A copy of the permanent Certificate of Occupancy is included in Part II of the Plan. However, for so long as Sponsor or a Sponsor-designee owns one (1) or more Units at the Building, Sponsor reserves the right to: (i) collaborate with the owner of the neighboring building immediately to the east of the Property (the "176 Richardson Structure") in order to cause the removal or relocation of the chimney serving the 176 Richardson Structure, which slightly encroaches on the Property although such encroachment is not apparent upon visual inspection, and (ii) level the wall enclosing the rear yard appurtenant to Unit 1, which has settled, as further explained hereinbelow.

35. As further described in the "Location and Area Information" section in Part I of this Offering Plan, a residential building is under construction at the parcel immediately to the south and west of the Property, with a street address of 444 Graham Avenue. To the best of Sponsor's knowledge and pursuant to filings with DOB, the development will range from four stories to seven stories. Sponsor is not affiliated with the developer thereof and therefore makes no representations as to the accuracy of the details of the development as disclosed herein. Prospective purchasers should be aware that the development at 444 Graham Avenue may impact views from the Condominium. For further information, prospective purchasers are encouraged to review building plans filed with DOB.

36. Prospective purchasers should note that since the aforementioned Certificate of Occupancy was issued for the Property, Sponsor has rented the Units to tenants. As of the date of submission of the Plan, Unit 1 is occupied by a family member of one of the principals of Sponsor pursuant to a residential lease in effect until August 31, 2021, and is anticipated to be transferred to such family member or an affiliate of Sponsor. Unit 2 and Unit 3 are vacant as of the date of submission hereof. The Units offered hereunder shall be delivered by Sponsor to a Purchaser in "AS IS" condition, including but not limited to normal wear and tear. Sponsor shall have no further obligations with regard to such Units, and shall be under no obligation to repaint or repair anything therein, including but not limited to, refinishing the floors, repairing any appliance or painting any room. Notwithstanding anything to the contrary herein:

(a) Prior to declaring the Offering Plan effective, Sponsor shall replace approximately twenty (20) square feet of wood flooring outside of the hot water heater closet on the lower level of Unit 3; and

(b) Portions of the Unit 1 private rear yard and the southern and western side walls supporting the rear yard perimeter fencing subsided minimally in 2017 due to lack of proper lateral support of the walls during construction at the neighboring site located immediately to the south and west of the Property, designated by the City of New York as Block 2735, Lots 4 and 12, Kings County (the "444 Graham Site"). The subsidence is limited to the yard walls and does not affect the Building or its structural stability or integrity. Construction at the portions of the 444 Graham Site that are within twenty (20) feet of the Property (the "Relevant Area") had been temporarily suspended under a court-ordered agreement dated on or about December 16, 2019 and modified on or about August 25, 2020, August 27, 2020, and September 28, 2020 (as modified and as may be further modified from time to time, the "Limited License Agreement") between Sponsor and the property owner thereof, 444 Graham Ave., LLC (the "444 Graham Owner"), until proper monitoring and controls approved by Sponsor and its engineer were implemented. The lawsuit, entitled 174 Richardson LLC v. 444 Graham Ave., LLC, et al., Supreme Court, Kings County, Index No. 508232/2019, has since been disposed. The respective engineers of the 444 Graham Owner and Sponsor have agreed on a plan for foundation work in the Relevant Area moving forward in accordance with the terms of the Limited License Agreement, which work was substantially completed by the end of December of 2020. Neither the aforementioned disposed lawsuit nor the Limited License Agreement and the foundation work being performed in accordance therewith, impact Sponsor's capacity to perform all of its obligations under this Offering Plan.

After the aforementioned subsidence occurred, Sponsor removed the yard pavers, filled and recompacted the soil in the yard, and reinstalled the pavers. Sponsor believes that the yard walls and pavers are stable. Sponsor has not yet leveled the walls or repaired minor cosmetic damage to the walls and fencing, but reserves the right to do so.

Further, prospective purchasers should be aware that due to the construction at the 444 Graham Site, as described in the "Location and Area Information" section of this Offering Plan, the 444 Graham Owner may need to enter into a future construction license agreement with Sponsor and/or the Condominium to access certain portions of the Property during ongoing construction of the neighboring structure. In this event, prospective purchasers should note that such access may include, but not be limited to, placement of scaffolding in the Unit 1 private rear yard as well as at the Unit 2 and Unit 3 private terraces and that, in the event the same occurs, Unit Owner access to such areas could be impacted. As such an agreement is prospective only, a timeline for potential impact is unknown, but could affect the Property for several weeks or months. In the event Sponsor and/or the Condominium enters into such a construction license agreement with the 444 Graham Owner, Sponsor shall amend the Offering Plan accordingly to disclose the foregoing.

Prospective purchasers are encouraged to review the "Description of Property and Specifications" in Part II of the Offering Plan for information on Unit finishes and appliances.

37. As further described in the "Description of Building and Specifications" included in Part II hereof, it is a special risk of this Offering Plan that to the best of Sponsor's knowledge, no warranties remain on roof material nor on installation. Further, it is a special risk of this Offering Plan that beyond the primary drainage system installed at the main roof and terraces, no secondary drainage system is in place.

INTRODUCTION

General

174 Richardson LLC, a New York limited liability company, hereinafter the "Sponsor," presents this Plan with the intention of setting forth herein all material information relating to the conversion to Condominium ownership of the land and building constructed thereon (the "Building") located at 174 Richardson Street, Brooklyn, New York. Specifically excluded from such conversion are any unused transferable air rights and/or development rights pertaining to the land and Building, which rights are being reserved by Sponsor for itself, its designee, and/or their successors and assigns. See the section of the Plan titled "Reservation of Air and Development Rights," located hereinafter. The Property consists of one (1) parcel of land which is currently designated as a single tax lot, Lot 13 of Block 2735 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

The land, Building and appurtenances are hereinafter sometimes referred to as the "Property" and/or the "Condominium". The Plan may be amended from time to time to reflect changes in the terms of the offering when such amendment is filed with the New York State Department of Law. The Plan may be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan. Unless this Offering Plan is amended to offer Unit 1 for sale to the public, Unit 1 may not be the sole Unit used by Sponsor to declare the Offering Plan effective; i.e., Sponsor must use at least one (1) of the Units being offered for sale to the public in order to meet the fifteen percent (15%) effectiveness requirement. Prior to effectiveness, Sponsor will at all times offer at least fifteen percent (15%) of the total number of anticipated Units in the Condominium to the public. For purposes of calculations regarding effectiveness, Sponsor will determine the number of Units in contract required to declare the Plan effective based upon the total number of anticipated Units in the Condominium rather than the number of Units offered for sale to the public by Sponsor at such time. Further, with respect to any advertising material that contains percentages of Units sold, Sponsor shall calculate such percentages based upon the total number of anticipated Units in the Condominium rather than the number of Units offered for sale to the public by Sponsor at such time. Finally, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective prior to closing on any Units, irrespective of whether the Declaration of Condominium has already been recorded.

The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of two (2) Residential Units, which represents a minimum of at least eighty percent (80%) of the Units offered under the Plan. The closing of title to any Unit may not occur until after the Plan has been declared effective. Though a closing may occur without Sponsor first filing an effectiveness amendment with the Department of Law, Sponsor must later comply with the Attorney General's regulations with respect to disclosure regarding effectiveness when filing its post-closing amendment with the Department of Law.

All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase documents to Sponsor and/or the Selling Agent, and are not in default, (ii) Unit Owners and (iii) any other offeree who is required by law to receive such amendment. Service shall be by either personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day subsequent to the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act.

The Condominium

The land, and the Building thereon which was constructed by Sponsor, is owned by Sponsor, which acquired the Property from Joseph A. Montanino and Josephine Montanino, by deed dated March 28, 2014 and recorded on April 11, 2014 in CRFN 2014000125506. 174 Richardson LLC is the Sponsor of this Plan.

All of the Residential Units are intended to be sold as condominium units in accordance with this Plan at the prices noted in Schedule A, with the exception of Unit 1, which at the date of filing of this Offering Plan, is occupied by a family member of one of the principals of Sponsor and is anticipated to be transferred to such family member or an affiliate of Sponsor. Schedule A is located in Part I of the Offering Plan. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

It is the intent of Sponsor that all Residential Units be offered for sale pursuant to this Offering Plan, with the exception of Unit 1. As of the date of submission of the Plan, Unit 1 is occupied by a family member of one of the principals of Sponsor pursuant to a residential lease in effect until August 31, 2021, and is anticipated to be transferred to such family member or an affiliate of Sponsor; in such case, it is anticipated that such family member or affiliate will occupy Unit 1 for personal use, rather than offer Unit 1 for sale to the public. However, in the event such family member or affiliate wishes to offer Unit 1 for sale to the public in the future, such party shall amend the Offering Plan accordingly prior to doing so.

Although Sponsor is not obligated to make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences (collectively, "owner-occupants"), prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole and absolute discretion of the Sponsor. In the event that Unsold Units are not offered for sale they may be rented, after the Plan has been consummated (and with respect to Unit 1, before or after the Plan has been consummated), at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and

may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. 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 still owns a substantial ownership interest, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor has an ownership interest of ten percent (10%) or more. It also may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units after the Plan has been consummated, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investors" or "non-occupant owners" of Units in the Building. Purchasers who intend to be owner-occupants should be aware of the potential for inherent conflicts on how the Condominium should be managed between owner-occupants and "investors" and/or "non-occupant owners" of Units, due to their different reasons for purchasing a Unit; i.e., as a home as opposed to an investment. However, as set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

The Sponsor has constructed a four (4) story plus cellar building situated at the Property (hereinafter, the "Building") of Class I-B non-combustible construction as noted in Certificate of Occupancy #321129088F, dated November 1, 2017, issued for the Building. The Building is located on Richardson Street between Graham Avenue and Humboldt Street and is not in a landmarked district.

The Certificate of Occupancy provides for three (3) Class A residential units in the Building (each, a "Unit" or "Residential Unit" and collectively, the "Units" or "Residential Units") plus other common elements of the Building as defined herein (the "Common Elements"), including but not limited to mechanical and utility areas and accessory terrace space. The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements"). The Residential Units shall be known as Unit 1, a duplex apartment on the cellar and first floors which has two (2) bedrooms; Unit 2, a simplex apartment on the second floor which has three (3) bedrooms; and Unit 3, a duplex apartment on the third and fourth floors which has four (4) bedrooms.

The cellar level of the Building contains the lower level of Unit 1, which is connected to its upper level by an interior access stair, as well as Common Elements including mechanical and utility rooms, common corridors and stairs. The first floor of the Building contains the upper level of Unit 1 and Common Elements including the Building's entry and mailbox area, common corridors and stairs. The second floor of the Building contains Unit 2 and Common Elements including common corridors and stairs. The third floor of the Building contains the lower level of Unit 3, which is connected to its upper level by an interior access stair, as well as Common Elements including common corridors and stairs. The fourth floor of the Building contains the upper level of Unit 3 and Common Elements including common corridors and stairs. The Building's main roof contains Common Elements including the common stair bulkhead and an exterior private terrace for the exclusive use of Unit 2, as described below. The roof over the stair bulkhead is mechanical in nature and is anticipated to contain HVAC equipment for the Units.

Certain Unit Owners shall have the exclusive use of a private patio, terrace, and/or a private yard, which shall be Limited Common Elements appurtenant to their respective Units. Unit 1 has a private terrace directly accessed from its lower level and a private patio directly accessed from its upper level that leads to a private yard. Unit 2 has a private terrace at the main roof level, which is not adjacent to the Unit, but accessible via the common stairs. Unit 3 has a private terrace directly accessed from its upper level.

There is one (1) fire staircase at the Building, which runs from the cellar to the main roof of the Building, with access at all floors. All common corridors and stairs throughout the Building will be General Common Elements.

There are no common recreational areas or facilities at the Property. Any roofs, patios, terraces, yards, or areaways of the Building are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of one of the respective Unit Owners. Additionally, there are no parking facilities which are part of the Property. The Building does not have balconies, other than a decorative Juliette balcony outside of the living room of Unit 2, and does not have any patios or terraces other than the private patio and terraces and mechanical roof terrace areas described above.

Each Residential Unit is provided with a laundry closet with hook-up for one (1) stacked or side-by-side washer and dryer, which is supplied by the Sponsor as part of the Offering Plan to be filed with the New York State Department of Law.

Parts I and II of the Plan, including all Schedules, and Parts A, B, C and D of the Exhibits, constitute the entire offer of Sponsor. Parts A, B, C and D of the Exhibits will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the on-site sales office at all times such office is open or, in the event there is no sales office, at the offices of the Sponsor. Copies of the Plan and all amendments thereto will also be available for inspection and copying at a reasonable charge at the Office of the Attorney General located at 28 Liberty Street, 21st Floor, New York, New York 10005. All documents forming a part of this Offering Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide him or her with a copy of this Offering Plan.

Features of Condominium Ownership

The Purchaser of a Residential Unit, hereinafter referred to either as a "Unit Owner" or "Residential Unit Owner," owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in the Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York.) The Residential Unit Owner owns the Unit in fee and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roofs, (hereinbefore and hereinafter called "Common Elements"). Each Unit Owner's proportionate share ("Common Interest") of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York ("the Condominium Act"). Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements." The Plan provides that individually defined private patios, terraces, and/or yards which are adjacent to and directly accessed from certain Residential Units shall be Limited Common Elements for the exclusive use of individual Residential Unit Owners.

A Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. With respect to the Residential Units, the By-Laws state that a first mortgage or second mortgage shall be either with an institutional lender, the Sponsor, a family member, business associate or employer, or a selling Residential Unit Owner. Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall not be permitted to condition their purchase of a Unit upon their obtaining a loan. All Purchase Agreements shall not be contingent upon financing pursuant to the terms of the Offering Plan. A mortgage may be made with a reputable private lender other than the Sponsor or selling Residential Unit Owner subsequent to the obtaining of the written permission of either the Sponsor, prior to Sponsor's relinquishing control of the Board of Managers, or the Board of Managers. No Residential Unit Owner shall be permitted to

encumber his Unit with a third mortgage. His Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Residential Unit Owner can sell or lease his Unit to anyone, without restriction or limitation, subject only to a right of first refusal by the Board of Managers of the Condominium (sometimes herein referred to as the "Condominium Board" or the "Board of Managers") at the same price and terms the Owner has been offered. Such right of first refusal is hereinafter described in the section located in Part I of the Offering Plan titled "Rights and Obligations of Unit Owners." He can alter and decorate the interior of his Unit in any way he desires, subject to local codes, and he is obligated for the cost of his own interior decoration, maintenance and repair after closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Residential Unit Owner, like a home owner, may, under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him, subject, however, to certain exceptions and limitations that are more particularly set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter." The Board of Managers of the Condominium will assess against each Unit Owner, in proportion to his respective percentage of Common Interest, as defined in the section of the Plan titled "Definitions," charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), as provided in New York State Real Property Law Section 339(i) and 339-m and each Unit Owner shall be obligated to pay such Common Charges. Each Unit Owner will pay for all electricity consumed within his own Unit, the charges for which shall be separately metered.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations and any other requirements of the Board of Managers. Each Unit Owner will also be responsible for maintaining his own Unit and for making repairs within his own Unit. The cost of maintenance and repair of the Common Elements shall be shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements which are not Limited Common Elements. Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The Board of Managers shall have the duty of obtaining casualty and liability insurance, on behalf of the Condominium, with respect to the Building as a whole.

The Board of Managers of the Condominium shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by their percentage of Common Interest. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the section of the Offering Plan entitled "Rights and Obligations of Board of Managers/Summary of By-Laws" located in Part I of the Plan for further discussion.

Units may be purchased either by natural persons over the age of eighteen (18) years or by a duly formed partnership, or corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York.

Sponsor's Reservation of Development Rights

As against all other Unit Owners, their successors, assigns and/or heirs, and any mortgagees thereof, and the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor, Sponsor's designee, and/or their successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property (collectively, "Unused Development Rights"), which Sponsor is herein reserving for itself, its designee, and/or their successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended. Sponsor has also bound itself, its designee, and/or their successors and assigns from transferring, assigning, or surrendering in whole or in part any Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration, or (ii) will allow any party, including Sponsor as the holder of Unsold Units, but excluding the non-Sponsor controlled Board of Managers of the Condominium, to build on or directly above the land and/or expand the Building.

With regard to (ii) above, the Sponsor, its designee, and/or their successors and assigns, may transfer (pursuant to terms and conditions mutually agreed upon by the foregoing and the Board of Managers) in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers. In such event, any construction by the Condominium shall (i) not increase the number of Units in the Building; (ii) be limited in scope to a minor alteration to a Unit and/or the Building; (iii) not have any material impact on the operating budget of the Condominium; (iv) not impact the Percentage of Common Elements allocated to any of the Units; and (v) be made only in accordance with the Condominium's Declaration and By-Laws and all applicable law, including any requirements of the Landmarks Preservation Commission and the requirements of 13 NYCRR 20.3(af) of the Attorney General's Regulations. As used herein, "Unused Development Rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor and Sponsor's designee, their successors and assigns, will not build any further on or above the Property. Any and all consideration paid to Sponsor, its designee, and/or their successors and assigns in connection with a transfer of any Unused Development Rights shall be the sole and absolute property of the Sponsor, its designee, and/or their successors and assigns.

Based upon the approved Building Plans and the constructed Building, there are no remaining Unused Development Rights pertaining to the Property. However, if the floor area ratio for the zoning district in which the Building is located changes in the future, such change may

create additional excess transferable air rights and/or development rights pertaining to the Property at that time. Until such time as the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development air rights and/or development rights that would be generated from the Property or how many stories that may be added to adjoining properties based upon such additional excess air rights and/or development rights.

As a result of Sponsor's reservation of Unused Development Rights for itself, its designee, and/or their successors and assigns, the Building may not be expanded without the purchase of said rights from Sponsor, Sponsor's designee, and/or their successors and assigns. Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

At the closing of title to a Unit, Purchasers shall appoint the Sponsor, Sponsor's designee, and/or their successors and assigns as their attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, Sponsor's designee, and/or their successors and assigns, in whole or part, of the Unused Development Rights which Sponsor has retained for itself, its designee, and/or their successors and assigns. See the section of the Offering Plan titled, "Reservation of Air and Development Rights," located in Part I of the Offering Plan for further details.

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

DEFINITIONS

"Appurtenant Interest"	-	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Assessments"	-	The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as "174 Richardson Street Condominium" located at 174 Richardson Street, Brooklyn, New York.
"Common Charges"	-	Each Unit Owner's proportionate share of the Common Expenses (as defined in the Condominium Documents), payable by the individual Unit Owner.
"Common Elements"	-	All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses"	-	(a) Expenses of operation of the Property, and (b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

"Common Interest"	-	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	-	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, "Condominium" specifically refers to "174 Richardson Street Condominium."
"Condominium Act"	-	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	-	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor.
"Declaration"	-	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
"Eligible Holder"	-	A holder, insurer or guarantor of a first mortgage on a Unit.
"Equal or Better Quality"	-	This phrase shall mean comparable or higher quality as recognized by industry standards for performance, efficiency, longevity and/or classifications, as applicable.
"Facility" or "Facilities"	-	As used in the Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally)

which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering.

"Filing" - Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.

"First Unit Closing" - The first closing of title with a bona fide purchaser of a Residential Unit.

"Floor Plans" - The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the Register's Office of Kings County simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements" - The General Common Elements include, without limitation:

(1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any, which are not a Limited Common Element, as set forth below, and all other lands comprising the Property, if any. Specifically excluded

are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself, its designee, and/or their successors and assigns. Yard and/or courtyard areas or other areaways at the Property, if any, other than the Limited Common Elements as described below are not intended for public use except for fire egress purposes; and are subject to the easement rights, if any, in favor of the Sponsor and/or a Sponsor-designee;

(2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached;

(3) Roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units;

(4) Service corridors, fire corridors, halls, stairs, and stairway areas located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element;

(5) Storage, utility, and mechanical rooms and areas, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all areas which are not specifically designated below as a Limited Common Element and not part of a Unit;

(6) The sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp adjacent thereto, together with any canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(7) The mechanical rooms or other utility rooms located at the cellar level of the Building, including, but not limited to, storage areas, the electric meter room, the

sprinkler and gas room, the gas meters, water meters, electric meters, pumps and other equipment in the cellar, the refuse and recycling area, and any and all other cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

(8) The lobby to the Building together with the adjoining entry vestibule and mail area and mailboxes for the Units located therein;

(9) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;

(10) All sewer pipes and drainage pipes, sprinkler systems and standpipe systems; the detention tank, if any;

(11) Those portions of the roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, if any, and any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;

(12) The heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service the Units and/or the General Common Elements;

(13) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or

equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service the Units and/or the General Common Elements;

(14) Any and all windows of the Building which are not part of a particular Unit;

(15) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Common Expense;

(16) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use; and

(17) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

"Insurance Trustee" - A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

"Land" - All that certain tracts, plots, pieces and parcels of land situate, lying and being in City of New York, County of Kings and State of New York as more particularly described in Schedule A to the Declaration.

"Law" - The laws and ordinances of any or all of the Federal, New York State, New York City, and Kings County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities,

including, if applicable, the Landmarks Preservation Commission, having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Limited Common Elements" - Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements which shall be for the exclusive use of an individual Unit Owner(s):

(1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

(2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired, wood-burning or ventless, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner; The maintenance, repair and replacement of such fireplace, including any flue and/or ductwork attached thereto, if any, shall be the responsibility of the individual Unit Owners of such Units;

(3) The private patio, private terraces, and private yard, together with any walls, railings, or fencing delineating such area, which are adjacent to or directly accessed from a particular Unit, (as well as the private terrace located at the main roof level for the exclusive use of the Unit Owner of Unit 2, which terrace is not adjacent to or directly accessed from such Unit), as delineated on the Floor Plans.

Nonstructural, ordinary repairs and maintenance of the private patio, private terraces, and private yard, together with any walls, railings, or fencing which delineates such area, shall be the responsibility of the individual Unit Owner who has the exclusive use thereof; and

(4) The railing and slab component of the Juliette balcony at Unit 2. Nonstructural, ordinary repairs and maintenance of the same shall be the responsibility of the individual Unit Owner.

"Majority" - Majority of Unit Owners means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.

"Managing Agent" - A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

"Offering Plan" - The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for

sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".

"Operation of the Property" - The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

"Person" - A natural person, corporation, limited liability company, partnership, association, trustee or other legal entity.

"Power of Attorney" - The document, signed by Unit Owners, which appoints:

(i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine;

(ii) the Sponsor, its designee, and/or their successors and assigns, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and

(iii) the Sponsor, its designee, and/or their successors and assigns, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, its designee, and/or their successors and assigns, in whole or part, of the unused transferable air rights and/or development rights which Sponsor has retained for itself, its designee, and/or their successors and assigns.

"Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, (ii) all easements, rights and appurtenances belonging thereto, and (iii) all other property,

		personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
"Purchaser"	-	Any Person who has entered into an agreement with Sponsor to purchase a Residential Unit and is not in default thereunder.
"Recording officer" and "Recording" or "Recorded"	-	Shall have the meanings stated in section Two Hundred Ninety of the New York State Real Property Law.
"Residential Unit"	-	A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
"Residential Units"	-	Collectively, all the apartments in the Building.
"Residential Unit Owner"	-	Means the person, persons or entity owning a Residential Unit in fee simple absolute.
"Rules and Regulations"	-	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Selling Agent"	-	The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. MNS is the Selling Agent pursuant to the terms of the Offering Plan.
"Sponsor"	-	The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 174 Richardson LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	-	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to

		all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".
"Unit"	-	Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a private patio, private terrace, and/or private yard. Any access stair located within a Unit which is for the exclusive use of the Unit Owner thereof shall be deemed a part of the Unit. Further, any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.
"Unit Deed"	-	The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
"Unit designation"	-	The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.
"Unit Owner"	-	The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units.
"Unsold Units"	-	Any Unit owned by Sponsor or its designee at the time in question.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property consists of one (1) parcel of land which is currently one (1) tax lot on the assessment roll of the City of New York. The site is approximately 2,212 square feet, with approximately twenty-nine and one-half (29.5) feet of frontage on Richardson Street.

The Sponsor has constructed a four (4) story plus cellar building situated at the Property (hereinafter, the "Building") of Class I-B non-combustible construction as noted in Certificate of Occupancy #321129088F, dated November 1, 2017, issued for the Building. The Building is located on Richardson Street between Graham Avenue and Humboldt Street and is not in a landmarked district.

The Certificate of Occupancy provides for three (3) Class A residential units in the Building (each, a "Unit" or "Residential Unit" and collectively, the "Units" or "Residential Units") plus other common elements of the Building as defined herein (the "Common Elements"), including but not limited to mechanical and utility areas and accessory terrace space. The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements"). The Residential Units shall be known as Unit 1, a duplex apartment on the cellar and first floors which has two (2) bedrooms; Unit 2, a simplex apartment on the second floor which has three (3) bedrooms; and Unit 3, a duplex apartment on the third and fourth floors which has four (4) bedrooms.

The cellar level of the Building contains the lower level of Unit 1, which is connected to its upper level by an interior access stair, as well as Common Elements including mechanical and utility rooms, common corridors and stairs. The first floor of the Building contains the upper level of Unit 1 and Common Elements including the Building's entry and mailbox area, common corridors and stairs. The second floor of the Building contains Unit 2 and Common Elements including common corridors and stairs. The third floor of the Building contains the lower level of Unit 3, which is connected to its upper level by an interior access stair, as well as Common Elements including common corridors and stairs. The fourth floor of the Building contains the upper level of Unit 3 and Common Elements including common corridors and stairs. The Building's main roof contains Common Elements including the common stair bulkhead and an exterior private terrace for the exclusive use of Unit 2, as described below. The roof over the stair bulkhead is mechanical in nature and is anticipated to contain HVAC equipment for the Units.

Certain Unit Owners shall have the exclusive use of a private patio, private terrace, and/or a private yard, which shall be Limited Common Elements appurtenant to their respective Units. Unit 1 has a private terrace directly accessed from its lower level and a private patio directly accessed from its upper level that leads to a private yard. Unit 2 has a private terrace at the main roof level, which is not adjacent to the Unit, but accessible via the common stairs. Unit 3 has a private terrace directly accessed from its upper level.

There is one (1) fire staircase at the Building, which runs from the cellar to the main roof of the Building, with access at all floors. All common corridors and stairs throughout the Building will be General Common Elements.

There are no common recreational areas or facilities at the Property. Any roofs, patios, terraces, yards, or areaways of the Building are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of one of the respective Unit Owners. Additionally, there are no parking facilities which are part of the Property. The Building does not have balconies, other than a decorative Juliette balcony outside of the living room of Unit 2, and does not have any patios or terraces other than the private patio and terraces and mechanical roof terrace areas described above.

Each Residential Unit is provided with a laundry closet with hook-up for one (1) stacked or side-by-side washer and dryer, which is supplied by the Sponsor as part of the Offering Plan to be filed with the New York State Department of Law.

Structurally, the Building has a foundation system consisting of cast-in-place, steel reinforced concrete foundation walls with concrete mat slab. There is also partial underpinning on the eastern side. The superstructure consists of load bearing masonry walls supporting structural steel beams and metal joist floor framing with metal decking.

The front façade at the first through third floors is clad in brick, while the fourth floor façade is stucco. The rear façade has stucco finish. The Building's windows are aluminum casement, fixed or awning type. The roof is constructed of a built-up system over concrete slab.

The Building's south façade at the second floor level of the Building features a Juliette balcony outside of the living room of Unit 2. Collectively, a Juliette balcony shall consist of the following components: (a) the doors that are part of the window wall system, which shall be part of the applicable Unit, and (b) the railing and slab beyond the doors at the exterior of the Unit, which shall be a Limited Common Element appurtenant thereto, though such Juliette balcony is an architectural feature of a decorative nature.

Domestic water is supplied through one (1) domestic water service pipe connecting the New York City water main to the Building. Water and sewerage services are provided for by the City of New York, and the cost of consumption thereof in all of the Units and in the Common Elements shall be commonly metered as a Common Expense of all of the Unit Owners. There is one (1) water meter at the Building.

Electric heating and cooling in the Residential Units is provided by variable split-system heat pumps with rooftop condensers. Electric baseboard heating is provided in the Building's cellar utility area and common corridors. Each of the Residential Units shall be separately metered for the consumption of electricity therein, and each respective Unit Owner shall be solely responsible for the cost thereof. One (1) common meter shall measure the consumption of electricity in the common areas, the cost of which shall be a Common Expense of all of the Unit Owners.

Each of the Residential Units shall be separately metered with respect to gas usage therein, including (a) cooking gas and gas for each Unit's hot water heater, and (b) with respect to Unit 1, gas for the clothes dryer. Each respective Unit Owner shall be solely responsible for the cost thereof. As there is no gas heating system or common water heaters, it is not anticipated that gas

will be consumed in the common areas. However, in the event the Condominium adds any gas-fired systems to service the common areas, the same shall be separately metered or sub-metered and the cost thereof shall be a Common Expense of all of the Unit Owners.

With respect to telephone, cable television, and internet service for the Residential Units, each Residential Unit Owner desiring the same shall be responsible for arranging an account with the respective provider thereof, and the costs of any such services shall be the sole responsibility of the respective Residential Unit Owner.

For so long as Sponsor or a Sponsor-designee owns one (1) or more Units at the Building, Sponsor reserves the right to: (i) collaborate with the owner of the neighboring building immediately to the east of the Property (the "176 Richardson Structure") in order to cause the removal or relocation of the chimney serving the 176 Richardson Structure, which slightly encroaches on the Property although such encroachment is not apparent upon visual inspection, and (ii) level the wall enclosing the rear yard appurtenant to Unit 1, which has settled.

Any additional custom work requested by Purchaser which is agreed to by Sponsor in its sole discretion, shall be deemed custom work under the Purchase Agreement and the cost thereof is in addition to the total purchase price. The Down Payment to be made by Purchaser upon execution of a Purchase Agreement shall be increased by the entire cost and expense of the custom work. Pursuant to the terms of the Purchase Agreement, all custom work is to be performed by Sponsor's contractors. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are required to pay for the custom work.

For further details, please see the "Description of Property and Specifications" located in Part II of the Plan.

LOCATION AND AREA INFORMATION

Location

The Property is located at the southerly side of Richardson Street between Graham Avenue to the west and Humboldt Street to the east in the Williamsburg section of Brooklyn. Williamsburg is roughly bounded by the East River to the west, Flushing Avenue to the south and east, and the Brooklyn-Queens Expressway and North 12th Street to the north. As of the date of filing of this Offering Plan, Sponsor neither owns, nor has any plans to acquire or develop, any parcels located within a one (1) block radius of the Property. Furthermore, Sponsor has no knowledge of any planned development projects either immediately adjacent to, or across Richardson Street from, the Property, except that a residential building is under construction at the parcel immediately to the south and west of the Property, with a street address of 444 Graham Avenue. To the best of Sponsor's knowledge and pursuant to filings with DOB, the development will range from four stories to seven stories. Sponsor is not affiliated with the developer thereof and therefore makes no representations as to the accuracy of the details of the development as disclosed herein. Prospective purchasers should be aware that the development at 444 Graham Avenue may impact views from the Condominium. For further information, prospective purchasers are encouraged to review building plans filed with DOB.

Sponsor makes no representation as to the continued existence of any named establishments, public or private spaces or venues, or transportation lines located in the proximity of the Condominium, with respect to the information set forth on marketing materials or herein.

Area Information

A. Transportation.

Public transportation within close proximity to the Property includes the MTA's L line subway at the Graham Avenue stop. Also running within close proximity to the Property are the B24 and B43 buses.

For transportation by taxicab, car service, or private vehicle, the Brooklyn-Queens Expressway offers quick access to LaGuardia airport, and also to Manhattan via the Williamsburg Bridge and Queens-Midtown Tunnel.

B. Educational Facilities.

There are various New York City public schools, as well as private and parochial schools, for children aged pre-kindergarten to grade 12, located within close proximity to the Property. No representation is made that any Unit Owner's child will be able to attend any particular educational facility.

C. Religious Institutions.

There are houses of worship of most major denominations in the vicinity of the Property.

D. Parks, Recreation and Cultural Facilities.

Parks in close proximity to the Property include McCarren Park, Monsignor McGolrick Park, and Cooper Park. Additionally, on the Williamsburg waterfront, is East River State Park, in the vicinity of which the Smorgasburg food festival is regularly held on Saturdays. Nearby in Long Island City, MoMa PS1 features experimental and contemporary art and events. Nearby in Downtown Brooklyn, the Brooklyn Academy of Music hosts film and music events, and the Barclays Center features sporting events, concerts, and other entertainment. The Brooklyn Museum, one of the largest art museums in the country, is located near Grand Army Plaza.

E. Medical Facilities.

In addition to several smaller medical, dental, and specialty practices, the following medical facilities are located in close proximity to the Property:

- Interfaith Medical Center, 1545 Atlantic Avenue, Brooklyn, NY (718) 613-4000
- New York Methodist Hospital, 506 Sixth Street, Brooklyn, NY (718) 780-3000
- NYU Langone Medical Center, 333 East 38th Street, New York, NY (646) 501-7070
- Woodhull Medical Center, 760 Broadway, Brooklyn, NY (718) 963-8000

F. Police, Fire, Water, Sanitation, Snow Removal and Road Maintenance.

These services are provided by the City of New York and all charges (except water) are incorporated into City taxes. The Property is located within the 94th Police Department Precinct located at 100 Meserole Avenue. The nearest Fire House is FDNY Engine 229/Ladder 146, located at 75 Richardson Street.

The Department of Sanitation collects refuse on Mondays, Wednesdays, and Fridays with recycling picked up on Wednesdays.

G. Zoning.

The Building is located in an R6B zoning district, which permit residential occupancies of the type contemplated by the Plan. The Property is not currently located in a landmarked or historic district and therefore exterior construction to the Building is not required to comply with the applicable requirements of the Landmarks Preservation Commission of the City of New York

H. Mailing Address and Postal Facilities.

The mailing address of the Property is: "174 Richardson Street, Brooklyn, New York 11222." The post office servicing the Property is located at 66 Meserole Avenue.

I. Shopping, Dining and Banking Facilities.

Several grocery stores, health food stores, specialty food shops, delicatessens, restaurants, clothing stores, and home goods stores are located within close proximity to the Property. Additionally, several major banks have branches in close proximity to the Property.

J. Libraries.

The closest branch of the Brooklyn Public Library is the Leonard Branch located at 81 Devoe Street.

174 RICHARDSON STREET CONDOMINIUM
174 RICHARDSON STREET
BROOKLYN, NEW YORK 11222

SCHEDULE A
Offering Prices and Related Information
All Projected Charges are for the Twelve Month Period
Commencing January 1, 2021 and Ending December 31, 2021 ("First Year")

Unit (1)	Unit Description: Number of Bedrooms & Bathrooms, Etc. (2)	Approximate Square Footage of Unit* (3)	Approximate Square Footage of Private Patio, Terrace, and/or Yard	Offering Price (4)	Percentage Common Interest (5)	Estimated Monthly Common Charges First Year (6)	Estimated Annual Common Charges First Year (6)	Estimated Monthly Real Estate Taxes First Year (7)	Estimated Annual Real Estate Taxes First Year (7)	Estimated Total Monthly Carrying Charges First Year (8)	Estimated Total Annual Carrying Charges First Year (8)
1	2 BD/2.5/D/P/T/Y	1867	888	NOT OFFERED	28.4600%	$ 787.09	$ 9,445.02	$ 401.57	$ 4,818.85	$ 1,188.66	$ 14,263.87
2	3 BD/2/T	1227	687	$ 1,450,000.00	28.4600%	$ 787.09	$ 9,445.02	$ 401.57	$ 4,818.85	$ 1,188.66	$ 14,263.87
3	4 BD/4/D/T	2008	439	$ 2,195,000.00	43.0800%	$ 1,191.41	$ 14,296.96	$ 607.86	$ 7,294.31	$ 1,799.27	$ 21,591.27
Totals:		5102	2014	$ 3,645,000.00	100.0000%	$ 2,765.58	$ 33,187.00	$ 1,411.00	$ 16,932.00	$ 4,176.58	$ 50,119.00

BD - denotes Bedroom(s)
D - denotes Duplex Unit
P - denotes private Patio
T - denotes private Terrace
Y - denotes private Yard

***The approximate square foot area of Unit 1 includes the 757 SF lower level thereof, which is not to be used for sleeping, cooking, and/or living purposes.**

NOTES TO SCHEDULE A

Offering Prices and Related Information

1. Set forth in column numbered (1), titled "Unit," is the Unit's designation in the Building and the Offering Plan.

2. Set forth in column numbered (2), titled "Unit Description: Number of Bedrooms & Bathrooms, Etc." is a description of the Unit's layout, including the number of bedrooms and bathrooms. Also set forth is whether a Unit has a private patio, private terrace, and/or private yard. The number of rooms in each Unit is set forth below and is not calculated on the basis of any industry standard. For purposes of setting forth room counts below, a bedroom has been counted as one (1) room, a living room has been counted as one (1) room, an open kitchen has been counted as one-half (0.5) of a room, an entry foyer has been counted as one-half (0.5) of a room, and any accessory lower level space or separate laundry room has each been counted as one (1) room.

Unit	Rooms
Unit 1	5.5
Unit 2	5.0
Unit 3	6.0

Certain Unit Owners shall have the exclusive use of a private patio, private terrace, and/or a private yard, which shall be Limited Common Elements appurtenant to their respective Units. Unit 1 has a private terrace directly accessed from its lower level and a private patio directly accessed from its upper level that leads to a private yard. Unit 2 has a private terrace at the main roof level, which is not adjacent to the Unit, but accessible via the common stairs. Unit 3 has a private terrace directly accessed from its upper level.

Please see the section of the Plan entitled "Site Plan and Floor Plans," set forth in Part II, for more information regarding Unit layouts.

3. The Approximate Square Footage of a Unit set forth in column numbered (3) of Schedule A is a gross square footage of the Unit.

The approximate gross square footage of the Units is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, mechanical equipment spaces, and other Common Elements; or, if applicable, to the exterior side of the glass or the exterior side of the opposite exterior walls of the Building. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are not deducted from the approximate gross square foot area of the Units; however, common corridors, common

stairways, mechanical equipment spaces, and other Common Elements located outside of the Units are not included in the square footage calculations for the Units.

Measured vertically, each Residential Unit will consist of the space from the top of the floor slab below (located under the finished flooring and sub-floor materials, if applicable) to the underside of the floor slab above.

The gross square footage of a Residential Unit is greater than the approximate square footage of a Unit measured by using the legal definition of such Residential Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these gross square footages substantially exceed the useable floor area of each Residential Unit.

The approximate square footage of exterior private patio, terrace, or yard areas is measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area, within reasonable tolerances, and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon.

Further, please note that the ceiling heights for the Units and/or Common Element as set forth in the "Description of Property and Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

4. The column numbered (4), titled "Offering Price," is the offering price of the Residential Unit to Purchasers. Unit 1 is not being offered for sale to the public. In the event Unit 1 is offered for sale to the public in the future, the Offering Plan shall be amended to disclose an offering price.

Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes in Prices or Units." Please note that purchase prices are technically negotiable, although Sponsor fully expects to receive those amounts set forth in the column titled "Offering Price."

In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the section titled "Unit Closing Costs and Adjustments." Included in these costs is the Purchaser's contribution to the Working Capital Fund in the

amount of two (2) months of Common Charges for the Unit being purchased at the time of closing, payable to the Board of Managers of the Condominium. While general guidelines to certain expenses of Purchaser are approximated in such section, Sponsor is unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.

5. As set forth in column numbered (5), the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The aggregate Common Interest of all Units equals one hundred percent (100%).

6. These estimates as set forth in column numbered (6) are based upon the "Projected Budget for the First Year of Condominium Operation," which was prepared for the year commencing January 1, 2021 and which will appear in Schedule B located in Part I of the Plan, hereinafter referred to as the "First Year." Included in these charges, amongst other costs, are the cost of insurance for the Property, repairs and maintenance for the common areas, electricity for the common areas, and water usage for the Building. These charges do not include the cost of electricity or gas for cooking and hot water heating for individual Units, which will be separately metered and billed by the utility company to each Unit Owner.

   In addition to the aforementioned charges, each Unit Owner will be responsible for paying: (i) mortgage payments under any loan or loans obtained to finance the acquisition of his Unit; (ii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit, including, without limitation, the equipment and appliances contained therein; and (iii) the cost of any insurance covering (A) furniture, belongings, equipment and other personal property and (B) liability to others for personal injury or property damage as a result of occurrences in his Unit.

7. The estimates set forth in column numbered (7) are a calculation of real estate taxes due for each Residential Unit for the First Year of Condominium operation commencing on January 1, 2021 and ending December 31, 2021 ("First Year"). Therefore, the estimates are based upon the second half of the 2020/2021 tax year which commences July 1, 2020 and the first half of the 2021/2022 tax year which commences July 1, 2021.

   Real estate taxes for the Property have been projected by The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, New York 10004 ("Mazursky"). A copy of Mazursky's letter is set forth in the "Estimate of Real Estate Tax Assessment" section of Part I of the Plan.

Mazursky's projections of the real estate taxes for the First Year of Condominium operation are based upon (i) the 2020/2021 actual assessment for the Property as set forth by the Department of Finance of the City of New York ("DOF"), (ii) an estimate of the actual assessment for the Property for the 2021/2022 tax year, and (iii) estimates of the tax rate anticipated to apply to the Property for the 2020/2021 and 2021/2022 tax years.

The 2020/2021 total assessed valuations for the entire Property as stated by DOF are as follows:

Actual Total Assessed Valuation:		$77,358.00
Market Value	:	$1,811,000.00

The projected 2021/2022 total assessed valuations for the entire Property as estimated by Mazursky are as follows:

Actual Total Assessed Valuation:		$82,000.00
Market Value	:	$1,811,000.00

The Property is currently assessed in Tax Class 1, which is comprised of primarily residential properties consisting of one to three units. Upon conversion to a condominium, it is anticipated that the Property will be classified in Tax Class 1C, which is applicable to the assessment of cooperative apartments and condominiums. Mazursky has estimated the Tax Class 1 and Tax Class 1C rates to be 21.25% for both the 2020/2021 and 2021/2022 tax years.

Mazursky has stated that increased values, other than for physical changes to the Property, are limited to 6% per year or 20% over a five (5)-year period, and that increases for physical changes are limited to 6% of renovation costs.

Based upon the assumption that the condominium conversion is completed prior to January 5, 2021, the aggregate real estate taxes during the First Year for all of the Residential Units as projected by Mazursky are as follows:

1/1/21 – 6/30/21

Actual Taxable Assessment:	$77,358.00
Estimated Tax Rate 2020/2021:	21.25%
Estimated Tax Liability 2020/2021:	$16,438.00
Second Half Only (50%):	$8,219.00

7/1/21 – 12/31/21

Estimated Taxable Assessment:	$82,000.00
Estimated Tax Rate 2021/2022	21.25%
Estimated Tax Liability 2021/2022:	$17,425.00

First Half Only (50%): $8,713.00

Estimated Taxes First Year of Condominium Operation (1/1/21 – 12/31/21):

$8,219.00 + $8,713.00 = **$16,932.00**

It is the aggregate real estate taxes for the second half of the 2020/2021 tax year and the first half of the 2021/2022 tax year for all of the Residential Units upon which real estate taxes for the twelve (12) months of the First Year of Condominium operation have been estimated.

Another assumption is that each Residential Unit will be assessed in direct proportion to each Residential Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. **No warranties are made that the assessments of the individual Residential Units amongst the Residential Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by Mazursky and may use a methodology which varies from that set forth herein.** For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2020/2021, 2021/2022, or subsequent years.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Residential Units.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing, Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. The amount of such escrow established, if any, shall be disclosed in the post-closing amendment. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. If no separate Unit apportionment has

yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

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.

It is the opinion of Sponsor's counsel that a Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Internal Revenue Code of 1986, as amended, subject, however, to certain exceptions and limitations that are more particularly set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter." A Unit Owner's Federal income tax deduction for real estate taxes may vary from year to year due to changes in the interest rate in such Unit Owner's mortgage loan, if applicable, 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, if any, or from changes in the assessed value, tax rate, or method of assessing real property.

8. The figures in this column numbered (8) equal the sum of the Estimated Monthly/Annual Common Charges First Year and the Estimated Monthly/Annual Real Estate Taxes First Year.

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION BEGINNING JANUARY 1, 2021 AND ENDING DECEMBER 31, 2021

174 Richardson Street Condominium

INCOME

Common Charges (1)	$	33,187.00
Total Income (2)	$	33,187.00

EXPENSES

Payroll & Related Expenses (3)	$	-0-
Gas (4)	$	-0-
Electricity (5)	$	2,900.00
Water & Sewer (6)	$	4,075.00
Repairs, Maintenance, Supplies & Service Contracts (7)	$	8,215.00
Insurance (8)	$	6,100.00
Management Fees (9)	$	6,000.00
Legal & Accounting Fees (10)	$	2,000.00
Contingency (11)	$	880.00
Yearly Sub-Total	$	30,170.00
Major Capital Improvement Replacement Reserve Fund (10%) (12)	$	3,017.00
Total	**$**	**33,187.00**

The Notes to Schedule B below are an integral part of this Schedule and should be read in conjunction herewith.

Note: Sponsor represents that in the event that the commencement date of the First Year of Condominium operation is delayed more than six (6) months from the budget year projected in the Plan, the Plan will be amended to include a revised projected budget. If such amended projections exceed the projections set forth above by twenty-five percent (25%) or more in the aggregate, each Purchaser shall have the right for fifteen (15) days subsequent to the date of mailing or personal delivery of a copy of such amendment to him to rescind his Purchase Agreement, and, if not otherwise in default, have his deposit refunded. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein. Sponsor may not declare the Plan effective where there are any material changes to the budget, unless these changes have been disclosed by a duly filed Amendment to the Offering Plan.

NOTES TO SCHEDULE B

1. Common Charges ($33,187.00)

The Common Charges represent the aggregate of each Residential Unit's proportionate share of the Common Expenses.

This estimate is based upon the sum of all expenses which are described in Schedule B. Each Unit Owner shall be responsible for paying his, her or its share of the Common Expenses in accordance with his, her or its percentage of Common Interest, except as otherwise provided in the footnotes to Schedule B and the By-Laws of the Condominium.

2. Total Income ($33,187.00)

This figure is anticipated to equal the amount set forth in Note 1 above, and does not include any interest income that may be received by the Board of Managers from investment of the Working Capital Fund to be established at the various Unit Closings. For more information regarding the Working Capital Fund, see the section of the Plan titled, "Working Capital Fund," located in Part I. It is expected that all or part of the Working Capital Fund will be expended during the first or subsequent years of operation. Accordingly, such interest income cannot be determined with exactitude. For this reason, and for the further reason that such income does not reflect normally anticipated income from operations, no interest income has been included in the estimated income for the First Year of Condominium operation.

3. Payroll & Related Expenses ($0.00)

The Condominium will not directly employ any staff at the Building. See Note 7 for details regarding janitorial services to be provided.

4. Gas ($0.00)

As there is no gas heating system or common water heaters, it is not anticipated that gas will be consumed in the common areas. For this reason, no funds have been budgeted for common gas. However, in the event the Condominium adds any gas-fired systems to service the common areas, the same shall be separately metered or sub-metered and the cost thereof shall be a Common Expense of all of the Unit Owners.

Each of the Residential Units shall be separately metered with respect to gas usage therein, including (a) cooking gas and gas for each Unit's hot water heater, and (b) with respect to Unit 1, gas for the clothes dryer. Each respective Unit Owner shall be solely responsible for the cost thereof, and shall pay its gas charges directly to the utility company. The budgeted amount hereunder does not include such individual gas charges. See Schedule B-1 located in Part I of the Plan for further details.

5. Electric ($2,900.00)

These estimates include the cost of electricity supplied by Consolidated Edison Company to the Common Elements of the Building, which shall be a Common Expense of the Unit Owners. The electricity supplied to the Common Elements will be used, in large part, for heating of common utility areas and corridors and common area lighting and power.

The cost of electric charges have been estimated by Steel Core Engineering, 37 West End Avenue, Suite 4E, Brooklyn, NY 11235 ("Steel Core"). Steel Core estimates that the Common Elements will consume approximately 13,057.2 KWH of electricity per year at a projected cost of $0.21 per KWH, for a total of approximately $2,742.05. For projection purposes, a five percent (5%) escalation factor has been added, with electric charges projected at $2,900.00.

With respect to electricity use in the Residential Units, each Residential Unit will be separately metered therefor, and will be solely responsible for the cost of consumption measured thereby. Each Residential Unit Owner shall pay its electric charges directly to the utility company. The budgeted amount hereunder does not include such individual electric charges. See Schedule B-1 located in Part I of the Plan for further details.

The projected rates are not guaranteed and it must be expected that these rates may increase with the passage of time and could be affected by many factors, which are beyond the control of the Sponsor. Please be advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of occupants and weather conditions.

6. Water & Sewer Charges ($4,075.00)

The cost of water and sewer has been estimated by Steel Core. Steel Core estimates that the Residential Units and Common Elements will use approximately 280,800 gallons per year at a cost of $3.99 per 100 cubic feet (748 gallons), or approximately $0.0053 per gallon, for water use for a total annual cost of approximately $1,497.86. Steel Core also estimates that sewer charges will be approximately 159% of water charges, or $2,381.58 annually. Combined annual water and sewer charges are estimated to be $3,879.44 in total. For projection purposes, a five percent (5%) escalation factor has been added, with combined annual water and sewer charges projected at $4,075.00.

The projected rates are not guaranteed and it must be expected that these rates may increase with the passage of time and could be affected by many factors, which are beyond the control of the Sponsor. Please be advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of occupants and weather conditions.

7. Repairs, Maintenance, Supplies & Service Contracts ($8,215.00)

Estimated expenses are based upon repairs which can normally be anticipated of public fixtures. They include supplies consisting of cleaning materials, lubricants, tools, bulbs for and including replacement of public fixtures, general and hardware supplies, painting of public halls, painting of exterior, and the general upkeep and maintenance of the Building. Individual Unit Owners, however, will be responsible for the cost of interior repairs in and decoration of their respective apartments, including appliances. Such estimated expenses for repairs, maintenance and supplies shall be approximately $500.00.

Amounts indicated above are estimates made by the Sponsor based upon its experience with similar type buildings and certain written proposals set forth below.

Garbage collection and disposal for the Residential Units shall be done by the Department of Sanitation for the City of New York.

Sponsor has reserved the right, prior to the First Unit Closing, to enter into service contracts which will be binding on the Board of Managers, provided that such contracts do not materially (i.e., 25% or more) increase the estimated Common Charges for the First Year of Condominium operation nor bind the Board of Managers for a period of more than five (5) years from the date of the First Unit Closing, unless it is customary for such type of contract to be more than five (5) years. Currently Sponsor has estimated certain costs and expenses based on the proposals below.

Daniel Sabillon LLC, having an office at 85 Glenroy Road East, Fairfield, NJ 07004, has proposed a quote for janitorial services at an initial annual cost of $6,000.00. It is anticipated that a part-time janitor will visit the Building approximately two (2) to three (3) times per week for approximately two (2) to three (3) hours per visit, for purposes of cleaning of common areas, bringing refuse and recycling to the street for City pick-up, and snow removal.

Safety Fire Sprinkler Corp., located at 1070 38th Street, Brooklyn, NY 11219, has proposed a quote for annual sprinkler inspections and drain flow tests at an annual cost of $645.98, including tax. Rounding up to $650.00 and assuming approximately 10% escalation for the Condominium's First Year of operation, the cost of the foregoing is estimated to be approximately $715.00.

It is the opinion of Sponsor that pest extermination service will cost approximately $1,000.00 annually.

8. Insurance ($6,100.00)

The following is recommended for the First Year of Condominium operation in a proposal from Masters Coverage Corporation, 747 Chestnut Ridge Road, Chestnut Ridge, NY 10977, dated May 1, 2020, setting forth the following coverages:

PROPERTY: The fire and casualty insurance is under an agreed amount all risk replacement cost policy. No coinsurance applies.

Building Limit	$1,556,325
Loss of Income	$60,000
Business Personal Property	-0-
Property Deductible	$2,500
Back up Sewers & Drains	$100,000
Water Deductible	$2,500
Underground Water	$100,000
Underground Water Deductible	$2,500
Ordinance or Law	
Undamaged Portion of Building	Building Limit
Demolition	$155,632
Increased Cost of Construction	$155,632
Earthquake	$250,000
Earthquake Deductible	2%
Flood- Annual Aggregate	$250,000
Flood Deductible	$10,000
Terrorism	Included
Boiler & Machinery	Included

GENERAL LIABILITY:

General Aggregate	$2,000,000
Each Occurrence	$1,000,000
Personal/Advertising Injury	$1,000,000
Fire Damage Legal Liability	$1,000,000
Medical Payments	$25,000
Non-Owned and Hired Auto Liability	$1,000,000

UMBRELLA:

Limit of Liability	$10,000,000
Retained Limit	$10,000

DIRECTORS AND OFFICERS:

Limit of Liability	$1,000,000
Retained Limit	$1,000

CRIME:

Limit of Liability	$25,000
Retained Limit	$500

The total premium for these various coverages is estimated at $6,071.76, which has been rounded up to $6,100.00 for projection purposes.

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include coverage of the furniture or personal property of Unit Owners. It may be desirable for Unit Owners to obtain such additional insurance at their own cost, to cover such risks and liabilities for occurrences within their Unit or, where applicable, on Limited Common Elements.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the First Year of Condominium operation. Purchasers should be aware of the possibility of rate increases.

Sponsor will procure, on behalf of the Board, on or before the date of the First Unit Closing, the general liability insurance required to be carried by the Condominium. The fire, casualty and general liability insurance carried by the Condominium will provide that each Unit Owner is an additional insured party so that the insured shall not be a co-insurer; that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage. The proposed insurance coverage meets the requirements for public liability coverage and will meet the requirements of any mortgage lender procured by the Sponsor.

Insurance expenses have been allocated among all Units on the basis of percentage of Common Interest. Coverage for items such as rent insurance and excess liability are not included and may be available at extra cost. In the event of any uncovered claim or damage the Board may need to assess a special assessment to the Unit owners to be able to pay for the claim and or damage.

9. Management Fees ($6,000.00)

Based on the proposed Management Agreement to be entered into with Daniel Sabillon LLC, having an office at 85 Glenroy Road East, Fairfield, New Jersey 07004, at or before the First Unit Closing, it is expected that the Managing Agent will receive an annual fee of $6,000.00, consistent with prevailing rates, for the First Year. For further discussion of the terms of the Management Agreement, including of additional fees that may be payable by the Board of Managers and the individual Unit Owners, reference should be made to the

"Management Agreement and Other Contractual Arrangements" Section of the Offering Plan, found in Part I.

10. Legal & Accounting Fees ($2,000.00)

Based upon the estimate of Levitch & Kriegsman, LLP, located at 255 Executive Drive, Suite 102, Plainview, NY 11803, $1,200.00 has been budgeted for fees to be incurred in connection with the preparation of the year-end financial statements for the Condominium's First Year of Condominium operation and its Federal, New York State and New York City income tax returns. The balance of the budgeted amount has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements.

Legal and accounting fees have been allocated among all Units on the basis of percentage of Common Interest.

11. Contingency ($880.00)

This amount may be used at the discretion of the Board of Managers towards unforeseen expenses or other Condominium expenses which the Board of Managers deems appropriate, such as any possible income taxes which may become due from the Condominium. The budget may be modified from time to time prior to commencement of, or during, the First Year of Condominium operation to increase items of expenses and decrease the contingency reserve. The amount budgeted is calculated on the basis of three percent (3%) of the total projected expenses for the First Year of Condominium operation, not including the Major Capital Improvement Replacement Reserve Fund, and has been allocated among all Units on the basis of percentage of Common Interest.

12. Major Capital Improvement Replacement Reserve Fund ($3,017.00)

In order to conform the budget of the Condominium to the requirements and guidelines of both the Federal Housing Administration ("FHA") and Fannie Mae, the Major Capital Improvement Replacement Reserve Fund is established to provide for the periodic maintenance, repair and replacement of the Common Elements as determined by the Condominium Board of Managers. The Sponsor makes no representations, however, as to whether the Property complies otherwise with the requirements and guidelines of FHA and Fannie Mae. The amount budgeted is calculated on the basis of ten percent (10%) of the total projected expenses for the First Year of Condominium operation. Sponsor makes no representation that this reserve fund will be, or is intended to be, adequate or sufficient to cover periodic maintenance, repair and replacement expenses of the Common Elements for the first year of Condominium operation, the first five (5) years of Condominium operation, or any subsequent years. If such improvements, periodic maintenance or repairs and/or replacement are needed within that time period it is anticipated that they will be funded

from this Major Capital Improvement Replacement Reserve Fund together with the other line item expenses as set forth in the Budget. If additional funds are required over and above this Major Capital Improvement Replacement Reserve Fund, it may be necessary to increase the Common Charges or institute a Special Assessment. See the section of the Plan titled "Reserve Fund" located in Part I of the Plan for further details.

NEITHER THE DEPARTMENT OF LAW NOR ANY GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE MAJOR CAPITAL IMPROVEMENT REPLACEMENT RESERVE FUND.

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The projections set forth in the Budget assume that the First Year of Condominium operation will begin on or about January 1, 2021, with no representation, however, of any Closing Date, being made in the Plan.

IN THE OPINION OF MANAGING AGENT, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE FISCAL YEAR COMMENCING JANUARY 1, 2021. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL COMMON CHARGES, OTHER INCOME OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN SAID BUDGET, AND IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

Sponsor reserves the right to enter into additional or other service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium upon commencement of condominium operation. Sponsor shall not, however, enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially (i.e., 25% or more) increase the First Year's projected Common Charges or that will be binding on the Condominium for a period of more than two (2) years, unless the Plan is amended.

Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.

SCHEDULE B-1

PROJECTED INDIVIDUAL UNIT ELECTRIC AND GAS CHARGES FOR FIRST YEAR OF CONDOMINIUM OPERATION BEGINNING JANUARY 1, 2021 AND ENDING DECEMBER 31, 2021

Individual Residential Unit Electric Charges:

The cost of individual Residential Unit electric charges has been estimated by Steel Core Engineering, 37 West End Avenue, Suite 4E, Brooklyn, NY 11235 ("Steel Core"). The estimates set forth below for each Residential Unit are estimates of annual electric energy costs including, but not limited to, the Unit's air conditioning and heating, household appliances, general power and lighting.

The projected costs are not guaranteed and it must be expected that these costs will increase with the passage of time and may be affected by many factors which are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be individually metered and will vary based on the personal needs of occupants and weather conditions. Costs can vary considerable depending upon actual usage, personal habits and maintenance of equipment in efficient operation condition as well as thermostat settings. These figures are not intended to be guaranteed.

The estimated cost for electricity consumption is based on the U.S. Department of Labor, Average Energy Prices for New York-Newark-Jersey City, which quoted a rate of approximately $0.21 per kilowatt hour ("KWH") as of February 2020.

Estimated annual costs of electricity for the Residential Units are projected below:

Unit	Electricity Usage kWh/Month			Electricity Cost			
	heating	cooling	appliances/lighting	total	$/kWh	$/month	$/year
Unit "3"	1142.8	954.8	152.1	2249.7	$ 0.21	$ 472.43	$5,669.16
Unit "2"	716.0	598.2	91.25	1405.5	$ 0.21	$ 295.15	$3,541.83
Unit "1"	622.7	666.1	121.7	1410.6	$ 0.21	$ 296.22	$3,554.59

Individual Residential Unit Gas Charges:

Each of the Residential Units shall be separately metered with respect to gas usage therein, including (a) cooking gas and gas for each Unit's hot water heater, and (b) with respect to Unit 1, gas for the clothes dryer. The cost of individual Residential Unit charges for the same has also been estimated by Steel Core.

The projected costs are not guaranteed and it must be expected that these costs will increase with the passage of time and may be affected by many factors which are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be individually metered and will vary based on the personal needs of

occupants. Costs can vary considerable depending upon actual usage, personal habits and maintenance of equipment in efficient operation condition. These figures are not intended to be guaranteed.

The estimated cost for gas consumption is based on the U.S. Department of Labor, Average Energy Prices for New York-Newark-Jersey City, which quoted a rate of approximately $1.23 per Therm as of February 2020.

Estimated annual costs of gas for the Residential Units are projected below:

Unit	Gas Usage Therm/Month				Gas Cost		
	heating	hot water	cook/dry	total	$/Therm	$/month	$/year
Unit "3"	N/A	21.3	7.5	28.8	$ 1.23	$ 35.36	$ 424.35
Unit "2"	N/A	12.75	4.5	17.3	$ 1.23	$ 21.22	$ 254.61
Unit "1"	N/A	17.0	6	23.0	$ 1.23	$ 28.29	$ 339.48

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
Attn: Real Estate Finance Bureau

Re: 174 Richardson Street Condominium
174 Richardson Street
Brooklyn, NY 11222

Daniel Sabillon LLC is a real estate management firm with experience in the management of condominium, cooperative, homeowners association, and residential rental properties since 2009. Currently, Daniel Sabillon LLC oversees the management of over 20 properties located in the City of New York and in New Jersey. The undersigned has no beneficial interest in Sponsor or the profitability of the subject project.

The undersigned has reviewed the allocation of common interests as shown on the Schedule A to be included in the Condominium offering plan for the subject project.

The common interests among the Units have been allocated to each 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 accordance with Section 339-i(1)(iv) of the New York State Real Property Law.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on 7/20/20 by

Daniel Sabillon

Very truly yours,

Daniel Sabillon LLC

By: _____
Daniel Sabillon, President

DLPARTNERS

D'AGOSTINO, LEVINE, LANDESMAN, LEDERMAN, RIVERA & SAMPSON, LLP

345 7TH AVENUE, 23RD FLOOR, NEW YORK, NEW YORK 10001

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July 22, 2020

174 Richardson LLC
174 Richardson Street #B
Brooklyn, New York 11222

Re: **174 Richardson Street Condominium**
Premises: 174 Richardson Street
Brooklyn, New York 11222
(the "Condominium")

Gentlemen/Mesdames:

You have requested our opinion regarding the allocation of Common Interests to the Units at the above referenced Condominium as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Daniel Sabillon LLC, as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have no independent investigation of the truth or accuracy of the factual determinations of Daniel Sabillon LLC.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-(i) (1)(iv), i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i (1) has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will the Sponsor, D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

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

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

D'Agostino, Levine, Landesman,
Lederman, Rivera & Sampson, LLP

D'Agostino, Levine, Landesman,
Lederman, Rivera & Sampson, LLP

CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A may be decreased or increased only by a duly filed amendment to the Offering Plan when the change of price is an across the board change affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. As set forth in the Notes to Schedule A, offering prices are negotiable. Accordingly, the Sponsor may enter into a Purchase Agreement with a Purchaser to sell one (1) or more Units at prices less than those set forth in Schedule A, without filing an amendment before entering the Purchase Agreement. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than other Purchasers under this Plan for similar Units. However, no price change will affect the percentage of Common Interest allocated to a Unit as to which the amount of the offering price was changed nor shall it alter the amount of Common Charges payable by such Unit Owner.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units, by subdividing one (1) or more separate Unsold Units, by combining two (2) or more separate Unsold Units into one (1) or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and By-Laws. Such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof whose approval is required by law. No change will be made by Sponsor in the size or number of Units, the respective percentages of Common Interest of the Units, or in the size or quality of Common Elements except by amendment to the Offering Plan and to the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, Unit layout, or Unit percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and such Purchaser is not in default.

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

If Sponsor changes the size and/or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at one hundred percent (100%). As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not vary.

The Plan will be amended to reflect any change in the size of a Unit, number of Units or, percentage of Common Interests of Unsold Units or a change in the size or quality of any Common Element. Though the layout and number of rooms in Unsold Units may be changed without prior notice or amendment of this Plan, the Plan shall be amended to disclose such changes.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is fully recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior written consent of the owner of such Unit.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan, Declaration and/or By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefitting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

The Sponsor also reserves the right to substitute for any of the materials specified in the Building Plans, the "Description of Property and Specifications" or elsewhere in the Plan, materials which are of Equal or Better Quality. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment which are of Equal or Better Quality for any of those set forth in the specifications or otherwise in this Plan.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units, including, but not limited to, the terms and the amount of decorating allowances, payment of fees otherwise paid by Purchasers, common charge rebates or subsidies, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced Down Payment deposits (but at least $1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

INTERIM USE AND OCCUPANCY AGREEMENTS

Subject to all applicable Zoning Laws and pursuant to an issued certificate of occupancy, Sponsor or its designee reserves the right, freely and without restriction, to rent or lease vacant Units to Purchasers and non-Purchasers at any time after the Plan has been consummated (and with respect to Unit 1, before or after the Plan has been consummated). However, once a Purchase Agreement is signed for a vacant Unit, and for so long as such Purchase Agreement is in effect, such Unit at Sponsor's sole option may only be rented to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement"), a copy of which is located in Part II of the Plan, will be for such use and occupancy fee, but not to exceed the maximum of such fee legally collectible, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement, if any, shall be for a period which will expire on the earlier of the date of the closing of such Unit or one (1) year after the execution date of the Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Use and Occupancy Agreement, if any, and remove from the Building upon thirty (30) days prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Additionally, in the event of such abandonment, the Purchaser who has entered into an Interim Use and Occupancy Agreement shall continue to be subject to whatever rental laws he or she was subject to prior to such abandonment, if any. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the apartment no later than that time.

An Interim Use and Occupancy Agreement will provide, among other things, that an uncured default by the Purchaser under this Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement shall also contain a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days. No portion of the rental paid under an Interim Use and Occupancy Agreement will be credited toward the Unit's purchase price.

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

Purchasers entering into an Interim Use and Occupancy Agreement for an Unsold Unit will be required to pay the legal fees of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, in connection therewith, upon execution of the Interim Use and Occupancy

Agreement. Such legal fees will be calculated based upon the prevailing hourly rates of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, and on the amount of time needed to prepare the Interim Use and Occupancy Agreement; however, for purposes of projection, it is estimated that such fees would be approximately $1,000.00 - $1,500.00.

Further, Purchasers entering into an Interim Use and Occupancy Agreement for an Unsold Unit will be required to abide by the Condominium's smoking policy, which is as follows: No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (hereinafter referred to collectively as "Smoking Apparatus") in any of the indoor portions of the Building, including individual Units and common areas, at any time. Though smoking shall be permitted in any outdoor areas of the Condominium that are accessible to Unit Owners, including a private patio, terrace, roof terrace, and/or yard, no person may smoke or otherwise burn any Smoking Apparatus in any outdoor areas of the Condominium in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium.

Notwithstanding the foregoing, Sponsor will be under no obligation to enter into any Interim Use and Occupancy Agreement and no portion of the Use and Occupancy fee paid under the Interim Use and Occupancy Agreement will be credited towards the Purchase Price of an Unsold Unit unless the Interim Use and Occupancy Agreement expressly provides. A copy of the form Interim Use and Occupancy Agreement is located in Part II of the Plan.

If any provisions of the Interim Use and Occupancy Agreement conflict with the terms of the Offering Plan, the terms of the filed Offering Plan shall prevail.

PROCEDURE TO PURCHASE

A Person desiring to purchase a Unit in the Condominium shall be required to execute a Purchase Agreement in quadruplicate, the form of which is contained in Part II, and return it to the Sponsor and/or Selling Agent, together with a check representing the Down Payment in an amount equal to (a) ten percent (10%) of the Purchase Price, or (b) fifty percent (50%) of the Purchase Price, if the Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity). All such payments shall be made by check drawn on a member bank of the New York Clearing House Association made payable to "D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, as escrow agent". All such checks shall be subject to collection and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be cancelled and of no further force or effect, and to retain any Down Payment and other amounts previously deposited. This Down Payment deposit may be increased for the entire cost of special custom work requested by the Purchaser which is agreed to by Sponsor in its sole discretion and itemized in the Purchase Agreement. D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP shall be the "Escrow Agent" for Sponsor and Purchaser pursuant to the Purchase Agreement and the Offering Plan. Notwithstanding anything herein to the contrary, whether or not the Seller has canceled the Purchase Agreement as provided above, if the Seller has not collected the proceeds of any check for any payment due under the Purchase Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including, without limitation, all attorneys' fees and expenses incurred by the Seller in connection therewith.

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

A deposit in the amount of no more than $200.00 payable in check or money order to the Sponsor is required of all prospective purchasers in order to obtain a copy of the Plan. The amount of the deposit will either be credited toward the Down Payment of a Unit or returned upon execution of the Purchase Agreement by Sponsor for anyone who purchases a Unit or refunded to anyone who does not purchase a Unit if a copy of the Plan is returned undamaged, but subject to normal wear and tear, together with the original receipt, within thirty (30) days of receipt of a copy of the Plan.

A Purchaser may seek to finance any portion of the Purchase Price through a bank or other lending institution. No representation, warranty or assurance is given by the Sponsor, or any person on its behalf, as to the availability, cost, terms or other conditions of such financing. **HOWEVER, A PURCHASER'S OBLIGATION UNDER THE PURCHASE AGREEMENT IS NOT CONTINGENT UPON THE PURCHASER'S OBTAINING A SATISFACTORY MORTGAGE COMMITMENT FOR FINANCING THE PURCHASE OF A UNIT**. Therefore, a Purchaser will be obligated to pay the balance of the Purchase Price regardless of the fact that either: (i) such Purchaser fails, or is unable to obtain a satisfactory mortgage commitment, or (ii) once a satisfactory mortgage commitment has been obtained, the same either lapses, expires or is terminated. In the event that a Purchaser fails, neglects or refuses to duly pay the balance of the Purchase Price for any reason, including financing problems, such Purchaser will be in default under the Purchase Agreement.

In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, as Escrow Agent to hold all Deposits, Down Payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust, whether received before or after the date of Consummation of the Plan (the "Deposit" or "Down Payment"), in a special segregated escrow account or accounts at the First Republic Bank located at 1230 Avenue of the Americas, New York, New York 10020 (the "Bank"), titled "D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, Escrow Agent for 174 Richardson Street Condominium," or a similar name within five (5) business days after the Purchase Agreement is executed by all necessary parties and tendered along with the Deposit to the Escrow Agent and a completed and signed Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8 BEN (Certificate of Foreign Status of Beneficial Owner for Units States Tax Withholding), whichever may be applicable. Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser's funds at the Bank, including funds in the additional account and the Down Payment, may not be insured in excess of $250,000.00. Therefore, if a Purchaser has an additional account at the Bank, that a Purchaser's Down Payment, including a Down Payment that is less than $250,000.00, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000.00. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of the Bank. D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP is located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001, 212-564-9800. The signatories on this special escrow account authorized to withdraw funds are the partners of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP who are John D'Agostino, Esq., Michael J. Levine, Esq., Wayne R. Landesman, Esq., Bruce H. Lederman, Esq., Bettina Miraglia, Esq., Jose M. Rivera, Esq., Brian T. Sampson, Esq., and Jared B. VanVleet,

Esq. all of whom are located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001. 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.

This escrow account will be interest-bearing and unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate from this type of account as stated by the Bank at the time of the initial deposit and as provided thereafter. Such interest rate as stated as of February 14, 2020 by the Bank is approximately 0.03%. Interest will begin to accrue as of the business day following the date the deposit of the Down Payment clears and is posted by the Bank to the escrow account. Notwithstanding anything to the contrary contained herein, unless and until Purchaser has delivered to the Escrow Agent a completed and signed Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, along with any other items reasonably required by the Bank to open the account, the Down Payment will be deposited in a non-interest-bearing escrow account at the depository. No fees of any kind from the account principal or any interest earned thereon may be deducted. Sponsor shall bear any administrative cost for maintenance of the account.

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

The Escrow Agent is obligated to send notice to the Purchaser once the Down Payment 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 fully-executed Purchase Agreement and Down Payment to Escrow Agent, the Purchaser may cancel the Purchase Agreement within ninety (90) days after tender of the fully-executed Purchase Agreement and Down Payment to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Down Payments and requisite notice was timely mailed to the Purchaser.

Section 71-a(3) of the Lien Law, as applicable herein, also provides for the following:

(a) Down Payments shall be placed in an interest bearing account if so requested by Purchaser. Such Down Payment, with any accumulated interest, shall remain the property of the Purchaser, except as otherwise provided by law.

(b) As an alternative to depositing Down Payments in escrow as set forth in (a) above, Sponsor may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser. If Sponsor elects to post a bond pursuant to this paragraph (b), an amendment to the Plan which complies with the applicable provisions of the Attorney General's Regulations will be filed disclosing same.

(c) Down Payments will be retained in escrow or bonded as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds, if permitted, or defaults in performance, thereby excusing performance by Sponsor or (iii) release or discharge of Sponsor's liability to refund such Down Payment or (iv) transfer of title to the Unit to the Purchaser, or (v) release by mutual consent of Sponsor and Purchaser.

(d) The Purchase Agreement shall contain the following:

"YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE."

Notwithstanding (b) or (d) immediately above, a bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security, pursuant to the applicable provisions of the Attorney General's Regulations.

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. 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 seek or accept release of the Deposits of a defaulting Purchaser until after Consummation of the Offering Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Offering Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

The Escrow Agent shall release the Deposits if so directed:

(a) upon closing of title to the Unit, to Sponsor, pursuant to the terms and conditions set forth in the Purchase Agreement; 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 Deposits pursuant to paragraphs (a), (b), or (c) above, and the Escrow Agent receives a request by either party to release the Deposits, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposits. If the Escrow Agent has not received notice of objection to the release of the Deposits prior to the expiration of the thirty (30) day period, the Deposits 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 Deposits within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposits 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 Deposits contained in the Escrow Account with the clerk of the county where the Condominium is located and shall give written notice to both parties of such deposit.

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

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment thereto; or

(b) all Purchasers after an Amendment abandoning the Offering 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.

Prior to funds being transferred to a new escrow account, or if the Escrow Agent is replaced, the Offering Plan will be amended to provide the same full disclosure with respect to the new account, the new escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security, pursuant to the applicable provisions of the Attorney General's Regulations.

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

As set forth above, the only other time monies received for the purchase of a Unit shall be disbursed from the special account are at the closing of title to a Unit by such Purchaser or upon a default by a Purchaser which is not cured within any time periods permitted, provided that no Deposit to be released pursuant to an uncured default shall be released prior to the Consummation of the Offering Plan. Any withdrawals or disbursement of funds from this special account or accounts shall be made only upon the written approval by a partner in the firm of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, despite the fact that First Republic Bank may be a party to an escrow agreement with respect to such account or accounts. The amounts paid by the Purchasers prior to closing will be handled in accordance with the escrow and trust fund provisions of the Section 352-h and Section 352-e (2-b) of the New York General Business Law and the Attorney General's regulations promulgated thereto. If this Offering Plan is not consummated for any reason, Purchaser shall not lose any of his Down Payment.

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, Offering Plan, or any amendment thereto.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of the funds. In the event of the dissolution of the firm comprising the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of such records by one of them or by the successor firm, and shall notify the Department of Law of such transfer.

Subsequent to the date that the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser. The notice shall state the date of the First Unit Closing and set forth the closing date for the respective Unit. Purchasers shall be given not less than thirty (30) days' notice of the closing of title on their Units. This notice period may be waived by Purchasers. The notice shall also provide that the balance of the purchase price shall be due at closing of title. The balance of the cash portion of the purchase price must be paid by cash, unendorsed certified, teller's or cashier's check made payable to the order of Sponsor or as otherwise directed by Sponsor. In all cases, all checks are to be drawn on a member bank of the New York Clearing House Association. The notice to Purchaser shall also specify when Common Charges will be due and payable.

Further, Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) of the form Purchase Agreement.

If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, or the Adjourned Closing Date (as defined in the form Purchase Agreement set forth in Part II of the Plan), and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes

and Common Charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% (10.95% annual percentage interest) of the Purchase Price for the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

The notice of closing will be served upon all Purchasers who have executed and delivered a Purchase Agreement for a Unit to the Sponsor or Selling Agent (and whose Purchase Agreements are in effect and not in default). The notice of closing will be served either by personal delivery or sent by registered or certified mail to the address of the Purchaser as set forth in the Purchase Agreement. Notices served by personal delivery shall be deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

Sponsor anticipates the First Residential Unit Closing to occur on or about January 1, 2021 but said closing may occur sooner should the condominium conversion process be completed earlier. In the event that the First Residential Unit Closing is delayed twelve (12) months or more beyond January 1, 2021, then all Purchasers who have executed Purchase Agreements and whose Purchase Agreements are still in effect, will be given the right to rescind their Purchase Agreements.

Purchasers should note that even if the First Unit Closing occurs on or before January 1, 2021 (or, in the event Sponsor amends the Plan to disclose an updated projected date of commencement of the First Year of Condominium operation, such updated date projected at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates. In such case, provided that Sponsor is in compliance with its obligations under the Plan, Purchaser will not be entitled to a right to rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the Total Purchase Price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel

the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than ten percent (10%) or, if applicable, fifty percent (50%), of the total purchase price plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, Sponsor may receive the actual costs incurred for any special custom work requested by Purchaser which is agreed to by Sponsor in its sole discretion and itemized in the Purchase Agreement as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) or, if applicable, fifty percent (50%), of the total purchase price. Sponsor hereby waives any right to seek specific performance in the event of a default by Purchaser.

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

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit, or any other dispute between Sponsor and Purchaser and/or the New York State Department of Law, whether or not Escrow Agent is in possession of the Deposit and continues as Escrow Agent.

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

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit (which election shall be made within one hundred twenty (120) days of loss or casualty) whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. In the event Purchaser exercises a right to rescind his or her Purchase Agreement in this case, Sponsor shall return Purchaser's Down Payment, together with any interest earned thereon, within twenty (20) days of Purchaser's exercise of rescission. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty not covered by either Sponsor's insurance or the Board's insurance, with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances,

fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. Purchaser should consult with an attorney and/or insurance agent as to his or her insurance needs.

Within twenty (20) days of receiving four (4) copies of a Purchase Agreement, both executed by Purchaser, together with the required Down Payment, the Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said twenty (20) day period the Purchase Agreement shall be deemed null and void. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law. Sponsor reserves the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on race, creed, color, age, sex, disability, marital status, national origin, ancestry, or any other ground proscribed by law, and to refuse to execute a Purchase Agreement for any Unit, or a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity.

At the closing of title to a Unit, and as a condition thereto, the Purchaser shall be required to execute a Power of Attorney to the Board of Managers of the Condominium and to the Sponsor. The Power of Attorney appoints (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine; (ii) the Sponsor, its designee, and/or their successors and assigns, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and (iii) the Sponsor, its designee, and/or their successors and assigns, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, its designee, and/or their successors and assigns, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its designee, and/or their successors and assigns. The Form of Power of Attorney to be executed is set forth in Part II of the Offering Plan.

Further, any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) will also be required at the time of closing of title to the Purchaser's Unit, to expressly waive any and all immunity from suit by Sponsor and/or the Board of Managers of the Condominium. Such Purchasers at closing will be required to execute the "Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction" set forth as **Exhibit A** to the Purchase Agreement which is included in Part II of the Offering Plan.

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan. In no event may the Purchase Agreement contain, or be modified to contain, any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his

right to thirty (30) days' notice prior to the closing of title to Purchaser's Unit. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Purchase Agreements are not assignable without Sponsor's prior written consent which may be withheld for any reason.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units, including, but not limited to, the terms of the financing contingency, if any, decorating allowances, payment of fees otherwise paid by Purchasers, common charge rebates or subsidies, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced Down Payment deposits (but at least $1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

Purchaser shall represent that Purchaser has full right and authority to execute the Purchase Agreement and perform Purchaser's obligations thereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing, such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser shall further represent that the Down Payment shall represent Purchaser's own funds and that no other party (other than Purchaser or Seller, as provided herein) has any right or claim to all or any portion of the Down Payment.

Purchaser shall be required to represent that: it is not now, nor shall it be at any time prior to or at the Closing, an individual, corporation, partnership, joint venture, trust trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise; and neither Purchaser nor any person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Closing a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312(a)(z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

Purchaser shall further represent that he or she has taken, and shall continue to take until the Closing, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser shall at Closing be, in compliance with any and all applicable

provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107 56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. App. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957. The provisions of this paragraph shall survive the Closing of title to the Unit or termination of this Agreement.

Additionally, pursuant to the form Purchase Agreement set forth in Part II of the Offering Plan, Sponsor and Purchaser agree to keep all of the terms and conditions of the Purchase Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in the Purchase Agreement. Any failure by Purchaser to keep the terms and conditions of the Purchase Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth therein.

Prospective purchasers should note that since the Certificate of Occupancy was issued for the Property, Sponsor has rented the Units to tenants. As of the date of submission of the Plan, Unit 1 is occupied by a family member of one of the principals of Sponsor pursuant to a residential lease in effect until August 31, 2021, and is anticipated to be transferred to such family member or an affiliate of Sponsor. Unit 2 and Unit 3 are vacant as of the date of submission hereof. The Units offered hereunder shall be delivered by Sponsor to a Purchaser in "AS IS" condition, including but not limited to normal wear and tear. Sponsor shall have no further obligations with regard to such Units, and shall be under no obligation to repaint or repair anything therein, including but not limited to, refinishing the floors, repairing any appliance or painting any room. Notwithstanding anything to the contrary herein:

(a) Prior to declaring the Offering Plan effective, Sponsor shall replace approximately twenty (20) square feet of wood flooring outside of the hot water heater closet on the lower level of Unit 3; and

(b) Portions of the Unit 1 private rear yard and the southern and western side walls supporting the rear yard perimeter fencing subsided minimally in 2017 due to lack of proper lateral support of the walls during construction at the neighboring site located immediately to the south and west of the Property, designated by the City of New York as Block 2735, Lots 4 and 12, Kings County (the "444 Graham Site"). The subsidence is limited to the yard walls and does not affect the Building or its structural stability or integrity. Construction at the portions of the 444 Graham Site that are within twenty (20) feet of the Property (the "Relevant Area") had been temporarily suspended under a court-ordered agreement dated on or about December 16, 2019 and modified on or about August 25, 2020, August 27, 2020, and September 28, 2020 (as modified and as may be further modified from time to time, the "Limited License Agreement") between Sponsor and the property owner thereof, 444 Graham Ave., LLC (the "444 Graham Owner"), until proper monitoring and controls approved by Sponsor and its engineer

were implemented. The lawsuit, entitled 174 Richardson LLC v. 444 Graham Ave., LLC, et al., Supreme Court, Kings County, Index No. 508232/2019, has since been disposed. The respective engineers of the 444 Graham Owner and Sponsor have agreed on a plan for foundation work in the Relevant Area moving forward in accordance with the terms of the Limited License Agreement, which work was substantially completed by the end of December of 2020. Neither the aforementioned disposed lawsuit nor the Limited License Agreement and the foundation work being performed in accordance therewith, impact Sponsor's capacity to perform all of its obligations under this Offering Plan.

After the aforementioned subsidence occurred, Sponsor removed the yard pavers, filled and recompacted the soil in the yard, and reinstalled the pavers. Sponsor believes that the yard walls and pavers are stable. Sponsor has not yet leveled the walls or repaired minor cosmetic damage to the walls and fencing, but reserves the right to do so.

Further, prospective purchasers should be aware that due to the construction at the 444 Graham Site, as described in the "Location and Area Information" section of this Offering Plan, the 444 Graham Owner may need to enter into a future construction license agreement with Sponsor and/or the Condominium to access certain portions of the Property during ongoing construction of the neighboring structure. In this event, prospective purchasers should note that such access may include, but not be limited to, placement of scaffolding in the Unit 1 private rear yard as well as at the Unit 2 and Unit 3 private terraces and that, in the event the same occurs, Unit Owner access to such areas could be impacted. As such an agreement is prospective only, a timeline for potential impact is unknown, but could affect the Property for several weeks or months. In the event Sponsor and/or the Condominium enters into such a construction license agreement with the 444 Graham Owner, Sponsor shall amend the Offering Plan accordingly to disclose the foregoing.

Prospective purchasers are encouraged to review the "Description of Property and Specifications" in Part II of the Offering Plan for information on Unit finishes and appliances.

Pursuant to the Geographic Targeting Order issued on January 6, 2016 (as revised and as may be further revised from time to time, the "Order") by the Director of the United States Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), title companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a "Legal Entity" as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan, or Staten Island; (3) the total purchase price is $300,000.00 or more; (4) the purchaser does not obtain a bank loan or similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, a funds transfer, or virtual currency. The Order affects all residential real property closings occurring on or after March 1, 2016 and until the expiration of the effective period of such Order, i.e., May 4, 2021, which date is subject to change by FinCEN.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment or transfer of an executed Purchase Agreement shall be permitted without the prior written consent of Sponsor which may be withheld for any reason. Any purported assignment of a Purchase Agreement in violation hereof shall be voidable at the option of Sponsor. In the event Sponsor consents to the assignment of a Purchase Agreement, Purchaser shall pay D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP a legal fee for reviewing the assignment agreement. Such fee shall be approximately $1,000.00, plus disbursements. Prior to the closing of title to the Unit, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of such Unit for sale.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within one (1) year of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The reason for the foregoing is that the initial term of the Offering Plan, as set forth on the cover hereof, is twelve (12) months, which may be extended by amendments from time to time. The closing of title to any Unit may not occur until after the Plan has been declared effective. Though a closing may occur without Sponsor first filing an effectiveness amendment with the Department of Law, Sponsor must later comply with the Attorney General's regulations with respect to disclosure regarding effectiveness when filing its post-closing amendment with the Department of Law.

The Plan may be declared effective when Purchase Agreements have been both executed and accepted by bona fide Purchasers, including investors, and Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan. Unless this Offering Plan is amended to offer Unit 1 for sale to the public, Unit 1 may not be the sole Unit used by Sponsor to declare the Offering Plan effective; i.e., Sponsor must use at least one (1) of the Units being offered for sale to the public in order to meet the fifteen percent (15%) effectiveness requirement. Prior to effectiveness, Sponsor will at all times offer at least fifteen percent (15%) of the total number of anticipated Units in the Condominium to the public. For purposes of calculations regarding effectiveness, Sponsor will determine the number of Units in contract required to declare the Plan effective based upon the total number of anticipated Units in the Condominium rather than the number of Units offered for sale to the public by Sponsor at such time. Further, with respect to any advertising material that contains percentages of Units sold, Sponsor shall calculate such percentages based upon the total number of anticipated Units in the Condominium rather than the number of Units offered for sale to the public by Sponsor at such time. Finally, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective prior to closing on any Units, irrespective of whether the Declaration of Condominium has already been recorded.

The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of two (2) Residential Units, which represents a minimum of at least eighty percent (80%) of the Units offered under the Plan.

The Plan may be abandoned, at Sponsor's sole option, at any time before it has been declared effective and before eighty percent (80%) of the Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form together with a notice of abandonment on form RS-3. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to

them in full, with interest, if any, within twenty (20) days after the Amendment abandoning the Plan has been accepted for filing.

Once a Plan has been declared effective, Sponsor may not abandon it for any reason other than for: (a) a defect in title which cannot be cured without litigation or cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (0.5%) of the Total Offering Price set forth on the front cover of the Plan, as may be amended from time to time; or (b) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (0.5%) of the Total Offering Price set forth on the front cover of the Plan, as may be amended from time to time; or (c) the taking of any material portion of the Property by condemnation or eminent domain. The aforementioned amount set forth above as a basis for abandonment after effectiveness of the Plan shall exclude any title defects, attorneys' fees, or determinations of any authority or regulatory association which exist as of the date the Plan is declared effective and either are known to the Sponsor or are a matter of public record.

The Plan will be declared effective by the mailing or personal delivery of written notice to all purchasers stating that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective, and a list of the Units being counted to meet the minimum percentage under the terms of the Plan to declare it effective. The closing of title to any Unit may not occur until after the Plan has been declared effective. Though a closing may occur without Sponsor first filing an effectiveness amendment with the Department of Law, Sponsor must later comply with the Attorney General's regulations with respect to disclosure regarding effectiveness when filing its post-closing amendment with the Department of Law. In any event, the amendment substantiating the Plan's effectiveness must state that the Plan has been declared effective and specify the date of such notice of effectiveness, and if requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements, together with any amendments or modifications to such Agreements, within five (5) business days after the request is received.

The Plan will not be declared effective based upon Purchase Agreements: (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (b) if the Purchaser was either not afforded at least three (3) business days to review the Plan, and all filed amendments thereto prior to executing a Purchase Agreement, or if he was not permitted seven (7) days after delivering an executed Purchase Agreement and deposit to rescind the Purchase Agreement; or (c) with any Purchaser who is the Sponsor/Selling Agent or the Managing Agent or is a principal of the Sponsor/Selling Agent or the Managing Agent or is related to the Sponsor/Selling Agent or the Managing Agent or to any principal of the Sponsor/Selling Agent or Managing Agent by blood, marriage or adoption or as a business associate, an employee or 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 Sponsor submits proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide Purchaser.

TERMS OF SALE

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

1. Survey made by Szczepan H. Roguski dated May 1, 2017, shows a building up to four stories, concrete and tile paved areas, and the following survey exceptions:

   a. Northerly wall of the building on the Land encroaches up to 0.28 feet onto Richardson Street;

   b. Temporary plywood fence of the premises adjoining on the west appears to be attached to the northerly wall of the building on the Land;

   c. Concrete walls on the Land (with wire fence thereon) are located up to 0.44 feet east of the westerly property line, 0.52 feet north of the southerly property line and 0.39 feet west of the easterly property line;

   d. Area in rear of Land under construction;

   e. Wood shed on the premises adjoining on the east encroaches up 0.39 feet onto the Land; and

   f. Easterly wall of the building on the Land encroached up to 0.02 feet onto the premises adjoining on the east.

Subject to any changes and conditions since May 1, 2017, that an accurate survey would disclose;

2. Any state of facts which updated and accurate surveys would show, provided such surveys do not render title unmarketable;

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

4. The Declaration, By-Laws, Maps and Floor Plans of the Condominium to be recorded in the Office of the City Register, as the same may be amended from time to time;

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

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

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

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

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

10. Service, maintenance and union contracts and agreements, if any, in effect on this date of the First Unit Closing;

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

12. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent residential use of the Residential Units or Common

Elements at the Property nor prevent the existence of the present structures, including, but not limited to, the following:

a. Zoning Lot Description and Ownership Statement dated March 30, 2015, made by 174 Richardson LLC and recorded on April 17, 2015, under CRFN 2015000130154; and

b. Certification Pursuant to Zoning Lot Subdivision C dated March 5, 2015, made by Commonwealth Land Title Insurance Company and recorded on August 6, 2015, under CRFN 2015000271728;

13. Covenants, conditions, restrictions, easements, and agreements set forth in any current or future Zoning Lot and Development Agreements, Zoning Lot Descriptions and Ownership Certifications, and/or Zoning Lot Certifications to be recorded;

14. Any service contracts to be assumed by the Condominium at the First Unit Closing;

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

16. Any service variations between tax lot lines and lines of recorded title; and

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

The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing. As set forth in the section of the Plan titled "Effective Date of Plan", in the event of a casualty which cannot be repaired for less than a cost which exceeds an amount equaling one half of one percent (0.5%) of the Total Offering Price set forth on the front cover of the Plan, as may be amended from time to time (as estimated with respect to the casualty by an insurance adjuster retained by Sponsor) and which occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such event all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a loss or casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of the damaged Unit, then the following shall be applicable:

Sponsor shall have one hundred twenty (120) days to elect to repair or restore the damage to the Building.

The term "Affected Unit" means a Unit that has been directly damaged in the casualty (other than minor damage not rendering the Unit uninhabitable) or is without such essential services as gas, electricity and heat, or no longer has a reasonably adequate means of ingress and egress to the street;

The Purchase Agreements for all Units, other than "Affected Units" (as previously defined), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonably adequate means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement prior to the casualty, such Purchaser shall assume the risk of loss or other casualty not covered by either Sponsor's insurance or the Board's insurance, with respect to the Unit, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

All personal property located within the Unit on the date the Purchase Agreement is signed that is owned by the Sponsor is included in the conveyance to the Unit Purchaser. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is included in the property transferred to the Condominium by the Declaration.

At the time of the First Unit Closing each mortgagee will (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Condominium Unit being conveyed.

Closing of Title to Units

At the closing of title to an individual Unit the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit and the Sponsor, pursuant to this "Terms of Sale" section hereof, will deliver to the Purchaser a bargain and sale deed for that Unit with covenants against grantors acts. The form of Unit Deed is set forth in Part II of the Plan.

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

(1) The issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor has obtained a permanent Certificate of Occupancy #321129088F, dated November 1, 2017 for the Building, which provides for all three (3) of the Residential Units therein. A copy of the permanent Certificate of Occupancy is included in Part II of the Plan.

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

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

(4) The serving by personal delivery or registered or certified mail to the Purchaser written notice of the closing date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement; and the affording to Purchaser of an opportunity to inspect the Unit and the Common Elements; and

(5) The declaration of effectiveness of the Offering Plan by Sponsor in accordance with the section titled "Effective Date of Plan" located in Part I hereof.

At the closing of title to a Unit, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to

equipment and appliances installed within such Unit. The Board of Managers shall simultaneously execute and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.

Closing Adjustments with the Condominium Board

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

(a) Any Common Charges or other payments to be made in lieu thereof, which are Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs;

(b) employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;

(c) fees for assignable permits and licenses, if any;

(d) charges for gas for the Common Elements, for which Sponsor shall obtain readings;

(e) charges for electricity for the Common Elements, for which Sponsor shall obtain a reading;

(f) charges under service and maintenance contracts and concession agreements, if any;

(g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed or on the basis of meter readings if applicable, which Sponsor shall obtain;

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

(i) premiums for transferable insurance policies, if any, provided that the amount and the extent of coverage conforms to the disclosures in this Plan in Schedule B as set forth in Part I of the Offering Plan;

(j) vault charges, if any; and

(k) such other items as are customarily included in closing adjustments in the City of New York.

The Condominium Board shall reimburse the Sponsor in full for any electric, utility or other utility construction deposits or security deposits paid by Sponsor. Such items are not items for closing adjustment.

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium the sum equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing. This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the contribution to Working Capital paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the Working Capital contribution checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to repay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of Working Capital contribution for each Unit in the Building. If the result of the closing adjustment is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as well as determined by the Board of Managers in its sole discretion. The post-closing amendment shall disclose how net closing adjustments, if any, were paid.

Other than as set forth above, no provision has been made for a Working Capital Fund. Further, other than as set forth in “Schedule B, Projected Budget for First Year of Condominium Operation Beginning January 1, 2021,” no provision has been made for a Reserve Fund.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. General:

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit will be as set forth below. Such costs are only estimates and are subject to change.

(a) Payment of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Sponsor recommends that Purchaser order such insurance from Commonwealth Land Title Insurance Company, having an office at 630 Third Avenue, 12th Floor, New York, NY 10017, telephone number 212-490-2277, attn.: Anthony Della Salla ("Commonwealth"). Obtaining title insurance from Commonwealth shall facilitate the closing and avoid unnecessary delays. However, notwithstanding anything herein to the contrary, a Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company. Purchasers are advised that obtaining title insurance from another title insurance company and/or abstract company may cause a delay of the closing of title to the Unit. If Purchaser elects to obtain title insurance from another title insurance company and/or abstract company, there shall be no additional cost to Purchaser due to such choice. Purchaser will pay the premiums for title insurance, which will vary depending upon the purchase price of the Unit and, if applicable, the amount of the mortgage loan being obtained to finance the purchase thereof.

As of June 24, 2020, the rate schedule for title insurance premiums, promulgated by the Title Insurance Rate Service Association, Inc. ("TIRSA") is as follows:

Amount of Insurance		**Owner's Policy**	**Loan Policy**
First $35,000 or less			
MINIMUM PREMIUM (EXCEPT SIMULTANEOUSLY ISSUED POLICIES:		$382.00	$327.00
Each Additional $1,000 (or fraction thereof)			
From	To		
$35,001	$50,000	$6.34	$5.27
$50,001	$100,000	$5.16	$4.31
$100,001	$500,000	$4.14	$3.46
$500,001	$1,000,000	$3.78	$3.14
$1,000,001	$5,000,000	$3.48	$2.90
$5,000,001	$10,000,000	$3.09	$2.57
$10,000,001	$15,000,000	$2.92	$2.42
$15,000,001	and up	$2.62	$2.19

If a Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from Commonwealth, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the rate schedule as described above. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular schedule rate for loan policies as outlined on the schedule above.

Purchasers should note that the premium rates quoted herein are for illustrative purposes only. All rates are subject to the applicable sections of the TIRSA rate manual and any other filings with TIRSA, and are subject to change at any time.

Purchasers are required to accept such title as Commonwealth will provide, approve and insure and without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be Permitted Encumbrances, as described in the Terms of Sale section of this Plan. As a result, Sponsor is not obligated to cause Purchaser's title company to omit any exception to title if Commonwealth is willing to insure Purchaser's title without such exception, at its regular rates and without additional premium, by either (i) omitting same from Purchaser's title insurance policy or (ii) insuring against collection from the Unit. Purchaser will be responsible to pay to the title company the entire premium for Purchaser's title insurance. In the event there is a delay in the closing of title to a Unit due to clearance of title issues or otherwise as a result of Purchaser utilizing a title company other than Commonwealth, Purchaser will be responsible for the additional closing costs as provided for in the Purchase Agreement and in this Section of the Offering Plan.

Further, with regard to title defects, once the Offering Plan has been declared effective, Sponsor may not abandon it unless such defect in title cannot be cured without litigation or cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (0.5%) of the Total Offering Price set forth on the front cover of the Plan, as may be amended from time to time. See the section of the Plan herein before titled "Effective Date of Plan" for further details in this regard.

(b) Recording fee for recording the deed and power of attorney of approximately $675.00;

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

(i) Legal fees of the lending institution's attorney;

(ii) Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by Commonwealth, as of June 24, 2020, set forth in subparagraph (a) above;

(iii) A mortgage recording tax of two and five one-hundredths percent (2.05%) of the amount of the mortgage executed by Purchaser for mortgages in the amount of less than $500,000.00. For mortgages of $500,000.00 or more, the rate is two and one hundred seventy-five thousandths percent (2.175%). Please note the discussion of Mortgage Tax Credit below. Institutional Lenders are required to pay one quarter of one percent (0.25%) of the two and five one-hundredths percent (2.05%), or, if applicable, two and one hundred seventy-five thousandths percent (2.175%), tax, thereby reducing Purchaser's cost to one and eight tenths percent (1.80%) less $30.00, for mortgages less than $500,000.00 and one and nine hundred twenty-five thousandths percent (1.925%) less $30.00 for mortgages of $500,000.00 or more;

(iv) Recording fee of approximately $825.00 for (i) recording of the Purchaser's Mortgage and the partial release of mortgage and termination of any Uniform Commercial Code Financial Statements related to the Unit and any underlying Mortgage, construction loan or otherwise, obtained by Sponsor; and (ii) ACRIS service fees of the title company relating to the required filing of real estate transfer tax forms; and

(v) Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution;

(d) New York City Real Property Transfer Tax ("NYC Transfer Tax"), which is currently at a rate equal to one percent (1%) of the consideration paid for residential real property if such consideration is $500,000.00 or less, and one and four hundred twenty-five thousandths percent (1.425%) of the consideration paid for residential real property where such consideration is greater than $500,000.00. The non-residential rates where consideration is $500,000.00 or less, and where consideration is greater than $500,000.00, are one and four hundred twenty-five thousandths percent (1.425%) and two and six hundred twenty-five thousandths percent (2.625%), respectively. It is customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes discussed in (e) immediately below. In condominium transactions, either the seller or the Purchaser can pay these transfer taxes. The obligation is assumed by a purchaser if such obligation is imposed on the purchaser by the terms of the sale. Under the Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a closing cost. For purposes of paying the NYC Transfer Tax with respect to this project, consideration

also includes the amount of NYC Transfer Tax and NYS Transfer Tax (defined below) to be paid for the Unit as well as the Purchaser's payment of Sponsor's legal fees as set forth in (g) below;

(e) New York State Real Estate Transfer Tax ("NYS Transfer Tax"), which was formerly at a rate equal to $2.00 per each $500.00 of consideration or part thereof, irrespective of consideration amount. However, pursuant to revisions to the State Tax Law, Section 1402-a, that apply to conveyances occurring on or after July 1, 2019 (other than conveyances pursuant to binding written contracts entered into on or before April 1, 2019) that occur in cities in the State of New York with populations of one million or more (including the City of New York), a higher rate of $3.25 per each $500.00 of consideration or part thereof shall be applicable to (i) conveyances of residential real property where consideration is $3,000,000.00 or more, and (ii) conveyances of any other real property where consideration is $2,000,000.00 or more. For avoidance of doubt, the former across-the-board rate of $2.00 per each $500.00 of consideration or part thereof shall continue to apply with respect to each conveyance of residential real property where consideration is less than $3,000,000.00, and with respect to each conveyance of any other real property where consideration is less than $2,000,000.00. For purposes of paying the NYS Transfer Tax with respect to this project, consideration also includes the amount of NYS Transfer Tax and NYC Transfer Tax to be paid for the Unit as well as Purchaser's payment of Sponsor's legal fees as set forth in (g) below;

(f) Contribution to the Working Capital Fund in the amount equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing, payable to the Board of Managers;

(g) Legal fee of Sponsor's attorneys in the amount of $3,750.00 per Unit, payable to D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP provided that an additional fee of $1,000.00 per closing shall be due for closings which occur outside the offices of Sponsor's attorneys;

Additionally, a legal fee of $1,000.00 shall be payable to Sponsor's attorneys for the work involved in processing any assignment of a purchase agreement or contract of sale. It is noted that no such assignments are permitted without the prior written consent of Sponsor. A legal fee of $1,000.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in the Offering Plan. Finally, a legal fee in the amount of $1,000.00 shall be paid by Purchaser to Sponsor's attorneys for each cancellation and/or release if prepared by such firm;

(h) Real estate taxes from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, which shall be either a quarter (1/4) of a year or one half (1/2) of a year, provided, however, that

Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser;

(i) In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing, Sponsor shall place in escrow in the name of the Board of Managers, at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. The amount of such escrow established, if any, shall be disclosed in the post-closing amendment. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

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.

(j) Under the State Tax Law, Section 1402-a, an additional tax of one percent (1%) of the total consideration is payable by the grantee (Purchaser) on each conveyance of residential real property where the consideration for the entire conveyance is $1,000,000.00 or more (the "Mansion Tax"). However, pursuant to revisions to the State Tax Law, namely, to the addition of Section 1402-b thereto, that apply to conveyances occurring on or after July 1, 2019 (other than conveyances pursuant to binding written contracts entered into on or before April 1, 2019) that occur in cities in the State of New York with populations of one million or more (including the City of New York), the following higher rates for the Mansion Tax shall be applicable: (i) one and one-quarter percent (1.25%) of consideration with respect to each conveyance where such consideration for the entire conveyance is $2,000,000.00 or more but less than $3,000,000.00; (ii) one and one-half percent (1.50%) of consideration with respect to each conveyance where such consideration for the entire conveyance is $3,000,000.00 or more but less than $5,000,000.00; (iii) two and one-quarter percent (2.25%) with respect to each conveyance where such consideration for the entire conveyance is $5,000,000.00 or more but less than

$10,000,000.00; (iv) three and one-quarter percent (3.25%) with respect to each conveyance where such consideration for the entire conveyance is $10,000,000.00 or more but less than $15,000,000.00; (v) three and one-half percent (3.50%) with respect to each conveyance where such consideration for the entire conveyance is $15,000,000.00 or more but less than $20,000,000.00; (vi) three and three-quarters percent (3.75%) with respect to each conveyance where such consideration for the entire conveyance is $20,000,000.00 or more but less than $25,000,000.00; and (vii) three and nine-tenths percent (3.90%) with respect to each conveyance where such consideration for the entire conveyance is $25,000,000.00 or more. For avoidance of doubt, the former across-the-board rate of one percent (1%) of consideration shall continue to apply with respect to each conveyance where such consideration for the entire conveyance is $1,000,000.00 or more but less than $2,000,000.00. Under the terms of the Offering Plan, a Purchaser shall be liable for payment of the Mansion Tax, if applicable, at the closing of title of the Unit being purchased. For purposes of paying the Mansion Tax with respect to this project, consideration also includes the amount of NYS Transfer Tax and NYC Transfer Tax to be paid for the Unit as well as Purchaser's payment of Sponsor's legal fees set forth in (g) above.

In the event that the taxing authority of the City of New York determines that the conveyance of more than one (1) Residential Unit to the same Purchaser is taxable at the non-residential rates, then, in such event, (a) the NYC Transfer Tax to be paid by Purchaser shall be one and four hundred twenty-five thousandths percent (1.425%) of the aggregate consideration where the consideration is $500,000.00 or less, and two and six hundred twenty-five thousandths percent (2.625%) of the aggregate consideration when the consideration is greater than $500,000.00, and (b) the higher NYS Transfer Tax rate of $3.25 for each $500.00 of consideration or part thereof shall apply where the aggregate consideration is $2,000,000.00 or more, even if such consideration is less than the $3,000,000.00 minimum where such higher rate would be applicable to residential real property.

Purchasers should note that for purposes of this discussion of transfer taxes, "residential real property" shall include a one, two, or three-family house, an individual condominium unit (including an individual Residential Unit hereunder), or a cooperative apartment, that is or may be used, in whole or in part, as a personal residence, and that, as explained hereinabove, the transfer of a Residential Unit with any other Residential Unit could potentially trigger the non-residential tax rates with respect to the NYS Transfer Tax and NYC Transfer Tax.

In the event the City or State of New York shall promulgate a new or additional real estate transfer tax that shall apply to a transaction contemplated hereunder (e.g., a City equivalent of the Mansion Tax), such transfer tax shall be payable solely by the Purchaser.

Furthermore, in the event that the City of New York determines additional transfer taxes are due following an audit of any closed transactions, it shall be the Purchaser's sole obligation,

which shall survive the closing, to respond to and defend such audit and pay any additional tax imposed.

In addition to the above costs, each Purchaser of a Unit will be responsible for the fees and expenses of his own attorney, if any. As a result of the variable factors with respect to each Unit, such as purchase price, terms of a possible mortgage commitment, fees of Purchaser's attorney and fees of the attorney representing Purchaser's lending institution, Sponsor suggests that Purchaser review their closing costs with an attorney.

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

Notwithstanding anything hereto the contrary, if, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally Scheduled Closing Date, or the Adjourned Closing Date (as defined in the form Purchase Agreement set forth in Part II of the Plan), and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally Scheduled Closing Date regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% (10.95% annual percentage interest) of the Purchase Price of this Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault to Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

Water and sewer charges shall be adjusted between the Sponsor and the Condominium as of midnight preceding the First Unit Closing.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on January 1, 2021, Sponsor will have paid the real estate taxes for the Property through June 30, 2021. Sponsor shall place in escrow with the Condominium Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for six (6) months subsequent to the date of the First Unit Closing. If the real estate taxes have already been paid for all or part of this six (6) month period, then this six (6) month period shall be reduced by

the amount of time subsequent to the First Unit Closing for which the taxes have been paid. For example, if the First Unit Closing occurs on January 1, 2021, and real estate tax have been paid through June 30, 2021, then Sponsor shall not be required to place funds for real estate taxes into escrow with the Condominium Board of Managers since six (6) months of real estate taxes will have already been paid. Sponsor shall have the right to reduce this escrow on a Unit by Unit basis by requiring each Purchaser to fund into escrow, at such Purchaser's Unit Closing, the amount necessary, on the basis of percentage of Common Interest, to cover the period for which real estate taxes have not been paid for such Unit up to six (6) months from the First Unit Closing or an amount necessary to pay the amount of allocated taxes for the Unit which will be due on the next tax payment date (which in New York City is either July 1st or January 1st). At the option of Sponsor, this funding may occur in addition to Purchaser paying such funds to its mortgagee, or by paying such monies into the escrow held by the Board of Managers. The amount of such escrow established, if any, shall be disclosed in the post-closing amendment. Sponsor shall pay the real estate taxes from this escrow account when they are next due and shall be entitled to reimbursement from any Unit Owner who either did not pay any money into escrow or paid less than was required to cover the real estate taxes attributable to such Unit for the time Purchaser owned the Unit. Notwithstanding anything to the contrary herein, Sponsor shall have the sole and absolute discretion to elect, in lieu of establishing at the First Unit Closing the real estate tax escrow described immediately hereinabove, to cause the Board of Managers (for so long as Sponsor controls the same), pursuant to Article VI Section 17 of the By-Laws, to charge each Unit Owner, as a Common Charge, its respective pro rata share (on the basis of the percentage of Common Interest attributable to such Unit) of all real estate taxes with respect to the Property, until the Units have been separately assessed for real estate tax purposes.

Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner or its mortgagee shall, on January 1st and July 1st of each year, pay to the Board of Managers, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six (6) months, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six (6) month time period. At the option of Sponsor, Purchasers may be required to fund at the closing of title to their Unit, their proportionate share of the funds to be escrowed with the Board of Managers for this purpose. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

At Unit Closings individual Purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax payment period within which the closing date occurs. However, Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

2. Mortgage Tax Credit

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

> "In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase of land or buildings for the condominium provided that such purchase was no more than two (2) years prior to the recording of the declaration of condominium, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro-rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage."

If Sponsor has paid a mortgage recording tax for a construction loan and/or blanket mortgage on the Property and in the event that a mortgage tax credit becomes available pursuant to the above Section of the New York Real Property Law, then it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser electing mortgage financing shall pay an amount equal to the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At closing the Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

(b) In the event the mortgage recording tax credit pursuant to Section 339-ee(2) of the New York Condominium Act is unavailable, Sponsor, at its option, may arrange, in lieu of the mortgage recording tax credit, to have Valley National Bank, the holder of the loans encumbering the Property, assign to a Purchaser's lender, a portion of Valley National Bank's mortgages, in an amount equal to the mortgage loan obtained by Purchaser (the "Mortgage Assignment"). If Sponsor chooses to have Valley National Bank deliver a Mortgage Assignment to Purchaser's lender, Sponsor will pay the costs and fees charged by Purchaser's lender, and Purchaser's lender's attorneys, as well as all applicable recording charges to effect the contemplated assignment ("Mortgage Assignment Expenses").

If, at Sponsor's option, the Mortgage Assignment is effected, Purchaser shall, in lieu of paying mortgage recording tax to the State of New York, pay Sponsor, at Closing, an amount equal to the mortgage recording tax which would otherwise have been due by Purchaser ("Mortgage Recording Tax Reimbursement"). Sponsor also reserves the right to direct Purchaser to pay, from the Mortgage Recording Tax Reimbursement, the Mortgage Assignment Expenses. It is intended that Purchaser shall not be obligated to pay or incur any expense or sum of money that it would not have paid in the event the mortgage recording tax credit was available.

The entire contents of this Paragraph 2 as well as those in Paragraph 1 above, as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

A numerical example for the costs set forth in this section of the Offering Plan for a typical Residential Unit, such as Unit 2, with a purchase price of $1,450,000.00 and a mortgage of $1,160,000.00 are estimated as set forth below. Tax, insurance and recording rates are subject to change.

(i) Title insurance for fee and mortgage, including the simultaneous fee discount $7,059.00 ($5,847.00 fee and $1,212.00 mortgage);

(ii) recording costs for deed and powers of attorney $675.00;

(iii) Purchaser's portion of mortgage recording tax (including payment to Sponsor pertaining to mortgage tax credit, if any) $22,300.00;

(iv) Recording cost of mortgage, partial release, UCC Termination Statements and ACRIS filings $825.00;

(v) New York City Real Property Transfer Taxes $21,093.03;

(vi) New York State Real Estate Transfer Taxes $5,922.00;

(vii) New York State Mansion Tax $14,802.13;

(viii) Working Capital Fund Contribution (2 months Common Charges) $1,574.18;

(ix) Legal fee of Sponsor's attorney (assuming the closing takes place in the office of Sponsor's attorneys, no assignment, and no unauthorized delay in closing by Purchaser) $3,750.00;

(x) Real estate tax escrow and adjustment -

For a closing occurring on January 1, 2021, second half 2020/2021 real estate taxes will have been paid. However, for first half 2021/2022 real estate taxes, due July 1, 2020, six (6) months of real estate tax escrow would be picked up, provided real estate taxes have not yet been individually apportioned to the Residential Units for such tax period. For example, for Unit 2, this amount would be estimated at approximately $2,409.42 based upon the estimates in Schedule A for the First Year of Condominium operation. It is also noted that a January 1, 2021 closing where the second half of 2020/2021 real estate taxes are paid would mean the Purchaser would have to reimburse Seller for six (6) months of real estate taxes. For Unit 2, based upon the estimates in Schedule A for the First Year of Condominium operation, this amount would equal approximately $2,409.42.

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

Summary of Estimated Closing Costs for Numerical Example for Unit 2

(i)	Title insurance for fee and mortgage	$ 7,059.00
(ii)	Recording costs for deed and powers of attorney	$ 675.00
(iii)	Purchaser's portion of mortgage recording tax	$ 22,300.00
(iv)	Recording cost of mortgage, partial release, UCC Termination Statements and ACRIS filings	$ 825.00
(v)	New York City Real Property Transfer Taxes	$ 21,093.03
(vi)	New York State Real Estate Transfer Taxes	$ 5,922.00
(vii)	New York State Mansion Tax	$ 14,802.13
(viii)	Working Capital Fund Contribution (2 months Common Charges)	$ 1,574.18
(ix)	Legal fee of Sponsor's attorney	$ 3,750.00
(x)	Real estate tax escrow	$ 2,409.42
(xi)	Real estate tax adjustment	$ 2,409.42
		$ 82,819.18

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. In the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers who are not then in default, will be given, for a period of fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, in the event a Purchaser who first became an occupant of the Building pursuant to an Interim Use and Occupancy Agreement elects to exercise a right of rescission as provided above, the return of all down payment funds paid pursuant to the Purchase Agreement will be conditioned on the cancellation of such Interim Use and Occupancy Agreement and surrender of possession of his Residential Unit by Purchaser within thirty (30) days after the presentation of the rescission Amendment.

The project is currently being financed from Sponsor's own funds and construction loan financing provided by Valley National Bank (the "Construction Lender"). Sponsor, as of the date of the First Unit Closing, shall either (a) cause such mortgage to be satisfied, or (b) cause the Construction Lender to agree to release the lien of its mortgage as to any Units that close upon the payment by Sponsor of either a minimum release price or a percentage of gross or net sales proceeds from each closing, Unit by Unit until the loan is paid in full. With respect to option (b) set forth immediately hereinabove, Sponsor is of the belief that all of the offering prices, as set forth in Schedule A located in Part I of the Offering Plan, will be above any proposed minimum sales prices that may be established with the Construction Lender. No consent to rent Residential Units for periods of twelve (12) months or less is required from Construction Lender.

Sponsor makes the representations set forth below with respect to certain obligations under the Plan.

1. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for the authorized and proper work performed and fixtures, material and equipment supplied or installed in said construction.

2. The Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Units and Common Elements substantially in accordance with the plans and specifications described herein. If any work still remains to be done to complete such work, provided such work will not prevent the issuance of a permanent Certificate of Occupancy, Sponsor, at Sponsor's own cost and expense, will perform or cause all such work to be performed and will supply or cause all material therefor to be supplied and will pay for such work and

materials and discharge or bond all mechanics' liens which may be filed as a result of the construction of the Units or Common Elements.

The Sponsor reserves the right to substitute for any of the materials or any of the construction procedures specified in the Building Plans, the "Description of Property and Specifications" or elsewhere in the Plan, materials which are of Equal or Better Quality and design and/or construction procedures which are of Equal or Better Quality as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment and procedures described in this Plan and in the architectural plans on file, but, due to the possible unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment which are of Equal or Better Quality and design and/or construction procedures which are of Equal or Better Quality, for any of those set forth in the specifications or otherwise in this Plan.

The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section of the Plan titled "Changes in Prices or Units" herein.

Changes will be made in the size or number of Units, their respective percentage of Common Interest, or in the amount or quality of Common Elements, except as otherwise provided herein, only with the consent of all Unit Owners or contract vendees directly affected, and by amendment to the Plan and also by amendment to the Declaration if the Declaration was filed prior to such change. For a Unit Owner or contract vendee to be directly affected, the change must be to the percentage of Common Interest of his or her Unit, or to the size of his or her Unit or in the amount or quality of Common Elements which he or she is entitled to use, that, as a result, adversely affects the value of his or her Unit. However, Sponsor shall not be obligated to obtain consent of any Unit Owner for changes made prior to the execution of a Purchase Agreement for the affected Unit or Units, provided such changes are made by amendment to the Offering Plan and to the Declaration if the Declaration was filed prior to such change.

Material changes to the size, layout or percentage of Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to the Purchaser or material adverse changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to Purchaser, shall be made only with the written consent of the Purchaser of such Unit, provided, however, that such Purchaser's consent shall only be required if the Purchaser is not then in default. Notwithstanding the foregoing, such changes may be made, provided all directly affected Unit Owners consent in writing to such change and all directly affected Purchasers who are still contract vendees and who are not then in default consent in writing to such changes.

Sponsor reserves the right to substitute in place thereof, without prior notice or amendment to the Plan, systems, materials, equipment, appliances and fixtures of Equal or Better Quality. Such

changes or substitutions shall not be deemed materially adverse and shall not be deemed to otherwise adversely affect the value of a Unit.

3. The Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor has obtained a permanent Certificate of Occupancy #321129088F, dated November 1, 2017 for the Building, which provides for all three (3) of the Residential Units therein. A copy of the permanent Certificate of Occupancy is included in Part II of the Plan.

4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, except as noted in the section of the Plan titled "Unit Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees, organization costs, brokerage commissions, engineers' fees, appraisal and any surveying fees and costs.

5. The Sponsor will pay all Common Charges, real estate taxes, special Assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. As set forth in Part I of the Offering Plan, however, Sponsor, where Purchaser has caused an unauthorized delay in closing of title, shall be entitled to certain reimbursement of real estate taxes, Common Charges and interest. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds. If this source proves insufficient Sponsor shall seek funds from the construction lender, if any, or another lender.

Notwithstanding anything in the Offering Plan to the contrary, until title to all Units has been conveyed, the Sponsor as the owner of any Unsold Units, may delay the commencement of Common Charges and decide that Sponsor will, at Sponsor's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan. Further, Sponsor reserves the right to use its majority vote on the Board of Managers to cause a refund to be issued to Unit Owners, including Sponsor, for Common Charges collected pursuant to an annual Condominium operating budget, which are in excess of actual Condominium operating expenses. However, any such refund to Unit Owners for Common Charges collected in excess of actual Condominium operating expenses shall not include any amounts budgeted for reserve funds.

In the event Sponsor elects to delay the collection of Common Charges and instead make "in lieu" payments, Sponsor shall indicate on the closing statement for each Purchaser that closes during the delay period that Common Charges have been waived (except with respect to the two months of Common Charges collected for contribution to the Working Capital Fund). Thereafter,

Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated 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 owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. During any such delay period, Sponsor shall: (i) timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (ii) pay from Sponsor's funds any reserve fund payments; and (iii) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, and during the period that Sponsor controls the Board of Managers, there will not be an assessment for any item set forth in the approved Budget of the Condominium.

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

7. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit (or Limited Common Elements appurtenant thereto) affected within six (6) months from the date of closing of title to such Unit or, with respect to General Common Elements, that Sponsor is notified by the Board of Managers (or, while Sponsor is in control of the Board of Managers, that Sponsor is notified by a Unit Owner) within six (6) months after substantial completion of the General Common Element in question. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit (or Limited Common Elements appurtenant thereto) within one (1) year from the closing of title to such Unit or is notified by the Board of Managers (or, while Sponsor is in control of the Board of Managers, that Sponsor is notified by a Unit Owner) with respect to General Common Elements within one (1) year after substantial completion of the General Common Element in question. However, nothing herein shall be construed to limit any rights which the Attorney General may have under the Martin Act, Executive Law or any other applicable law or regulation. Notwithstanding anything contained herein to the contrary, any work shall be comparable to local standards customary in the particular trade and shall be done in accordance with all applicable codes and approved plans and specifications for the Building. Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect.

Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specification (subject to Sponsor's right to substitute anything that is of Equal or Better Quality) and that any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board of Managers and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. Sponsor makes no warranties as to kitchen appliances or other appliances and mechanical equipment in the Unit, except that it will assign to the Purchaser any manufacturer's warranties thereon and any manufacturer's warranties existing for other items in Purchaser's Unit to the extent same are assignable.

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, installers, or others, are assigned to the Board of Managers or Unit Owners. In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging and cracking on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in Formica, ceramic or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold or sliding doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, marks, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances,

or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble, granite or stone used in kitchens or bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble, granite or stone aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, Formica, ceramic and porcelain surfaces, which repair shall be made by grinding the stone, filling the Formica or ceramic or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, Formica, ceramic or porcelain surfaces.

In addition to Sponsor's obligations set forth above and notwithstanding anything above to the contrary, on March 1, 1989 a new law became effective which grants Purchasers of newly constructed condominium units and cooperative apartments in buildings of five (5) stories or less who execute Purchase Agreements on or after March 1, 1989 a Housing Merchant Implied Warranty which can be limited by the seller. Accordingly, to the extent applicable, the Housing Merchant Implied Warranty shall apply to those Condominium Units where Purchase Agreements have been executed on or after March 1, 1989 unless limited by Sponsor. The Sponsor has limited the Housing Merchant Implied Warranty as follows:

This Limited Warranty is extended to the initial Purchasers of residential condominium units located at 174 Richardson Street, Brooklyn, New York at the 174 Richardson Street Condominium. The warranty is not extended to any subsequent owners. ADDITIONALLY, THE LIMITED WARRANTY SPECIFICALLY EXCLUDES ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES AS A RESULT OF DEFECTS COVERED BY THE LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF.

(1) The Limited Warranty covers the following items:

(a) defects in the construction of the Building and Units therein, due to (i) materials materially at variance with the architectural plans and specifications or (ii) materials or workmanship which does not meet the specific standards of the applicable building code, or, where a specific standard does not exist, the standards of locally accepted building practices;

(b) defects in the plumbing, electrical, heating, cooling and ventilation systems in the Unit due to (i) materials materially at variance with the architectural plans and specifications or (ii) materials or workmanship which does not meet the specific standards of the applicable building code, or, where a specific standard does not exist, the standards of locally accepted building practices;

(c) physical damage to the following load-bearing portion of a Unit caused by failure of such load-bearing portions which affects their load-bearing

functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls, partitions, floor systems and roof framing systems.

(2) The items pertaining to the Building and/or Unit which are specifically excepted or excluded from warranty coverage are set forth immediately below, together with the standard as to whether a defect exists.

(a) defects of construction or in the installation or the operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, installers, or others exist and are assigned to the Unit Owner or the Board of Managers as the case may be;

(b) conditions resulting from normal wear and tear or natural deterioration or from normal settling or shifting of the Building;

(c) defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window due to weather, door warpage, scratches in Formica or porcelain surfaces, bath and/or kitchen tile grouting defects, adjustment of any bi-fold doors, walls not being exactly square, electrical plates not being exactly straight, slight discoloration or shrinkage of materials, slight separation between base and floor;

(d) normal settlement and deflection or any consequential damage resulting therefrom, including, without limitation, cracks in any concrete roof pavers or concrete cracks which do not impair the structural soundness of the Building;

(e) variations in any floor levels;

(f) ceiling imperfections;

(g) minor painting defects;

(h) alignment of bathroom finishes;

(i) minor air infiltration from windows;

(j) normal plumbing, heating and air conditioning noises;

(k) normal floor noises and creaking;

(l) carpet or floor discoloring or stretching;

(m) variations in width, length or tone of wood floor strips;

(n) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, garage doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring;

(o) subsequent to the Unit Closing, paint touch-ups repairs of dented appliances, or replacement of fluorescent light ballasts;

(p) variances in tone or color of any marble used in bathrooms or variations in tone or color of vanity tops or other marble aggregate surfaces;

(q) salting or color variation in exterior colored mortar and deep colored brick;

(r) ponding and/or controlled drainage on any roof surface; or

(s) cracks in any pressure treated wood or redwood used or intended for use outside the Building.

(t) Also, specifically excluded from this Limited Warranty is any patent defect which an examination ought in the circumstances to have revealed, when the Purchaser, before taking title or accepting the title as complete, has examined the Unit as fully as the Purchaser desires or if Purchaser has refused to examine the Unit, provided that patent defects listed by Purchaser on any punchlist inspection statement are not excluded by the provisions of subparagraph (t) herein.

(3) The Sponsor shall, within thirty (30) days upon receiving written notice of a defect not specifically excluded under the Limited Warranty, provided such notice is delivered or postmarked within the time requirement set forth below, verify such defect and, if such defect is verified, give three (3) days' notice to the Unit Owner in question and/or the Board of Managers, as the case may be, that the necessary repairs shall be made. Sponsor in its sole discretion, shall select the method of correcting any defect. On the aforementioned three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent, if any, access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect.

Notwithstanding the above, if the defect is of a nature covered by the warranty of a subcontractor to the Sponsor, Sponsor shall have ninety (90) days to give the aforementioned three (3) day notice to commence any necessary repairs instead of thirty (30) days. Sponsor shall, however, still verify such defect within thirty (30) days, as set forth above.

(4) The term of the Limited Warranty coverage shall be as follows:

(a) one (1) year from the date of the earlier of (i) the passing of title to the first owner for occupancy by such owner or his/her family as a residence or (ii) the date of first occupancy of the home as a residence ("Warranty Date") with respect to defects due to (i) materials materially at variance with the architectural plans and specifications or (ii) a failure of the workmanship and materials to meet or exceed the specific standards of the applicable building code or, where a specific standard does not exist, the standards of locally accepted building practices;

(b) two (2) years from and after the Warranty Date with respect to defects in the plumbing, electrical, heating, cooling and ventilation systems of the Unit being purchased due to (i) materials materially at variance with the architectural plans and specifications or (ii) workmanship which does not meet the specific standards of the applicable building code or, where a specific standard does not exist, the standard of locally accepted building practices;

(c) six (6) years from and after the Warranty Date with respect to physical damage to the following load-bearing portion of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls, partitions, floor systems and roof framing systems.

Any action for damages or other relief caused by the alleged breach of the Limited Warranty may be commenced no later than one (1) year after the expiration of the applicable one (1), two (2) or six (6) year warranty periods as described in this paragraph. **In no event shall Sponsor's Liability for defects covered by this Limited Warranty exceed the purchase price of the Unit.**

(5) Written notice of a warranty claim made under this Limited Warranty must be received by the Sponsor no later than thirty (30) days after the expiration of the applicable warranty period set forth above in paragraph numbered (4) or the Sponsor's obligations pursuant to such Limited Warranty shall be deemed to have been satisfied.

Except as expressly set forth herein, Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Sponsor shall have no obligation to repair or replace any defect resulting from the failure by the appropriate Unit Owner or the Board of Managers to properly service or maintain a particular item or items. Additionally, Sponsor shall have no obligation to repair or replace any defect resulting directly or indirectly from work done by any individual or entity retained by the Board of Managers or any Unit Owner(s).

Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of, (i) any non-material variations from the plans and specifications or the description of the Building or a Unit set forth in the Offering Plan or (ii) non-material variations from the plans and specifications or description of the Building or a Unit set forth in the Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of Equal or Better Quality.

Prospective purchasers should note that since the Certificate of Occupancy was issued for the Property, Sponsor has rented the Units to tenants. As of the date of submission of the Plan, Unit 1 is occupied by a family member of one of the principals of Sponsor pursuant to a residential lease in effect until August 31, 2021, and is anticipated to be transferred to such family member or an affiliate of Sponsor. Unit 2 and Unit 3 are vacant as of the date of submission hereof. The Units offered hereunder shall be delivered by Sponsor to a Purchaser in "AS IS" condition, including but not limited to normal wear and tear. Sponsor shall have no further obligations with regard to such Units, and shall be under no obligation to repaint or repair anything therein, including but not limited to, refinishing the floors, repairing any appliance or painting any room. Notwithstanding anything to the contrary herein:

(a) Prior to declaring the Offering Plan effective, Sponsor shall replace approximately twenty (20) square feet of wood flooring outside of the hot water heater closet on the lower level of Unit 3; and

(b) Portions of the Unit 1 private rear yard and the southern and western side walls supporting the rear yard perimeter fencing subsided minimally in 2017 due to lack of proper lateral support of the walls during construction at the neighboring site located immediately to the south and west of the Property, designated by the City of New York as Block 2735, Lots 4 and 12, Kings County (the "444 Graham Site"). The subsidence is limited to the yard walls and does not affect the Building or its structural stability or integrity. Construction at the portions of the 444 Graham Site that are within twenty (20) feet of the Property (the "Relevant Area") had been temporarily suspended under a court-ordered agreement dated on or about December 16, 2019 and modified on or about August 25, 2020, August 27, 2020, and September 28, 2020 (as modified and as may be further modified from time to time, the "Limited License Agreement") between Sponsor and the property owner thereof, 444 Graham Ave., LLC (the "444 Graham Owner"), until proper

monitoring and controls approved by Sponsor and its engineer were implemented. The lawsuit, entitled 174 Richardson LLC v. 444 Graham Ave., LLC, et al., Supreme Court, Kings County, Index No. 508232/2019, has since been disposed. The respective engineers of the 444 Graham Owner and Sponsor have agreed on a plan for foundation work in the Relevant Area moving forward in accordance with the terms of the Limited License Agreement, which work was substantially completed by the end of December of 2020. Neither the aforementioned disposed lawsuit nor the Limited License Agreement and the foundation work being performed in accordance therewith, impact Sponsor's capacity to perform all of its obligations under this Offering Plan.

After the aforementioned subsidence occurred, Sponsor removed the yard pavers, filled and recompacted the soil in the yard, and reinstalled the pavers. Sponsor believes that the yard walls and pavers are stable. Sponsor has not yet leveled the walls or repaired minor cosmetic damage to the walls and fencing, but reserves the right to do so.

Further, prospective purchasers should be aware that due to the construction at the 444 Graham Site, as described in the "Location and Area Information" section of this Offering Plan, the 444 Graham Owner may need to enter into a future construction license agreement with Sponsor and/or the Condominium to access certain portions of the Property during ongoing construction of the neighboring structure. In this event, prospective purchasers should note that such access may include, but not be limited to, placement of scaffolding in the Unit 1 private rear yard as well as at the Unit 2 and Unit 3 private terraces and that, in the event the same occurs, Unit Owner access to such areas could be impacted. As such an agreement is prospective only, a timeline for potential impact is unknown, but could affect the Property for several weeks or months. In the event Sponsor and/or the Condominium enters into such a construction license agreement with the 444 Graham Owner, Sponsor shall amend the Offering Plan accordingly to disclose the foregoing.

Prospective purchasers are encouraged to review the "Description of Property and Specifications" in Part II of the Offering Plan for information on Unit finishes and appliances.

8. The Sponsor represents that, until it no longer controls the Board of Managers, the Property will (i) be provided with the level of services consistent with those set forth in Schedule B located in Part I of the Plan, and (ii) be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing.

As set forth in the section of the Plan titled "Effective Date of Plan," in the event casualty which cannot be repaired for cost of less than an amount equaling one half of one percent (0.5%)

of the Total Offering Price set forth on the front cover of the Plan, as may be amended from time to time (as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of a damaged Unit, then the following shall be applicable: The Purchase Agreements for all Units, other than "Affected Units" (as previously defined in the section of the Plan titled "Terms of Sale"), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement prior to the casualty, such Purchaser shall assume the risk of loss or other casualty not covered by either Sponsor's insurance or the Board's insurance, with respect to the Unit, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium in the event of any delay in repairing the damage.

9. Sponsor shall deliver to The Board of Managers a set of "as-built" architectural plans upon completion of the project and, to the extent they exist and are available, any maintenance manuals for the mechanical systems and equipment in the Building.

10. Sponsor shall procure on behalf of and at the expense of the Condominium, prior to the First Unit Closing, the insurance policy(ies) provided for in Schedule B located in Part I of the Plan.

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

Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the closing of title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits, proceedings or claims arising out of acts or omissions of Sponsor or representations made by Sponsor in the Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of acts or omissions of Sponsor.

Sponsor's representations under the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

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

13. In the event of the dissolution or liquidation of the Sponsor or the transfer of the lesser of ten (10) Units or twenty percent (20%) or more of the total number of Units in the Condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

14. 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 a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction or rehabilitation of buildings.

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

16. Although it is the intent of Sponsor to sell all of the Residential Units, with the exception of Unit 1, which is anticipated to be transferred to a family member of one of the principals of Sponsor or an affiliate of Sponsor, Sponsor does not endeavor in good faith to sell all of the Units offered hereunder in a reasonably timely manner. The Sponsor, its successors, assigns or designees, is retaining the unconditional right to offer all or any Unsold Units for lease after the

Plan has been consummated (and with respect to Unit 1, before or after the Plan has been consummated). Purchasers of any such leased Units will be purchasing Units that have been previously occupied. Sponsor will notify purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any.) There shall be no obligation of Sponsor or any other offeror of such Unit to decorate, refurbish or in any way repair such Unit.

17. At the closing of title to a Unit, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed within such Unit. The Board of Managers shall simultaneously execute and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.

18. Sponsor and its designee(s) shall have the right, until the earlier of the tenth anniversary of the First Unit Closing or the sale of all Units, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units). Such activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to his Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in Paragraphs 1 through 18 of this section shall survive delivery of the deed. Sponsor makes no other representation or warranties except as provided above. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General and the Offering Plan.

Sponsor's Rights of Access

(a) General

As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units, and any Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

(b) Examples of Specific Easements and Rights of Access Reserved by Sponsor

Without in any way limiting the generality of rights reserved in paragraph "(a)" above, such rights reserved to Sponsor and its designee(s) specifically include the following:

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

(ii) Right of access in and to Units, and any Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work;

(iii) Right to show vacant or leased Units; and

(iv) Utility and other easements for the benefit of Unit Owners and Common Elements.

Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor agrees to repair damage directly attributable to and caused by Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor or its agents as a result of exercising such rights of access.

Sponsor's Right to Perform Alterations

Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit or Common Element subject to filed amended plans and/or specifications, and consistent with the terms of this Plan.

Sponsor, its assignee or designee, and their respective successors, assigns, invitees, licensees, contractors, employees, agents and tenants shall have such rights of access, storage and use necessary to fulfill obligations under the Plan (in the case of Sponsor) and/or to effectuate the rights of such parties to make alterations, additions, improvements or repairs to Units owned by each, respectively, including without limitation the right to (i) use the elevators, stairs and other Building facilities during customary industry practice construction hours; (ii) maintain roll-off refuse containers on the Property and dumpsters adjacent to the Property; (iii) store and maintain tools and materials on the Property; (iv) connect to and use Building electricity, water and other utility services and facilities; (vi) compel Unit Owners to facilitate penetration and entry into Units to permit the extension and provision of Building services to space under construction or to work, and (vii) erect and maintain hoists, sidewalk sheds, sidewalk fences and temporary walkways, construction shacks and trailers in the street adjacent to and on the Property.

Marketing Materials

In no event shall the presence of any furniture, furnishings, finishes, light fixtures, equipment or decorations, wall coverings, window treatments, carpeting, built-ins, light fixtures and the like ("FFE") in any portion of the Building or Units set forth in any marketing materials,

advertisements, and/or websites used in connection with the sales and marketing of the Units imply or represent that any such FFE will be located within any portion of the Building or Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Units that differ from, but are consistent with, the designations utilized on the Floor Plans of the Units set forth in Part II of the Offering Plan; however, in no event shall any such designation, labels or nomenclatures conflict with the legally permitted uses of such areas or rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS

Management Agreement

It is anticipated that at or prior to the First Unit Closing, the Condominium Board (the "Board" or "Board of Managers") will enter into a management agreement with Daniel Sabillon LLC (the "Managing Agent" or "Agent"), having an office at 85 Glenroy Road East, Fairfield, New Jersey 07004.

The proposed management agreement (the "Management Agreement") will commence on the date of the First Unit Closing and shall continue in force until one (1) year from such date, unless extended or terminated. After said one (1) year term has elapsed, the Management Agreement shall be automatically renewed from month to month unless terminated by either the Managing Agent or the Board of Managers on at least thirty (30) days' prior notice. The Management Agreement shall not be assignable by the Managing Agent without the Board of Managers' approval unless such assignment is to an entity controlled by the same principal or principals as those that control the Managing Agent.

The Managing Agent will receive a stated annual fee of $6,000.00, payable in equal monthly installments of $500.00. Such fee will be paid by the Board of Managers and will be charged to all Unit Owners as a Common Expense.

Pursuant to the proposed Management Agreement, the duties and services to be rendered by the Managing Agent include, among others:

(a) Cause to be hired, subject to the prior right of approval by the Board of Managers, paid and supervised, all persons necessary to be contracted for or employed, in order to properly maintain and operate the lands and common elements of the Condominium, who, in each instance, if employees, shall be the Condominium's and not the Managing Agent's employees, and cause to be discharged by either written order of the Board of Managers or the Managing Agent all persons unnecessary or undesirable, all subject to such contracts, if any, or other agreements concluded on behalf of the Condominium with the approval of the Board of Managers. Notwithstanding anything herein to the contrary, the services of such building services workers will be provided under the Management Agreement on an independent contract basis and as required by law, by the Managing Agent, and the cost of such service shall be included in the annual budget of the Condominium.

(b) Cause the lands and common elements of the Condominium to be maintained in such a condition as may be deemed advisable by the Board of Managers, including interior and exterior cleaning, snow removal, sidewalk maintenance, maintenance of grounds which are not limited common elements; and cause repairs and alterations thereof to be made, including, but not limited to, plumbing, steam fitting, carpentry, paving, plowing, mowing, decorating and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in the Management Agreement or in any agreement with any unit owner or tenant. Ordinary repairs or alterations involving an

expenditure of over $2,500.00 for any one item shall be made only with the prior written approval of the Board of Managers, but emergency repairs, immediately necessary for the preservation or safety of the lands and common elements of the Condominium or for the safety of unit owners, tenants or other persons, or required to avoid the suspension of any necessary service in or to the lands or the Building, may be made by the Managing Agent irrespective of the cost thereof, without the prior approval of the Board of Managers.

Managing Agent's responsibility under the Management Agreement shall not extend to supervising or managing major renovations or major capital improvements, unless specifically agreed upon in writing by the Board of Managers and Managing Agent.

(c) Cause all such acts and things to be done in or about the lands and common elements of the Condominium as shall be necessary to comply with any and all orders or violations affecting the premises, placed thereon by any federal, state or municipal authority having jurisdiction there over, and orders of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body, subject to the limitation with respect to the amount of expenditure involved as contained in paragraph (b) of this Article.

(d) Furnish to the Board of Managers advice concerning mechanical installations and the operation of pumps, steam, gas and water supply and other mechanical equipment of the common elements of the Condominium, including, but not limited to, the elevators, boilers, if any, and heating and/or air-conditioning equipment.

(e) Enter into contracts for electricity, gas, steam, telecommunications, window cleaning, ash and rubbish removal, sidewalk maintenance, elevator, air-conditioning and/or heating system maintenance, security agency protection, vermin extermination and other services or such of them as shall be approved by the Board of Managers; purchase all supplies which shall be necessary to maintain and operate the lands and common elements of the Condominium, make all such contracts and purchases in either the Condominium's or the Managing Agent's name, as the Board of Managers shall elect; credit to the Board of Managers any discounts or commissions obtained for purchases or otherwise, except insurance commissions and commissions payable to the Managing Agent under the terms of the Management Agreement. In no event shall any service contract be for a term longer than one (1) year or require annual payments in excess of $2,500.00 unless authorized by the Board of Managers.

(f) Cause to be effected and maintained to the extent obtainable, in such amounts as the Board of Managers shall designate in writing and through such brokers as the Board of Managers may designate, fire, rent, boiler, elevator, water damage, liability, worker's compensation, disability and such other insurance as the Board of Managers may deem necessary or advisable.

(g) Make a careful audit of all bills received for services, work and supplies ordered in connection with maintaining and operating the lands and common elements of the Condominium, pay all such bills and, also pay water charges, sewer rent and assessments

assessed with respect to the lands and common elements of the Condominium, if any, as and when the same shall become due and payable.

(h) At the direction of the Board of Managers, carry out required procedures and give required notification as set forth in the Condominium Declaration and By-Laws, in connection with the exercise of the right of first refusal on proposed sales or leases of units.

(i) Procure social and credit references from all prospective unit owners or tenants.

(j) Supervise the moving in of unit owners and tenants, and, as far as possible, arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the Building and of inconvenience to other unit owners and tenants.

(k) Bill unit owners for common charges and other charges and use its best efforts to collect such common charges and other charges which may at any time be or become due to the Condominium from any unit owner.

(l) Consider and, where reasonable, attend to the complaints of unit owners, tenants, and subtenants, provided that if Managing Agent shall deem any complaints unreasonable, Managing Agent shall so advise the Board of Managers and give reasons for its opinion.

(m) Maintain payroll records and cause to be prepared and filed, the necessary forms for unemployment insurance, social security taxes and withholding taxes and all other forms required by any federal, state or municipal authority with appropriate assistance from a paycheck service at the expense of the Condominium if desired by Managing Agent.

(n) Render monthly statements supported by disbursement vouchers and bills to the Board of Managers, no later than the 25th day of each month, remitting the amount collected during the previous month less disbursements made on behalf of and for the account of the Condominium, including the Managing Agent's compensation hereinafter specified, and less, also, all such amounts as in the Managing Agent's judgment it may be necessary or advisable to reserve or withhold to meet obligations due or which will or may become due thereafter and for which current income will not or may not be adequate. A copy of each such monthly statement shall be sent by the Managing Agent to the President and Treasurer of the Board of Managers.

(o) Maintain in a satisfactory manner, the records of cash receipts and cash disbursements, checkbooks, operating bank accounts(s), minute books and other records of the Condominium.

(p) In conjunction with the certified public accountant of the Condominium, arrange for an annual audit or review each year of the books of account of the Condominium, including an annual report each year of the operations of the Condominium for the year then ended. A copy of each such annual report shall be sent by the Managing Agent to each unit owner.

(q) Prepare and submit annually to the Board of Managers an operating budget setting forth the anticipated income and expenses of the Condominium for the ensuing year; send to each unit owner a copy of the operating budget as adopted by the Board of Managers, and notify unit owners of annual and all other assessments of common charges as determined by the Board of Managers.

(r) Make all necessary arrangements for the holding of meetings of the unit owners and Board of Managers and cause a representative of its organization to attend meetings of the unit owners and of the Board of Managers, if requested.

(s) Prepare and send out all notices of Board of Managers' meetings and unit owners' meetings and such other letters and reports as the Board of Managers may request.

(t) Managing Agent shall generally do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the common elements of the Condominium.

The Managing Agent shall be entitled to the following additional fees:

(a) For services in connection with processing each application for the sale or lease of a Unit by a Unit Owner other than the Sponsor or a Sponsor designee, including obtaining a waiver of the right of first refusal and other agreements necessary to properly effect the transfer of interest, a fee of $500.00 per transfer or lease. Such fee shall be paid in full by the Unit Owner requesting said sale or lease upon the submission of the application. No such fees shall be payable for Units owned by Sponsor or a Sponsor designee.

(b) For other services rendered by the Managing Agent to and at the request of a Unit Owner or tenant thereof which are outside the scope of the Management Agreement, Agent shall be entitled to charge the applicable Unit Owner or tenant fees in accordance with Managing Agent's standard fee schedule.

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Board of Managers whose fees are to be paid by the Board of Managers and charged to the Unit Owners as a Common Expense.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Board and charged to the Unit Owners as a Common Expense. In addition, the Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful misconduct.

Other Contractual Arrangements

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace any existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided that there will be no material increase (i.e., 25% or more) in the estimated Common Charges set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Beginning January 1, 2021."

The current service contracts which are anticipated to be effective at the date of the First Unit Closing or service contract projections pertaining to the Building are set forth in the Notes to Schedule B located in Part I of the Plan.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three (3) persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Notwithstanding the above to the contrary, Sponsor, while it maintains voting control of the Board of Managers, will provide levels of maintenance, facilities and services consistent with those set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Beginning January 1, 2021." Sponsor shall relinquish voting control of the Board of Managers upon the earlier of (i) the transfer of title to Residential Units, the percentage Common Interest of which, in the aggregate, equals at least ninety percent (90%) or (ii) five (5) years after the First Unit Closing. However, Sponsor will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of three (3) managers, within thirty (30) days after the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all the Units have been conveyed to Unit Purchasers; (ii) the closing of title to Residential Units whose percentage of Common Interest equals, in the aggregate, at least ninety (90%) percent or (iii) two (2) years after the First Unit Closing. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. As set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers. Purchasers who intend to be owner-occupants should be aware of the potential for inherent conflicts on how the Condominium should be managed between owner-occupants and "investors" and/or "non-occupant owners" of Units, due to their different reasons for purchasing a Unit; i.e., as a home as opposed to an investment. See the section of the Offering Plan titled, "Introduction," located in Part I for further details.

As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will

consent to replacements to (a) the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4%) of the budgeted expenses of the Condominium, and (b) the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B for the Property and as required by the Federal Housing Administration and Fannie Mae guidelines, to the extent that the aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, including but not limited to any matter affecting the health and safety of occupants of the Building, to remedy any notice of violation or to remedy any work ordered by an insurer.

With respect to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify a reduction of the Major Capital Improvement Replacement Reserve Fund, in the event such study is obtained by Sponsor, or by the Board of Managers while Sponsor is in control of the same, Sponsor shall pay for the reserve study. However, if the reserve study is obtained by the Board of Managers after Sponsor has turned over control of the same, the reserve study shall be an expense of the Condominium.

As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent, (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with the offer and sale or leasing of Units at the Property; the operations of sales or leasing offices at the Property; actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor to comply with applicable laws in construction, renovations or repair of Units. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions.

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

Except for a member of the Board of Managers designated by Sponsor or a Sponsor designee, a member of the Board of Managers may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of Common Interest

in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

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

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale or Lease of Unit

Each Residential Unit Owner is free to sell or lease his Unit, except that a Residential Unit Owner must first give to the Board of Managers, on behalf of all other Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered by the proposed purchaser or lessee, as more specifically provided for in Article VIII, Section 1 of the By-Laws of the Condominium. Any such lease of a Residential Unit shall be substantially in the form for apartment leases prepared by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., except as otherwise provided in the By-Laws and except for such changes thereto as are recommended by counsel to the Board of Managers.

Notwithstanding the foregoing, the Sponsor, its designee, or a mortgagee acquiring title to a Unit in foreclosure or by deed in lieu of foreclosure, shall have the right to sell or lease Units owned by the Sponsor, its designee, or such mortgagee without any requirement that the same be offered to the Board of Managers prior to such sale or lease as required pursuant to the aforementioned Article and Section of the By-Laws. The Board of Managers shall be required to cooperate in providing appropriate physical access to any such Unit and related Common Elements, as well as all financial information regarding same.

The Sponsor also hereby reserves the right to lease a Unit to the Purchaser of said Unit prior to the conveyance of title. In addition, Sponsor reserves the right to lease Units to non-purchasers after the Plan has been consummated (and with respect to Unit 1, before or after the Plan has been consummated) without limitation as to the rents to be charged therefor except such rents shall not be in violation of any applicable law. If, in fact, prior to the sale of a Unit, the Sponsor leases such Unit to any person or entity who does not purchase, the initial purchaser thereof will be purchasing a Unit that has been previously occupied. In all such cases Sponsor will deliver title to such Units at closing free and clear of any tenancy or occupancy. No amount paid as either rent or security under the lease will be credited towards the purchase price. Sponsor also reserves the right to use license agreements in lieu of or in addition to the leases.

Each purchasing Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney," designating the Board of Managers and their successors, as his or her attorneys in 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.

Each Conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens

against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to closing.

The Board of Managers may not discriminate against any person for a reason proscribed by the laws of the State of New York.

A Unit Owner may, without restriction, make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or to pass same by intestacy.

No residential lease shall be entered into by Sponsor having a commencement date which is prior to the issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary Certificate of Occupancy for the Unit which permits lawful use of the leased Unit. Sponsor has obtained a permanent Certificate of Occupancy #321129088F, dated November 1, 2017 for the Building, which provides for all three (3) of the Residential Units therein. A copy of the permanent Certificate of Occupancy is included in Part II of the Plan.

No portion of a Unit other than the entire Unit may be leased.

Mortgage of Units

Each Unit Owner is free to mortgage his Unit, provided that any mortgage encumbering a Residential Unit shall be a first mortgage or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, the Sponsor, Sponsor-designee, or to the Seller of such Unit(s). Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required to follow procedures, if any, set forth in the Purchase Agreement in Part II of the Plan. A mortgage encumbering a Residential Unit may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. The Sponsor or its designee may encumber his Unit with a mortgage or mortgages without being subject to the aforementioned restrictions. Such restrictions also do not apply to Unsold Units. NOTWITHSTANDING THE FOREGOING, IF ANY INITIAL PURCHASER WHO PURCHASES PURSUANT TO THIS OFFERING PLAN SEEKS MORTGAGE FINANCING, SUCH PURCHASER SHALL BE REQUIRED TO FOLLOW THE PROCEDURES FOR MORTGAGE FINANCING SET FORTH IN THE OFFERING PLAN AND THE PURCHASE AGREEMENT, IF ANY. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor.

Easements and Right of Access

Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, public utility lines or other Common

Elements located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of the Building, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Building stands. The Board of Managers, through a designated manager, managing agent, or their employees or other designee shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

Use of Units

The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of, or in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of any of the foregoing.

Further, the accessory space at the lower level of Unit 1 is not intended for sleeping, cooking and/or living purposes, which uses are not permitted under, and could result in a violation

issued pursuant to, the Building Code. Such accessory space shall not be rented independently from the rest of the Unit.

Notwithstanding anything herein to the contrary, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one (1) or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

Except as set forth above and herein, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" or similar signs on any unsold and/or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1) foot by two (2) feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one (1) or more vacant and unsold Units in the Building as a sales office and/or model Unit(s). Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

No group tour or exhibition of any Residential Unit or its contents shall be conducted nor shall any auction sale be held in any Residential Unit, without the consent of the Board of Managers or the Managing Agent in each instance.

Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted.

No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Unit, unless otherwise required by law, without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers, unless such installation is required by law, nor shall anything be projected out of any window of any Unit without similar approval. In connection with the individual Unit, each Unit Owner shall be responsible for compliance with all applicable laws relating to the requirement of installing window guards in the Unit.

No exterior of any Residential Unit, or the windows or doors thereof, if any, or any other portions of the Common Elements, including Limited Common Elements such as a private patio, private terrace, or private yard, shall be painted or decorated by any Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

Plantings on any private patio or terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two (2) inches from the private patio or terrace surface, and, if adjoining a wall, at least three (3) inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a wall, plantings may be contained in masonry or hollow tile walls which shall be at least three (3) inches from the wall, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such private patio or terrace, but shall stand on supports at least two (2) inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any private patio, terrace, or yard by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers.

No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, stereo, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight 12:00 A.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, or any private terrace, any dirt or other substances. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, or open private terraces, or placed upon the window sills of the Building.

Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials and deposit them into the designated receptacles located in the cellar level of the Building. The Board of Managers may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any governmental agency shall be payable by the Unit Owner as additional Common Charges.

Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

Except for Units owned by Sponsor and/or a Sponsor designee, no bird, reptile, or animal, other than a maximum of two (2) domesticated dogs or cats, or one (1) domesticated dog and one (1) domesticated cat, shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal, including, but not limited to, domesticated dogs and cats, be permitted on any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, yard, patio, terraces, or any public portions of the Building, or on the sidewalk or street adjacent to the Building. However, notwithstanding the above, no Unit Owner shall be permitted to have a pit bull terrier or similar type dog which has shown vicious propensities without express prior written permission of the Board of Managers. The individual Unit Owners who keep an animal in their Unit shall each indemnify the Board of Managers and hold it harmless against any loss or liability

of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in their Unit. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial or satellite dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any heating, electrical or mechanical equipment area without the express permission of the Board of Managers.

All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.

No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

Except as provided above, the Unit Owner shall not be allowed to put his name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

Any damage to the Building or equipment caused by a Unit Owner, Unit Owner's family members, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

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

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

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

Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

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

There shall be no playing or lounging in the entrances, passages, public halls, corridors, stairways of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Board of Managers.

The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, or service purposes in the Building.

Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law.

The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day’s prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for

the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

The Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent for private business or send any employee of the Condominium or of the Managing Agent out of the Building on any private business without the written consent of the Condominium Board except as a real estate broker for the sale or lease of a Unit.

The use of any common areas of the Building, including but not limited to the Building's lobby, by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion.

Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the main roof or the top of the stair bulkhead of the Building.

No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (hereinafter referred to collectively as "Smoking Apparatus") in any of the indoor portions of the Building, including individual Units and common areas, at any time. Though smoking shall be permitted in any outdoor areas of the Condominium that are accessible to Unit Owners, including a private patio, terrace, roof terrace, and/or yard, no person may smoke or otherwise burn any Smoking Apparatus in any outdoor areas of the Condominium in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium.

The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or a Sponsor-designee, as the case may be.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges, Assessments and Special Assessments or other expenses when due. Common Charges for each Unit as set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Beginning January 1, 2021," and shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article VI, Section 1 of the By-Laws, impose Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The Assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest. A Special Assessment with respect to repair or reconstruction after a fire or other casualty, as set forth in Article VI, Section 3 of the By-Laws, is also determined in accordance with the Unit Owner's percentage of Common Interest.

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

On July 22, 1998 the Governor of the State of New York signed Real Property Law Section 339-kk, allowing a condominium's Board of Managers the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if the Non-Occupying Unit Owner is not current on his or her common charges, assessments or late fees. In order to collect rents directly from the Tenant, the Unit Owner must fail to make the payment of Common Charges, Assessments or late fees within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and Unit Owner providing that, commencing immediately and until such time as all payments for all Common Charges, Assessments or late fees are made current, all rental payments are to be made directly to the Condominium Association at the address provided in the notice. Once all Common Charges, Assessments or late fees are current, the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such and that thereafter all future rental payments should be made to the Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present its supporting facts at the next scheduled Board meeting (which must be held within thirty (30) days of the Board receiving notice of contest). Section 339-kk also allows the Board the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

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

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer, or other conveyance made by him of his Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

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

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s), shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owner(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning equipment or other mechanical equipment.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) by the individual Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the

Board of Managers at the sole cost and expense the individual Unit Owner, having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv) at the election of the Board of Managers, by either the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. The City of New York has no responsibility to maintain the Common Elements of the Condominium. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters, if any, in which they are contained, in front of or at the sides of the Building shall be a Common Expense.

Additions, Alterations and Improvements

A non-structural alteration to a Residential Unit that does not affect the exterior of the Building or the value of other Units may be made by any Residential Unit Owner without consent of the Board of Managers. Notwithstanding the above to the contrary, Sponsor or its designee may also make structural alterations in any Unit owned by it without prior consent of the Board of Managers. No Unit Owner other than the Sponsor or its designee as a holder of Unsold Units may make a non-structural or structural alteration which does affect the exterior of the Building or the value of other Units without prior written approval of the Board of Managers. The Sponsor or its designee needs no such consent for any of their Units. No Unit Owner other than the Sponsor, or its designee, as a holder of Unsold Units, may make a structural alteration in a Unit, without the prior written approval of the Board of Managers. The Sponsor, or its designee needs no such consent for any of their Units. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (a certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such addition in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration. Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect/engineer consulted in connection with the request by a Unit Owner for approval of a structural alteration.

The Board of Managers and/or the manager or managing agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying

with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws.

Insurance

The insurance policies obtained by the Board of Managers shall provide that each Unit Owner shall be an additional insured. These policies shall provide fire and casualty insurance for the Building, liability insurance, water damage legal liability insurance, Board of Managers and officers liability coverage and worker's compensation and disability benefits insurance, if the Condominium has any employees. The specific amounts of coverage are noted in the footnotes to the section titled "Schedule B" which is located in Part I of the Offering Plan.

The insurance coverage to be carried by the Board of Managers does not include any coverage for losses either due to fire, theft or other casualty to the personal property of a Unit Owner contained within the Unit or a Limited Common Element or the cost of living elsewhere if a Unit is greatly damaged. Nor does it include liability coverage for a Unit Owner for occurrences within a Unit or a Limited Common Element appurtenant to a particular Unit. Unit Owners should consult their insurance agent as to the availability of this insurance, the required insurance set forth below, and any additional coverage which might be recommended.

All Unit Owners shall be required to maintain insurance on all portions of their respective Units and the Limited Common Elements appurtenant thereto (e.g., if applicable, any private patio, terrace, or yard). A Unit Owner shall, at his or her sole cost and expense, obtain and keep in full force and effect: (a) comprehensive personal liability insurance against any and all claims for personal injury, death, or property damage (including, but not limited to, loss due to water damage), occurring in, upon, or from the Unit or, if applicable, its appurtenant Limited Common Elements, with minimum combined single limits of $500,000.00 for bodily injury or death arising out of any one occurrence and $500,000.00 for damage to property; and (b) all-risk property insurance with a minimum limit of $500,000.00 with respect to property damage occurring in, upon, or from the Unit or, if applicable, its appurtenant Limited Common Elements, which policy shall include coverage for any improvements and betterments installed by the Unit Owner or any furniture, furnishings, or other personal property supplied or installed by the Unit Owner, as well as the fixtures initially installed therein by the Sponsor or by prior construction. The Board of Managers may, from time to time, revise the minimum limits of insurance required to be carried by Unit Owners.

Unit Owners shall not be prohibited from carrying additional or other insurance for their own benefit; however, all insurance policies carried by Unit Owners shall contain waivers of subrogation and further provide that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers. Further, all insurance policies carried by Unit Owners shall be written by solvent insurance companies admitted to do business in the State of New York. Upon ten (10) days written notice from the Board of Managers or the

Condominium's managing agent, a Unit Owner shall deliver copies of the required insurance policies, certificates evidencing such insurance, or other proof of the required coverage that is satisfactory to the requesting party.

Miscellaneous

In certain instances the Sponsor or its designee as the holder of Unsold Units are not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners. Included among these are the right to use Units as models and display "For Sale," "For Rent" or "For Lease" signs, or similar signs, the right to transfer or lease a Unit without offering the Board of Managers the right of first refusal, the right to alter a Unit without obtaining the prior consent of the Board of Managers, but only in accordance with the other terms of this Plan, and the right to amend the Declaration without a vote for the sole purpose of filing the Floor Plans as required by Section 339-p of the Real Property Law. For as long as the Sponsor or its designee owns title to one (1) or more Units, the Rules and Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee gives its written consent to such an amendment.

RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS AND SUMMARY OF BY-LAWS

Principal provisions of the By-Laws are summarized herein. It is suggested that Purchasers make reference to the full By-Laws, a copy of which is set forth in Part II of the Plan.

Board of Managers

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than five (5) persons. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one (1) vote for each .0001% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one (1) vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one (1) or more members to be elected. If Units are owned by more than one (1) person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

The Board of Managers of the Condominium for the period terminating upon the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all of the Units have been conveyed to Unit Purchasers; (ii) the closing of title to Residential Units whose percentage of Common Interest equals, in the aggregate, at least ninety percent (90%) or (iii) two (2) years after the First Unit Closing, shall be selected by the Sponsor. During this period the Board of Managers will consist of three (3) individuals designated by Sponsor. Such individuals are anticipated to be the principals of Sponsor: Gary Mottola, John Forelle, and Tyson Pitzer. These individuals will resign as board members upon the termination of the aforesaid period and the Sponsor will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of three (3) Managers, within thirty (30) days after the expiration of the aforementioned period. Thereafter, elections to the Condominium Board will be held at the regular annual meeting of Unit Owners. The calling of the first annual meeting to elect a Condominium Board does not require Sponsor to surrender control of the Board. Sponsor control provisions are set forth hereinbelow. The annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Each of the members of the three (3) member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members designated or elected by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or

a Sponsor-designee, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or a Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

As long as the Sponsor or a Sponsor designee shall continue to own: (i) Units representing ten percent (10%) or more in Common Interest, allocated to the Residential Unit, the Sponsor or Sponsor-designee shall have the right to elect or designate at least two (2) of the three (3) members of the Board of Managers or in any event a majority of the members of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) at least one (1) Unit but less than ten percent (10%) in Common Interest, or, Residential Units representing ten percent (10%) or more in Common Interest five (5) years or more subsequent to the First Unit Closing, the Sponsor or Sponsor-designee shall have the right to elect or designate at least one (1) of the three (3) members of the Board of Managers and in any event the right to elect or designate a number of members of the Board which equals one (1) less than a majority of the Board. As set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in the event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to, determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing or mortgaging of Units owned by the Board of Managers and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is

authorized to employ for the Condominium, a Managing Agent on such terms as the Board of Managers may deem proper. As set forth in the Plan, in the section titled "Management Agreement and other Contractual Arrangements," at or immediately prior to the First Unit Closing the Board of Managers shall enter into a management agreement with Daniel Sabillon LLC for an initial term of at least one (1) year, commencing on the date of the First Unit Closing, at an annual fee of $6,000.00, being payable in twelve (12) equal monthly installments of $500.00.

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the Managing Agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Officers

The principal officers of the Condominium shall be: The President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. Other than an officer designated by the Sponsor or Sponsor's designee, the President and the Vice President each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers need not be either a Unit Owner, principal or officer of a Unit Owner or the spouse of a Unit Owner or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors, (except painting the exterior side of a Unit entrance door) windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s) shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owner(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning or other mechanical equipment, if any, which only services their Unit.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) by the individual Unit Owner having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv), at the election of the Board of Managers, by either the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of or at the sides of the Building shall be a Common Expense.

The Board of Managers and Managing Agent shall have a right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in

such Unit or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof.

Additionally, the Board of Managers, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the entrances to the Building and through the public staircase in, on, over and across the Residential Units, Limited Common Elements and General Common Elements, including, but not limited to, the main roofs or other applicable roofs of the Building and private patio, terraces, and yard, for the sole purpose of maintaining, cleaning, repairing and/or replacing (i) any windows of the Building; (ii) the exterior facade of the Building; and (iii) any mechanical equipment, including but not limited to, air-conditioning equipment and/or window washing equipment, located on such roofs of the Building which services or is for the benefit of one or more of the Units. Such easement in favor of the Board of Managers, their servicemen, consultants and/or repairmen, shall include the right to temporarily remove any fencing or other improvements located on and/or which demarcate any such roof or patio, terrace, or yard areas. This includes, but is not limited to, an easement on, over, and across the Unit 2 private terrace at the main roof of the Building in order to access any HVAC equipment serving the Units located on top of the stair bulkhead.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: Fire insurance with extended coverage, insuring the Building, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy, (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than the greater of the agreed upon replacement cost of the Building, including the above noted items, but exclusive of footings and foundations and without deduction for depreciation, as approved by a fire insurance company or a qualified insurance broker or the amount of insurance necessary to avoid the effects of co-insurance. All such policies shall provide that adjustment of loss, if over $100,000.00, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if $100,000.00 or less, shall be payable to the Board of Managers, and if more than $100,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be $1,556,325.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article XII, Section 5 of the By-Laws of the Condominium.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insured to the extent as their interests shall also appear. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the 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 if so requested in writing by them. The standard mortgagee loss payable clause shall be attached to all policies.

The Board of Managers shall also obtain and maintain to the extent obtainable: (i) worker's compensation and disability benefits insurance for Condominium employees, if any, (ii) 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, and covering all claims for bodily injury, property damage, and products liability arising out of any occurrence in the Common Elements, including any of the sidewalks in front of the Building, or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit, and (iii) such other insurance, including but not limited to, boiler and machinery coverage, as the Board of Managers may determine. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate.

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

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

All Unit Owners shall be required to maintain insurance on all portions of their respective Units and the Limited Common Elements appurtenant thereto (e.g., if applicable, any private patio, terrace, or yard). A Unit Owner shall, at his or her sole cost and expense, obtain and keep in full force and effect: (a) comprehensive personal liability insurance against any and all claims for personal injury, death, or property damage (including, but not limited to, loss due to water damage), occurring in, upon, or from the Unit or, if applicable, its appurtenant Limited Common Elements, with minimum combined single limits of $500,000.00 for bodily injury or death arising out of any one occurrence and $500,000.00 for damage to property; and (b) all-risk property insurance with a minimum limit of $500,000.00 with respect to property damage occurring in, upon, or from the Unit or, if applicable, its appurtenant Limited Common Elements, which policy shall include coverage for any improvements and betterments installed by the Unit Owner or any

furniture, furnishings, or other personal property supplied or installed by the Unit Owner, as well as the fixtures initially installed therein by the Sponsor or by prior construction. The Board of Managers may, from time to time, revise the minimum limits of insurance required to be carried by Unit Owners.

Unit Owners shall not be prohibited from carrying additional or other insurance for their own benefit; however, all insurance policies carried by Unit Owners shall contain waivers of subrogation and further provide that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers. Further, all insurance policies carried by Unit Owners shall be written by solvent insurance companies admitted to do business in the State of New York. Upon ten (10) days written notice from the Board of Managers or the Condominium's managing agent, a Unit Owner shall deliver copies of the required insurance policies, certificates evidencing such insurance, or other proof of the required coverage that is satisfactory to the requesting party.

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

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

Notice of Meetings; Reports to Unit Owners

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Severance of Ownership Prohibited

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

Right of First Refusal; Units Acquired or Leased by Board of Managers

In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Unit not owned by Sponsor or its designee, the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal.

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

Each Unit Owner, at the closing of title to his Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney", designating the Board of Managers and their successors, as his attorneys in 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.

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund attributed to a Unit, and all apportioned expenses incurred in connection with obtaining such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining of such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and By-Laws

The By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than sixty-seven percent (67%) of the Units and whose percentage of Common Interest, in the aggregate, equals or exceeds sixty-seven percent (67%). However, for as long as Sponsor or its designee owns title to one (1) or more Units, the By-Laws, including the Rules and Regulations of the Condominium, may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in the sole discretion of Sponsor or its designee, unless the Sponsor or its designee gives its written consent to such an amendment.

The Condominium Declaration may be amended by an affirmative vote at a duly held meeting by Unit Owners owning not less than sixty-seven percent (67%) of the Units and whose percentage of Common Interest equals, in the aggregate, at least sixty-seven percent (67%), provided, however, that (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee of such Unit, or Units, if any; (iii) no amendment may change the percentage of Common Interests allocated to any Unit, or Units, without the written consent of such Owner; and (iv) no amendment shall adversely affect the Sponsor or its designee or any Unsold Unit, without the prior written consent of Sponsor or such designee, as the case may be.

Notwithstanding anything to the contrary contained herein, the Sponsor or its designees shall have the right to amend the Declaration, By-Laws and/or Certificate of Occupancy without the consent of the Board of Managers and/or Unit Owners provided such amendments have no material adverse effect on other Unit Owners and/or the Common Elements (except for Limited Common Elements existing for the exclusive use of only Units owned by the Sponsor or its designees).

Termination

The Condominium may be terminated by withdrawing the Property from the provisions of the New York Condominium Act, by an affirmative vote of not less than eighty percent (80%) of Unit Owners in number and whose percent of Common Interest equals, in the aggregate, not less than eighty percent (80%) and the affirmative vote of Eligible Holders of first mortgages on Units to which not less than sixty-seven percent (67%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated. The Sponsor shall not cast the votes of any Unsold Units it holds for such withdrawal unless votes equaling eighty percent (80%) in number and of the Common Interest have been so cast or unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have voted to terminate. If the Unit Owners vote to terminate the Condominium the Property shall be subject to an action for partition by any Unit Owner or lienor and the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided that no Unit Owner shall receive any payment until there has first been paid out of such Unit Owner's share of the net proceeds all liens on his Unit.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Residential Units.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing, Sponsor shall place in escrow in the name of the Board of Managers, at such time an amount equal to the unpaid real estate taxes for the Unsold Units for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. The amount of such escrow established, if any, shall be disclosed in the post-closing amendment. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall (i) adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs and (ii) place in escrow with Escrow Agent, an amount equal to the unpaid real estate taxes for six (6) months from the Closing Date. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest. Notwithstanding anything to the contrary herein, Sponsor shall have the sole and absolute discretion to elect, in lieu of establishing at the First Unit Closing the real estate tax escrow described immediately hereinabove, to cause the Board of Managers (for so long as Sponsor controls the same), pursuant to Article VI Section 17 of the By-Laws, to charge each Unit Owner, as a Common Charge, its respective pro rata share (on the basis of the percentage of Common Interest attributable to such Unit) of all real estate taxes with respect to the Property, until the Units have been separately assessed for real estate tax purposes.

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.

Real estate taxes for the Property have been projected by The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, New York 10004 ("Mazursky"). A copy of Mazursky's letter is set forth in the "Estimate of Real Estate Assessment" section of Part I of the Plan.

Based upon (a) the $77,358.00 2020/2021 actual assessment for the Property as set forth by the Department of Finance of the City of New York, and a 2020/2021 tax rate of 21.25% as projected by Mazursky, the real estate taxes due for the entire 2020/2021 tax year would be approximately $16,438.00 for the Property, half of which, corresponding to the second half of the 2020/2021 tax year, would be $8,219.00, and (b) an estimated $82,000.00 2021/2022 actual assessment for the Property as projected by Mazursky, and a 2021/2022 tax rate of 21.25% as projected by Mazursky, the real estate taxes due for the entire 2021/2022 tax year would be approximately $17,425.00 for the Property, half of which, corresponding to the first half of the 2021/2022 tax year, would be $8,713.00, it is projected that (c) the real estate taxes due for the projected First Year of Condominium operation would be approximately $16,932.00 for the Residential Units in the aggregate.

See Note 7 of the Notes to Schedule A, located in Part I of the Offering Plan, for a full discussion of Sponsor projections of real estate taxes.

NO REPRESENTATION OR WARRANTY IS MADE AS TO THE AMOUNT OF THE ASSESSED VALUATION OF THE PREMISES OR AN INDIVIDUAL CONDOMINIUM UNIT OR THE TAX RATE THAT WILL BE IN EFFECT AT ANY TIME OR THE AMOUNT OF REAL ESTATE TAXES WHICH WILL BE DUE. There is also no assurance that the New York City property taxing authority will allocate taxes among the Units in proportion to their respective Common Interests. If they are not so allocated, Unit Owners having the same Common Interests may pay different amounts of real estate taxes.

A Unit Owner who feels that the assessed valuation for his or her Unit is excessive, shall have the right to apply directly to the appropriate municipal agency or court for review of such assessed valuation. Such proceedings shall be at the sole cost and expense of the Unit Owner electing to undertake the same and the results from such proceedings may or may not affect the assessed valuation of any other Unit which is not the subject of such proceeding.

The Condominium Board, if necessary, will execute any documents and papers required for such proceedings, provided that: (a) the Unit Owner indemnifies the Condominium Board against all claims, cost and expenses (including attorneys' fees and disbursements); (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners; and (c) such Unit Owner is current on all his or her Common Charges and Special Assessments.

The Condominium Board is authorized to act as agent for Unit Owners (who have given appropriate written authorization) to commence, pursue and settle proceedings to reduce real estate tax assessments on behalf of such Unit Owners. Any Unit Owner authorizing the Condominium Board to act on his or her behalf shall indemnify the Condominium Board against all costs, claims and expenses (including attorneys' fees) resulting from such proceedings.

Neither the Sponsor, nor any other party associated with this offering makes any assurance, representation or warranty that such application for review, if undertaken, shall result in a modification of the tax assessment, or if such modification is granted, as to the amount thereof.

The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located in Part I of the Offering Plan, for the anticipated First Year of Condominium operation, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT, WITH RESPECT TO REAL ESTATE TAX INCREASES DUE TO ANY SUCH FUTURE CHANGE, SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT.

Another assumption is that each Residential Unit will be assessed in direct proportion to each Residential Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. **No warranties are made that the assessments of the individual Residential Units amongst the Residential Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by Mazursky and may use a methodology which varies from that set forth herein.** For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2020/2021, 2021/2022, or subsequent years.

No representation or warranties are herewith given by the Sponsor that the actual assessed valuations of the Property as set forth in the "Estimate of Real Estate Assessment" will not exceed or be less than such amounts or that the City of New York will use any assumed method of apportionment.

Veteran Property Tax Exemption

In accordance with Section 458(a) of the New York State Real Property Tax Law, a Unit Owner who is also a qualified veteran, the spouse of qualified veteran or the unmarried surviving spouse of a qualified veteran may be entitled to an exemption on the general municipal portion of their real estate taxes.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

A Unit Owner will own his or her Unit and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner owns his or her Unit in fee simple absolute, he or she may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

As fully set forth in the tax opinion by D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, counsel to the Sponsor ("Sponsor's Counsel"), in Part I of this Plan (the "Tax Opinion"), under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid under sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Residential Unit Owner's liability for the alternative minimum Federal income tax. Each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid during the taxable year. It is the opinion of Sponsor's Counsel that a Residential Unit Owner who itemized his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction limited to $10,000.00 ($5,000.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his Unit in the year paid under section 164. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit Owner may deduct for real estate taxes and state and local income taxes combined is $10,000.00 ($5,000.00 in the case of a married individual filing a separate return). Though the foregoing limitation is in effect as of the date of filing of the Offering Plan, neither Sponsor nor Sponsor's Counsel make any representation as to whether the same will be in effect, or what the Internal Revenue Code or state or local tax code will provide, at any time in the future, as such applicable law is subject to change without notice.

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

(i) is treated as a conduit,
(ii) qualifies and elects to be taxed under section 528, or

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* All section references are to the Internal Revenue Code of 1986, as amended, unless otherwise indicated.

(iii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment and the position of the Internal Revenue Service (the "Service"), which is described more fully below, appears to be that a condominium management association is an association taxable as a corporation.

If it satisfies the requirements of section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;

(ii) Sixty percent (60%) or more of the gross income of the condominium management association for the taxable year must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent (90%) or more of the expenditures of the condominium management association for the taxable year must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments;

(v) The condominium management association must annually elect to be treated as a condominium management association; and

(vi) Substantially all (at least eighty-five percent (85%)) of the square footage of the units must be used for residential purposes.

Under the Treasury regulations issued pursuant to section 528, a condominium management association must qualify annually for the election under section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

A condominium management association meeting the requirements of section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a rate of thirty percent (30%) on the amount by which its other income exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an

association, however, would not be allowed certain deductions that are available to corporations that are not taxable under section 528.

If the Condominium Board either cannot qualify (though for the purposes of the Plan, Sponsor has assumed that it will qualify) or chooses not to elect the benefits of section 528, certain published rulings of the Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to section 528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxable on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges that it receives should not be includible in its gross income. For example, published rulings of the Service indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by the condominium management association for the benefit of an individual owner.

In addition, in connection with assessments for ordinary operating expenses, such as the Common Charges, a condominium management association may not have any taxable income if the expenses of the condominium management association with respect to managing, operating, and replacing the common elements of the Condominium either equal the assessment or any excess amount is annually returned to unit owners or applied to the next year's assessment. Based on the facts in existence at the present time, it appears that the Condominium Board is unlikely to have a substantial amount of income other than the Common Charges.

If section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code. However, there is very little guidance with respect to the applicability of these provisions to an association managing residential condominium units since generally only farming cooperatives avail themselves of these provisions.

If the Condominium Board makes additional assessments to cover the amounts of any Federal, New York State, or New York City tax liability incurred, such additional assessments may also be taxable to the Condominium.

The foregoing summary is for informational purposes only and Sponsor's Counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF RESIDENTIAL UNIT OWNERSHIP.

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COUNSEL'S INCOME TAX OPINION LETTER

July 22, 2020

The Board of Managers of
174 Richardson Street Condominium
174 Richardson Street
Brooklyn, New York 11222

Re: **Offering Plan for Condominium Ownership of Premises**
174 Richardson Street Condominium
174 Richardson Street
Brooklyn, New York 11222

Gentlemen/Mesdames:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes to persons who purchase Residential Units for private residential use ("Residential Unit Owners") under the Plan and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

The condominium units of 174 Richardson Street Condominium will be organized under the laws of the State of New York for the purpose of providing for the management, maintenance and care of a multistory residential building constructed at 174 Richardson Street, Brooklyn, New York. The building will contain three (3) Residential Units. The By-Laws of the Condominium provide that in addition to the status conferred upon the Condominium Board pursuant to the provisions of the New York Condominium Act, to the extent permitted by applicable law, the Condominium Board is deemed to constitute an unincorporated association for all purposes under the provisions of the General Association Law of the State of New York.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law, the New York City Administrative Code ("Tax Law"), the regulations ("Regulations") promulgated thereunder and such other materials as we deemed relevant as they exist as of the date hereof, and we have assumed that the closing under the Plan will occur in 2021 pursuant to said Code, Tax Law and Regulations as they currently exist.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the payment of such real estate taxes. A Unit Owner, pursuant to the terms of the Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid provided that (a) the indebtedness is incurred in acquiring, constructing or improving the Unit, (b) the indebtedness is secured by the Unit, (c) the indebtedness does not exceed $750,000.00, or $375,000.00 in the case of a married individual filing a separate return, and (d) the Unit is a "qualified residence." Interest paid on indebtedness that refinances indebtedness incurred to acquire, construct or improve a Unit is similarly deductible. A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" within the meaning of Code Section 121 or (ii) a residence as defined by Code Section 280A(d)(1) that the Owner selects as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence," unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In our opinion, a Residential Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a

deduction limited to $10,000.00 ($5,000.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Code. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit Owner may deduct for real estate taxes and state and local income taxes combined is $10,000.00 ($5,000.00 in the case of a married individual filing a separate return).

It is also our opinion that each Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for the full amount of real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Code.

Other rules are applicable to a Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Residential Unit Owner.

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the New York State Tax Law; Section 11.1715 of the Administrative Code of the City of New York. However, in the case of a Residential Unit Owner whose New York State or New York City adjusted gross income exceeds $100,000.00, the amount of such deduction may be reduced by up to twenty-five percent (25%) of such deduction.

In addition to the Federal limitations on itemized deductions noted above, the benefit of a Unit Owner's deductions for interest and real estate taxes may be further reduced if the Unit Owner is subject to the Federal alternative minimum tax. Section 55 of the Code. It should also be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income.

It should be noted that our opinion as to the availability of deductions to a Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on the assumption that such owner will have "at risk" within the meaning of Section 465 of the Code, in such profession, trade or business, an amount equal to, or in excess of his losses in connection with said profession, trade or business, including such deduction.

II. Common Charges

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528, added to the Code by the Tax Reform Act of 1976, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. These requirements are further discussed below.

If the Condominium qualifies as a condominium management association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, common charges, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a condominium management association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least sixty percent (60%) of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) ninety percent (90%) or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must annually elect to be treated as a condominium management association, and (6) at least eighty-five percent (85%) of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation §1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless, qualify in one or more future years.

Based upon the information contained in Schedule A, the "Description of Property and Specifications," and the Floor Plans set forth in the Plan, we can affirmatively opine that the Property will qualify as a condominium management association under Section 528 of the Code and therefore the Condominium will be eligible to elect to be treated as a condominium management association under Section 528 of the Code.

Even if the Condominium Board is eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The By-Laws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 52 Cf. Concord Village, Inc., 65 T.C. 142 (1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income

from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See, Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); Rev. Rul. 74-75. 1974-1 Cum. Bull. 19; Rev. Rul. 86-14 I.R.B. 1986-5, 33.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Residential Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax consequences that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change and based upon the current financial status of the country, most likely will change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium 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 Unit Owners not to be entitled to income tax deductions.

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

Very truly yours,

D'AGOSTINO, LEVINE, LANDESMAN,
LEDERMAN, RIVERA & SAMPSON, LLP

D'Agostino, Levine, Landesman,
Lederman, Rivera & Sampson, LLP

Real Estate Tax Estimate
for
174 Richardson Street
Brooklyn, New York

Prepared for:
174 Richardson LLC
302A West 12 Street, Suite 188
New York, New York 10014

June 11, 2020

The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

June 11, 2020

174 Richardson LLC
302A West 12 Street, Suite 188
New York, New York 10014

Attention: John Forelle

Re: 174 Richardson Street
Brooklyn, New York

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by the sponsor to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after conversion to a 3-unit condominium;

THAT in estimating the assessed valuation of the property, I am aware of the offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly-converted residential condominiums.

42 Broadway, Suite 1744, New York, NY 10004 (212) 344-8586

I have discovered the following:

1) The subject property is located at 174 Richardson Street in the Williamsburg section of the borough of Brooklyn. According to city records, the property is improved with a 4-story, 3-unit residential building constructed in 2017. The sponsor is in the process of converting it into a condominium that will contain three (3) residential units.

The site has 29.5' frontage on the southerly side of Richardson Street and extends 75' in depth. It is rectangularly-shaped and contains approximately 2,213 square feet of ground area. The property is identified as Block 2735 Lot 13.

2) After conversion to a condominium, the building will contain the following approximate square foot areas and uses:

FLOORS	AREA	USE
Cellar	1,320	Mechanical and Meter Rooms, Lower-Level of 1st Floor Duplex Apartment
1	1,320	1-2BR Duplex Apartment, Entry
2	1,320	1-3BR Apartment
3	1,320	1-4BR Duplex Apartment
4	880	Upper-Level of Duplex Apartment

3) The property is currently assessed in Tax Class 1, which is comprised of primarily residential properties containing one to three units. After conversion to a condominium, the units will be assessed in Tax Class 1C under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums.)

Tax Class 1C consists of primarily residential condominiums that contain no more than three units and were previously assessed in Tax Class 1. The City's assessment ratio policy for Tax Class 1C properties. Increased values, other than for physical changes, are limited to 6% per year or 20% over a five-year period. Increases for physical changes are limited to 6% of renovation costs.

The Tax Class 1 2019/20 tax rate is $21.167 per $100. I estimate the 2020/21 and 2021/22 tax rates at $21.25 per $100 for Tax Classes 1 and 1C.

The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, NY 10004 (212) 344-8586

4) The recent history of assessed valuation of 174 Richardson Street is as follows:

2019/20	Land	Total
Actual:	$ 28,348	$ 73,817
Market Value:	$ 553,000	$ 1,440,000

2020/21	Land	Total
Actual:	$ 23,622	$ 77,358
Market Value:	$ 553,000	$ 1,811,000

5) It is my judgment that after conversion to a condominium, the property will be assessed as follows:

2021/22	Land	Total
Actual:	$ 23,622	$ 82,000
Market Value:	$ 553,000	$ 1,811,000

6) After conversion to a condominium, the tax liability in the first year of operation starting January 1, 2021, is estimated at $16,932. The calculations are as follows:

ESTIMATED TAX IN FIRST YEAR OF OPERATION

January 1, 2021 - June 30, 2021
($ 77,358 [1] x .2125 [2]) x .5 [3] = $8,219

July 1, 2021 - December 31, 2021
($ 82,000 [4] x .2125 [2]) x .5 [3] = 8,713

Total tax: $16,932

Each unit will be given a separate tax lot number. Individual tax liability may be calculated by apportioning the estimated total tax among the unit owners in accordance with their percentages of common interest, as indicated in Schedule A of the Offering Plan.

1. 2020/21 Taxable Assessed Value.
2. Estimated Tax Classes 1 and 1C Tax Rates.
3. One-half year
4. Estimated 2021/22 Taxable Assessed Value, after conversion to a condominium.

7) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose. Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that 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.

Jerome Mazursky, MAI, CAE

The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, NY 10004 (212) 344-8586

The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

JEROME MAZURSKY, MAI, CAE
President

QUALIFICATIONS

EDUCATION

N.Y.U. School of Commerce - B.S.
Real Estate Courses

Appraising I, II	CUNY
Advanced Assessing	Cornell University
Appraising Problems	University of Connecticut
Computerized Mass Assessing	I.A.A.O.
Various Appraisal Courses	Appraisal Institute

PROFESSIONAL DESIGNATIONS EARNED

MAI	(Member of the Appraisal Institute)
CAE	(Certified Assessment Evaluator, IAAO)
IAO	(Institute of Assessing Officers, NYSAA)

EMPLOYMENT

Assessor - Manhattan
Interim Acting Tax Commissioner for Staten Island
Assistant Commissioner (in charge of the Real Property Assessment Division of the Department of Finance)
Real Estate Tax Consultant/Fee Appraiser

MEMBERSHIPS HELD IN PROFESSIONAL ORGANIZATIONS

International Association of Assessing Officers
N.Y.S. Association of Assessors
Appraisal Institute
American Arbitration Association

ARTICLES PUBLISHED

"The Future of Assessed Valuations in New York City"
Assessment Digest
The Valuer's Line

Book Review of "You Can Get Your Real Estate Reduced"
Real Estate Review

"Reflections of an Acting Tax Commissioner"
Real Values

"Real Estate Taxes and the Review Process"
C.P.A. Journal

"The New Real Estate Tax in New York City"
C.P.A. Journal

"Battling Taxes From a Different Vantage Point"
Real Estate Weekly

"Forecast of Real Estate Taxes in NYC"
Real Estate Weekly

"Real Estate Tax Burden Shifting in New York"
REW - Review & Forecast

SCOPE OF APPRAISAL EXPERIENCE

Over a period of twenty-five years, I have valued thousands of properties of almost every conceivable type in New York City. Some of the more notable properties for which I have performed tax projections for offering plans are:

The Plaza Hotel Condominium
500 West End Avenue
350 West 42nd Street
The Corinthian Condominium
Trump Parc Condominium
The Stanhope Condominium
330 East 72nd Street
823 Park Avenue
123 West 44th Street

WORKING CAPITAL FUND AND RESERVE FUND

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay a sum equal to two (2) months of Common Charges for the Unit being purchased, to the Board of Managers for its working capital (the "Working Capital Fund"). This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the two (2) months of Common Charges paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the two (2) months of Common Charge checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to prepay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of the two (2) months of Common Charges for each Residential Unit in the Building. If the result of the closing adjustments is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion. The post-closing amendment shall disclose how net closing adjustments, if any, were paid.

Other than as set forth above, no provision has been made for a Working Capital Fund. Further, other than as set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Beginning January 1, 2021," no provision has been made for a Reserve Fund. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

For such period as Sponsor retains control of the Board of Managers, the Working Capital Fund shall not be used to reduce estimated Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF EITHER THE WORKING CAPITAL FUND OR THE RESERVE FUND.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is 174 Richardson LLC, with an address at 174 Richardson Street #B, Brooklyn, New York 11222, a New York liability company formed on February 24, 2014.

Sponsor's principals with respect to the project are Gary Mottola, John Forelle, and Tyson Pitzer (collectively "Principals of Sponsor").

Mr. Mottola and Mr. Forelle are retired attorneys with over twenty (20) years of experience each in real estate investment in the New York City metropolitan area. Mr. Mottola is a resident of the State of New Jersey and Mr. Forelle is a resident of the State of Florida.

Mr. Pitzer is a resident of the State of New York and has over sixteen (16) years of experience in principal real estate development, institutional real estate operations and investment management. He recently expanded his expertise by joining Park Madison Partners as a capital advisor. Mr. Pitzer is a licensed real estate salesperson in the State of New York.

There have been no prior felony convictions of Sponsor, or any Principals of Sponsor; and no prior convictions, injunctions and judgments against Sponsor or any Principals of Sponsor that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

Prior to this offering and within the preceding five (5) years of the initial date of filing hereof, neither the Sponsor nor Principals of the Sponsor have been a principal, nor have they had any prior public offerings in the State of New York, nor do they currently own ten percent (10%) or more of the unsold units in any other condominium, cooperative or homeowners association.

Selling Agent

The Selling Agent for this offering is MNS, a licensed real estate brokerage firm which has an office at 40 North 6th Street, Brooklyn, New York 11249. The principals of the Selling Agent have been involved with the development and marketing of numerous condominium and cooperative projects for over ten (10) years. The Selling Agent, and/or the principals or officers thereof, have no financial interest in the Property or the Sponsor, except that they are to be paid a fee for their services.

There have been no prior felony convictions of the Selling Agent, or any principals thereof; and no prior convictions, injunctions and judgments against the Selling Agent or principals thereof that may be material to the Plan or an offering of securities generally, that occurred within the last fifteen (15) years.

Architects

Ritu Saheb, a registered architect in the State of New York and the principal of Saheb Architecture, prepared the report which Sponsor has adopted as Sponsor's "Description of Property and Specifications," as well as the Site Plan and Floor Plans, included in Part II hereof. Saheb Architecture and/or its principal have over fifteen (15) years of experience providing architectural services in the City of New York, including with respect to residential condominium projects. Saheb Architecture and/or its principal have no financial interest in the Property, the Sponsor or the Selling Agent, or any other party interested in this transaction, except for the fees for services rendered in connection with such report and floor plans and other architectural services.

Philip Toscano Architects, located at 418 Graham Avenue, Brooklyn, New York 11211, was Sponsor's architect of record for the project and prepared the New Building Plans on file with the Department of Buildings.

Counsel to Sponsor

The Sponsor has retained the law firm of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001, to represent it in the preparation and consummation of the Offering Plan. Jose M. Rivera, Esq., a partner of the firm, and Christopher L. Palladino, Esq., an associate of the firm, drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and are advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Offering.

D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, and/or the members thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, except that they are to be paid a fee for their services.

Managing Agent

Sponsor has engaged the services of Daniel Sabillon LLC, having an office at 85 Glenroy Road East, Fairfield, New Jersey 07004, to become the Managing Agent ("Sabillon"). Sabillon has experience in the management of condominium, cooperative, homeowners association, and residential rental properties since 2009, and currently oversees the management of over 20 properties located in the City of New York and in New Jersey

Sabillon, and/or its principal, have no financial interest in the Property, the Sponsor or the Selling Agent, except that they are to be paid a fee for their services in managing the Condominium.

REPORTS TO UNIT OWNERS

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

(a) The financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year or the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(b) A prior notice of the annual Unit Owner's meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium within ten (10) days prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers, it shall be Sponsor's obligation to deliver to all Unit Owners a proposed annual budget which shall be certified as to its adequacy by an expert experienced in the management of condominium, cooperative and/or rental properties.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours and shall remain available for such inspection for a period of six years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

GENERAL

A. Each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Such obligations shall be enforceable by the Board of Managers by foreclosure of the statutory lien against the Unit for the amount of any such unpaid Common Charges or by suit to collect the same by action for damages, by injunction or by other appropriate relief.

B. There are no lawsuits or other legal proceedings pending, the outcome of which could materially affect this Offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all its obligations under the Plan, the Condominium or the operation thereof.

C. To the best of Sponsor's knowledge, the Property located at 174 Richardson Street, Brooklyn, New York was not the subject of a prior public offering.

D. The Declaration and By-Laws of the Condominium located in Part II of this Plan are made part of this Offering Plan.

E. Annexed to the By-Laws are the Rules and Regulations of the Condominium which shall apply until amended by the Board of Managers.

F. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein, must not be relied upon. This Plan does not omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

G. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.

H. This Plan may not be changed or modified orally.

I. Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in the case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then-existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right

to rescind their Purchase Agreements by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, in the event a Purchaser who first became an occupant of the Building pursuant to an Interim Use and Occupancy Agreement elects to exercise a right of rescission as provided above, the return of all down payment funds paid pursuant to the Purchase Agreement will be conditioned on the cancellation of such Interim Use and Occupancy Agreement and surrender of possession of his Residential Unit within thirty (30) days thereafter.

J. Sponsor hereby represents that neither it or any of its agents has entered into a contract or agreement to sell a Unit and no deposits or advances of funds have been received or will be accepted, as of the date the Offering Plan is accepted for filing by the Department of Law.

K. Sponsor hereby represents that, with the exception of Unit 1 which is not being offered for sale to the public, all of the Units offered in the Offering Plan are vacant and that none of the Units in the Building that are part of the Offering Plan were occupied by residential or commercial tenants as of the date of submission of the Plan to the Department of Law. As of the date of submission of the Plan, Unit 1 is occupied by a family member of one of the principals of Sponsor pursuant to a residential lease in effect until August 31, 2021, and is anticipated to be transferred to such family member or an affiliate of Sponsor; in such case, it is anticipated that such family member or affiliate will occupy Unit 1 for personal use, rather than offer Unit 1 for sale to the public. However, in the event such family member or affiliate wishes to offer Unit 1 for sale to the public in the future, such party shall amend the Offering Plan accordingly prior to doing so.

Prospective purchasers should note that since the Certificate of Occupancy was issued for the Property, Sponsor has rented the Units to tenants. The Units offered hereunder shall be delivered by Sponsor to a Purchaser in “AS IS” condition, including but not limited to normal wear and tear. Sponsor shall have no further obligations with regard to such Units, and shall be under no obligation to repaint or repair anything therein, including but not limited to, refinishing the floors, repairing any appliance or painting any room. Notwithstanding anything to the contrary herein:

(a) Prior to declaring the Offering Plan effective, Sponsor shall replace approximately twenty (20) square feet of wood flooring outside of the hot water heater closet on the lower level of Unit 3; and

(b) Portions of the Unit 1 private rear yard and the southern and western side walls supporting the rear yard perimeter fencing subsided minimally in 2017 due to lack of proper lateral support of the walls during construction at the neighboring site located immediately to the south and west of the Property, designated by the City of New York as Block 2735, Lots 4 and 12, Kings County (the “444 Graham Site”). The subsidence is limited to the yard walls and does not affect the Building or its structural stability or integrity. Construction at the portions of the 444 Graham Site that are within twenty (20) feet of the Property (the "Relevant Area") had been temporarily suspended under a court-ordered agreement dated on or about December 16, 2019 and modified

on or about August 25, 2020, August 27, 2020, and September 28, 2020 (as modified and as may be further modified from time to time, the "Limited License Agreement") between Sponsor and the property owner thereof, 444 Graham Ave., LLC (the "444 Graham Owner"), until proper monitoring and controls approved by Sponsor and its engineer were implemented. The lawsuit, entitled 174 Richardson LLC v. 444 Graham Ave., LLC, et al., Supreme Court, Kings County, Index No. 508232/2019, has since been disposed. The respective engineers of the 444 Graham Owner and Sponsor have agreed on a plan for foundation work in the Relevant Area moving forward in accordance with the terms of the Limited License Agreement, which work was substantially completed by the end of December of 2020. Neither the aforementioned disposed lawsuit nor the Limited License Agreement and the foundation work being performed in accordance therewith, impact Sponsor's capacity to perform all of its obligations under this Offering Plan.

After the aforementioned subsidence occurred, Sponsor removed the yard pavers, filled and recompacted the soil in the yard, and reinstalled the pavers. Sponsor believes that the yard walls and pavers are stable. Sponsor has not yet leveled the walls or repaired minor cosmetic damage to the walls and fencing, but reserves the right to do so.

Further, prospective purchasers should be aware that due to the construction at the 444 Graham Site, as described in the "Location and Area Information" section of this Offering Plan, the 444 Graham Owner may need to enter into a future construction license agreement with Sponsor and/or the Condominium to access certain portions of the Property during ongoing construction of the neighboring structure. In this event, prospective purchasers should note that such access may include, but not be limited to, placement of scaffolding in the Unit 1 private rear yard as well as at the Unit 2 and Unit 3 private terraces and that, in the event the same occurs, Unit Owner access to such areas could be impacted. As such an agreement is prospective only, a timeline for potential impact is unknown, but could affect the Property for several weeks or months. In the event Sponsor and/or the Condominium enters into such a construction license agreement with the 444 Graham Owner, Sponsor shall amend the Offering Plan accordingly to disclose the foregoing.

Prospective purchasers are encouraged to review the "Description of Property and Specifications" in Part II of the Offering Plan for information on Unit finishes and appliances.

RESERVATION OF AIR AND DEVELOPMENT RIGHTS

As against all other Unit Owners, their successors, assigns and/or heirs, and any mortgagees thereof, and the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor, Sponsor's designee, and/or their successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property (collectively, "Unused Development Rights"), which Sponsor is herein reserving for itself, its designee, and/or their successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended. Sponsor has also bound itself, its designee, and/or their successors and assigns from transferring, assigning, or surrendering in whole or in part any Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration, or (ii) will allow any party, including Sponsor as the holder of Unsold Units, but excluding the non-Sponsor controlled Board of Managers of the Condominium, to build on or directly above the land and/or expand the Building.

With regard to (ii) above, the Sponsor, its designee, and/or their successors and assigns, may transfer (pursuant to terms and conditions mutually agreed upon by the foregoing and the Board of Managers) in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers. In such event, any construction by the Condominium shall (i) not increase the number of Units in the Building; (ii) be limited in scope to a minor alteration to a Unit and/or the Building; (iii) not have any material impact on the operating budget of the Condominium; (iv) not impact the Percentage of Common Elements allocated to any of the Units; and (v) be made only in accordance with the Condominium's Declaration and By-Laws and all applicable law, including any requirements of the Landmarks Preservation Commission and the requirements of 13 NYCRR 20.3(af) of the Attorney General's Regulations. As used herein, "Unused Development Rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor, Sponsor's designee, and/or their successors and assigns, will not build any further on or above the Property. Any and all consideration paid to Sponsor, its designee, and/or their successors and assigns in connection with a transfer of any Unused Development Rights shall be the sole and absolute property of the Sponsor, its designee, and/or their successors and assigns.

Based upon the approved Building Plans and the constructed Building, there are no remaining Unused Development Rights pertaining to the Property. However, if the floor area ratio for the zoning district in which the Building is located changes in the future, such change may create additional excess transferable air rights and/or development rights pertaining to the Property at that time. Until such time as the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development air rights and/or development rights that would be generated from the Property or how many stories

that may be added to adjoining properties based upon such additional excess air rights and/or development rights.

The Sponsor, Sponsor's designee, and/or their successors and assigns, herein have the right to cause all other Unit Owners, their successors, assigns and/or heirs, and any mortgagees thereof, and the Board of Managers of the Condominium and any mortgagees thereof, to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, Sponsor's designee, and/or their successors and assigns, in the Register's Office of the County of Kings in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) lease(s), zoning lot agreement(s), declaration(s), and/or grant(s) of such Unit Owners', Board's, and/or mortgagees' interests, if any, in the Property with respect only to any transferable air rights and/or development rights for the purpose of confirming the ownership of Sponsor, Sponsor's designee, and/or their successors and assigns; (ii) any amendment to the Condominium Declaration which the Sponsor, Sponsor's designee, and/or their successors and assigns deem necessary or appropriate to effectuate their rights hereunder.

Failure of the Unit Owners and Board of Managers to comply with the terms of the Condominium Declaration shall result in liquidated damages payable by the Board of Managers to the Sponsor, Sponsor's designee, and/or their successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor, Sponsor's designee, and/or their successors and assigns for the transfer, assignment or surrender of such Unused Development Rights.

As a result of Sponsor's reservation of Unused Development Rights for itself, its designee, and/or their successors and assigns, the Building may not be expanded without the purchase of said rights from Sponsor, Sponsor's designee, and/or their successors and assigns. Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor represents that the "Description of Property and Specifications" hereinafter set forth in Part II of the Plan, which Sponsor hereby adopts, accurately sets forth the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of construction. Sponsor represents that Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in the "Description of Property and Specifications." However, Sponsor reserves the right to substitute in place thereof, without prior notice or amendment to the Plan, systems, materials, equipment, appliances and fixtures of Equal or Better Quality. Sponsor further reserves the right to make all decisions relative to construction methods, practices and designs. In addition, Sponsor will, by the First Unit Closing or within a reasonable period thereafter, cure or cause to be cured all violations of record against the Property as set forth in the Plan.

The "Description of Property and Specifications" set forth in Part II of the Plan was prepared by Ritu Saheb, RA, and is included in this Plan in reliance upon the expertise of such firm.

PART II

THIS DOCUMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ CAREFULLY BY EACH PROSPECTIVE PURCHASER AND SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER'S ATTORNEY BEFORE EXECUTING IT.

PURCHASE AGREEMENT ("Agreement")
174 Richardson Street Condominium ("Condominium")

Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Additional Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Unit Number:_____

Percentage Interest in Common Elements:_____

Down Payment* (not including custom work**): $_____

Balance Due at Closing $_____

Total Purchase Price $_____

Name(s) and manner in which title will be taken:_____

* If a Purchaser is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser will be required to make a Down Payment equal to fifty percent (50%) of the applicable Total Purchase Price.

** Additional Deposit for custom work $_____

Statement of Seller

174 Richardson LLC, with an address at 174 Richardson Street #B, Brooklyn, New York 11222, a New York limited liability company ("Sponsor" or "Seller"), has promulgated a Plan of Condominium Ownership of "174 Richardson Street Condominium" (the "Plan") pursuant to which the land with appurtenances and the Residential Units (the "Units") constructed by Seller, located at 174 Richardson Street, Brooklyn, New York 11222, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

I have received and read a copy of the Plan and all filed amendments thereto. Said Plan, which includes the Declaration to be made by the Seller and to be recorded in the Office of the Register of the City of New York, Kings County, the Schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

AFTER DELIVERING AN EXECUTED AGREEMENT, TOGETHER WITH THE REQUIRED DEPOSIT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THIS PURCHASE AGREEMENT AND HAVE THE FULL DEPOSIT REFUNDED TO ME PROMPTLY, PROVIDED THAT I HAVE NOT HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SUCH DELIVERY. SUCH RESCISSION MUST BE BY WRITTEN NOTICE, ADDRESSED TO SPONSOR, AND BE POSTMARKED OR HAND DELIVERED NO LATER THAN MIDNIGHT OF THE SEVENTH DAY SUBSEQUENT TO MY DELIVERING THE EXECUTED PURCHASE AGREEMENT. IF I HAVE HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) BUSINESS DAYS PRIOR TO MY MAKING THE AFORESAID DELIVERY, I SHALL NOT BE PERMITTED THE AFOREMENTIONED SEVEN (7) DAY TIME PERIOD TO RESCIND THIS PURCHASE AGREEMENT.

The seven (7) day rescission period is (delete whichever is incorrect): applicable; not applicable.

Purchaser has been given an opportunity to examine the architectural plans for the above-numbered Unit and for the building in which it is located (the "Building"), prepared by Sponsor's architect.

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit");

Agreement Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. **Payment for Unit**. Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above. The Down Payment stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. If the check representing the Down Payment is returned for insufficient funds or for any other reason (i) such return shall be deemed a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled, and (ii) upon such cancellation Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made and without any obligation to account to Purchaser for any of the proceeds of such sale. Notwithstanding anything herein to the contrary, whether or not the Seller has canceled this Agreement as provided above, if the Seller has not collected the proceeds of any check for any payments due under this Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including, without limitation, all attorneys' fees and expenses incurred by the Seller in connection therewith. The Balance Due at Closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title**. The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one (1) reasonable adjournment of up to fifteen (15) days, on five (5) days written notice by Purchaser to Seller, provided that Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) herein. If, through no fault of Seller, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, or the Adjourned Closing Date, and Seller does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and common charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the closing of title occurs, and (b) Purchaser will be required to pay Seller, as a reimbursement of Seller's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Seller under this Agreement and the Plan, an amount equal to 0.03% (10.95% annual percentage interest) of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual

Closing Date. If, though no fault of Purchaser, Seller postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

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

Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to the Seller on account of the Total Purchase Price, (ii) shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Seller and (iii) shall deliver the Balance Due at Closing.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the "Closing of Title to Units" sub-section of the Section of the Plan entitled "Terms of Sale."

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

4. **Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations.** Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations and the Plan.

5. **Condition of Title.** Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in Part I thereof in the section titled "Terms of Sale," and Exhibits submitted in connection therewith (as well as other mortgages, if any, obtained by Purchaser). Purchaser will be responsible to pay the title company the entire premium for Purchaser's title insurance.

However, and notwithstanding anything herein to the contrary, Purchaser may obtain title insurance from any title insurance company or not obtain any title insurance at all, at Purchaser's sole discretion.

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

6. **Expenses of Closing and Closing Adjustments.** Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax or mortgage recording tax reimbursement as set forth in such Section, payment for title insurance, if Purchaser elects or is required by a lender to obtain same, recording fees for recording the Deed, Power of Attorney and any Partial Release and/or UCC-3 Termination Statement for the Unit related to Sponsor's financing encumbering the Building, ACRIS Service Fees of the Title Company required to close the Unit, real estate taxes, New York City Real Property Transfer Tax, New York State Real Estate Transfer Tax, Seller's attorney's fees for closing the Unit, and costs associated with obtaining a mortgage loan. The legal fees of Seller's attorneys in the amount of $3,750.00 will be payable by Purchaser to D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, if rendered by such firm, provided that an additional fee of $1,000.00 per closing shall be due and payable for any Unit closing which occurs outside the office of Seller's attorneys. Additionally, a legal fee of $1,000.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment of a purchase agreement or contract. Assignments are permitted only with prior written consent of Sponsor. A legal fee of $1,000.00 shall be payable for the work involved as a result of any adjournment by a Purchaser, beyond that permitted under any right of adjournment set forth in the Offering Plan. Finally, a legal fee in the amount of $1,000.00 shall be paid by Purchaser to Sponsor's attorneys for each cancellation of a Purchase Agreement and/or release related thereto if prepared by such firm. Purchaser will also pay to the Board of Managers the sum equal to two (2) months of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. Except as otherwise provided in this agreement, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of $1,000.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization. The obligation of the Purchaser to pay the transfer taxes as stated above shall survive the Closing.

Notwithstanding anything herein to the contrary, one of Purchaser's costs of closing title to his or her Unit shall be the payment to Commonwealth Land Title Insurance Company ("Commonwealth") of the cost of fee title insurance should Purchaser elect to obtain the same, which, if requested by Purchaser, Sponsor shall order on Purchaser's behalf from Commonwealth. Obtaining title insurance from Commonwealth shall facilitate the closing and avoid unnecessary delays. However, notwithstanding anything herein to the contrary, a Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company. Purchaser acknowledges that Purchaser has been advised that obtaining title insurance from another title insurance company and/or abstract company may cause a delay of the closing of title to the Unit.

7. **Agreement Subject to Mortgages**. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or

hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, on the Closing Date the only mortgage to which the Unit will be subject will be to any other mortgage(s) obtained by Purchaser.

8. **Mortgage Financing Contingency**. THE PURCHASE OF THE UNIT WILL NOT BE CONDITIONED ON FINANCING AND THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.

9. **Default by Purchaser**. If Purchaser shall fail to pay any portion of the Down Payment or the balance of the purchase price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser. Seller shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. If such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Seller has no obligation to extend the time to cure and may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment and any other amounts paid by Purchaser for any special or custom work shall be paid over to Seller as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, that title has not closed because of Purchaser's default, that a notice to cure was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days from the mailing date or within thirty (30) days from personal delivery of such notice and that Seller has elected to cancel this Agreement by reason thereof, and D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment (and the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser) and any interest earned thereon, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If Sponsor instructs Escrow Agent 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 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 either (a) upon closing of title to the Unit, to Sponsor, pursuant to the terms and conditions set forth in this Purchase Agreement; (b) a subsequent writing signed by both Sponsor and Purchaser; or (c) a final, non-appealable order or judgment of a court. 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 Condominium is located and shall give written notice to both parties of such deposit. Seller shall reimburse D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP insofar as it is acting in its capacity as Escrow Agent for its reasonable cost and expenses, including attorney's fees and the fair value of legal services rendered by the Escrow Agent to itself incurred as a result of any dispute or litigation concerning the right to the Down Payment. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. If this Agreement shall be canceled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. **Agreement May Not be Assigned; Advertising**. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller. In the event Sponsor consents to the assignment of this Agreement, Purchaser shall pay D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP the legal fee of Sponsor's attorneys for reviewing the assignment agreement. Such fee shall be approximately $1,000.00, plus disbursements. Prior to the closing of title to the Unit, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of such Unit for sale.

11. **Notices**. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above and to Seller at 174 Richardson Street #B, Brooklyn, New York 11222 (with a copy to D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001) or at such other address as either party may hereafter designate to the other in writing. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth day after mailing.

12. **No Representation**. Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's Counsel or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services or amenities, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by

Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building are not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error. This provision shall survive the closing of title to the Unit.

13. **Recording of Deed and Power of Attorney**. At the closing of title, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, Kings County. Such deed and power of attorney will be in the form set forth in the Plan.

14. **Binding Effect**. This Purchase Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and permitted assigns.

15. **Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel**. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and before eighty percent (80%) of the Residential Units have been purchased. Seller also reserves the right to abandon the Plan after it has been declared effective pursuant to other provisions of the Offering Plan as set forth in the section titled "Effective Date of Plan". Additionally, the Plan shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed cancelled, and the Plan terminated and Purchaser is to receive back, not later than twenty (20) days thereafter, in full, all monies paid by him hereunder, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Paragraph 2 hereof or in the Plan, for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Purchase Agreement shall be deemed cancelled. If this Purchase Agreement is cancelled pursuant to the provisions of this Paragraph 15, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder, with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

Seller may cancel this Purchase Agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at his address hereinabove set forth in the event of the occurrence of any of the following: (a) that any

governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (b) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed.

16. **Monies to be Held in Trust; Escrow Agent and Escrow Account; Down Payment; Payment of Purchase Price; Notice of Closing**.

The required Down Payment pursuant to this Agreement will be either ten percent (10%) or, if applicable, fifty percent (50%), of the Total Purchase Price for the Unit set forth in the Plan, as amended, which Down Payment shall be increased by special custom work or materials, if any, requested by Purchaser and agreed to by Sponsor in its sole discretion and as itemized in this Agreement.

In accordance with section 71-a(3) of the Lien Law, Sponsor has appointed the law firm of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, with an address at 345 Seventh Avenue, 23rd Floor, New York, NY 10001, telephone number (212) 564-9800, to serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser to hold all Deposits, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust (the "Deposit" or "Deposits"). Escrow Agent has designated the following partners to serve as signatories: John D'Agostino, Esq., Michael J. Levine, Esq., Wayne R. Landesman, Esq., Bruce H. Lederman, Esq., Bettina Miraglia, Esq., Jose M. Rivera, Esq., Brian T. Sampson, Esq., and Jared B. VanVleet, Esq. 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 or release of the Deposit from escrow.

The Escrow Agent has established the escrow account at First Republic Bank located at 1230 Avenue of the Americas, New York, New York 10020 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, Escrow Account for 174 Richardson Street Condominium" or a similar name ("Escrow Account"). Purchasers are further advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of $250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of $250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser's funds at the Bank, including funds in the additional account

and the Down Payment, may not be insured in excess of $250,000.00. Therefore, if a Purchaser has an additional account at the Bank, that a Purchaser's Down Payment, including a Down Payment that is less than $250,000.00, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed $250,000.00. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Escrow Agent makes no guarantee of the solvency of the Bank. If the FDIC insurance limits change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account.

All Deposits remitted to Escrow Agent shall be in the form certified or official checks, personal checks subject to collection, money orders, or, subject to Sponsor's prior written approval, wire transfers, and shall be made payable to, or endorsed by the Purchaser to, the order of D'Agostino, Levine, Landesman, Lederman, Rivera & Sampson, LLP, as Escrow Agent.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which, as of February 14, 2020, is approximately 0.03%. Interest shall begin to accrue as of the business day following the date the deposit of the Down Payment clears and is posted by the Bank to the Escrow Account. Absent Purchaser's default, all interest earned thereon shall be paid to or credited to the Purchaser at Closing. Prior to the release of the Deposits, no fees of any kind from the principal or any interest earned thereon may be deducted from the Escrow Account, and the Sponsor shall bear all administrative costs associated with the maintenance of the Escrow Account.

Within five (5) business days after the Purchase Agreement is executed by all necessary parties and tendered to Escrow Agent along with the Deposits, the Escrow Agent shall sign the Purchase Agreement and place the Deposits into the Escrow Account. With ten (10) business days of the placing the Deposits in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposits. 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 with the terms of the Purchase Agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Deposits are placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the fully-executed Purchase Agreement and Deposits to Escrow Agent, the Purchaser may cancel the Purchase Agreement within ninety (90) days after tender of the fully-executed Purchase Agreement and Deposits to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposits were 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. 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 seek or accept release of the Deposits of a defaulting Purchaser until after Consummation of the Offering Plan, as defined in the Plan. Consummation of the Offering 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 Deposits if so directed:

(a) upon closing of title to the Unit, to Sponsor, pursuant to the terms and conditions set forth in this Purchase Agreement; 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 Deposits pursuant to paragraphs (a), (b), or (c) above, and the Escrow Agent receives a request by either party to release the Deposits, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposits. If the Escrow Agent has not received notice of objection to the release of the Deposits prior to the expiration of the thirty (30) day period, the Deposits 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 Deposits within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposits 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 Deposits contained in the Escrow Account with the clerk of the county where the Condominium is located and shall give written notice to both parties of such deposit.

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

(a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment thereto; or

(b) all Purchasers after an Amendment abandoning the Offering 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, Offering 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 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 Offering Plan to obtain, a completed and signed W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement. Notwithstanding anything contained herein to the contrary, unless and until Purchaser has delivered to the Escrow Agent a completed and originally-executed Form W-9 or Form W-8BEN, whichever may be applicable, along with any other items reasonably required by the Bank to open the account, the Down Payment will be deposited in a non-interest-bearing escrow account at the Bank.

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.

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Deposit, or any other dispute between Sponsor and Purchaser and/or the New York State Department of Law, whether or not Escrow Agent is in possession of the Deposit and continues as Escrow Agent.

As an alternative to depositing Down Payments in escrow as set forth above, Seller may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser.

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

In the event of an uncured default by Purchaser in his obligations under the Purchase Agreement, no more than ten percent (10%) or, if applicable, fifty percent (50%), of the Total Purchase Price plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser and agreed to by Sponsor, in its sole discretion may also be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser prior to the First Unit Closing and/or the Consummation of the Plan.

The balance of the Total Purchase Price will not be payable until closing of title to the Unit.

Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the closing date for his Unit, which notice will also remind him of his obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable.

17. **Equipment and Furnishings**. Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the purchase price of the Unit.

18. **Acceptance of Condition of Unit; Risk of Loss**.

(i) 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, including custom work, or the Building or (b) other Units or (c) any recreation facilities and/or amenities or (d) the landscaped areas or (e) other portions of the Common Elements have

not been completed. Minor details referred to in (a) above shall include but not be limited to any items which Purchaser may set forth or which are set forth on the Punchlist Inspection Statement, appearing in Part II of the Plan. The Punchlist Inspection Statement shall survive the closing of title.

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

(iii) Purchaser represents to Seller that he or she has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any other obligations of Seller under the terms of the Plan.

(iv) The risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the closing of title for the Unit. Seller at its sole discretion, reserves the right to either repair or restore such Unit (which election shall be made within one hundred twenty (120) days of loss or casualty) whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty not covered by either Sponsor's insurance or the Board's insurance, with respect to the Unit. Additionally, in the event that Purchaser, or one claiming by or through Purchaser enters into possession of the Unit prior to the closing of title, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR INSURANCE AGENT AS TO HIS OR HER INSURANCE NEEDS.

19. **Possession of Unit Prior to Closing**. It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Purchase Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the

option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property before, on or after the closing of title herein. The provisions of this Paragraph 19 shall survive the Closing.

20. **Limitation of Sponsor's Liability**.

(a) The Sponsor's liability under this Purchase Agreement for failure to complete and/or deliver title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Sponsor shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the Unit marketable or to cure any objection to title.

(b) The Sponsor shall be excused from timely performing any obligation or undertaking provided for in this Purchase Agreement and/or under the Offering Plan, as amended, for so long as such performance is prevented, delayed or hindered by the following occurrences or similar or dissimilar occurrences which are not within the control of Sponsor: an act of God, weather, fire, flood, explosion, war, riot, sabotage, outbreaks, epidemics, pandemics, order(s) of public authority having jurisdiction implementing shelter-in-place rules, requirements and/or quarantine measures, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, government prohibitions, governmental restrictions, governmental orders, governmental preemptions or governmental approvals, strike, lockout, action of labor unions or any other cause. Sponsor's time to perform such delayed obligations or undertakings shall be tolled for the length of time during which such performance and/or obligation was excused in accordance with this sub-paragraph or as otherwise determined in a final decision or order issued by a court of competent jurisdiction or any governmental or quasi-governmental Department or agency or by an executive order.

21. **Definitions**. The term "Purchaser" shall be read as "Purchasers" if more than one (1) person are purchasers, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

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

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

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

25. **Brokerage**. Purchaser represents and warrants to Seller that MNS and _____, as the co-broker, are/is the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, hereinafter the "Broker". Seller agrees to pay the commission earned by the Broker pursuant to a separate agreement between Seller and the Broker. Purchaser agrees that should any claim be made against Seller or Broker, for commissions by any other broker or co-broker, other than the aforementioned Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Seller and Broker free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Paragraph 25 shall survive the closing of title.

26. **Governing Law**. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York, notwithstanding the principals of Conflict of Laws.

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

28. **Costs of Enforcing and Defending Agreement**. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in successfully defending Sponsor's rights under this Agreement, or in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations hereunder.

29. **Acceptance by Seller**. The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Purchaser or Sponsor until Purchaser has signed this Agreement and delivered the signed Agreement and the Down Payment to Sponsor, and a counterpart hereof executed by Sponsor and Escrow Agent has been delivered to Purchaser. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, together with the required Down Payment, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof, or

(b) reject this Agreement offer and refund the Down Payment tendered by Purchaser.

If Seller takes no action within said twenty (20) day period this Purchase Agreement shall be deemed null and void and Seller will return Purchaser's Down Payment within twenty (20) days.

Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Prior to Sponsor's countersigning and returning this Purchase Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by law.

30. **Transfer Tax Returns**. At closing, Purchaser will duly complete and sign before a Notary Public the transfer tax return required to be filed with the City of New York and the appropriate New York State form (TP-584 or its successor) required to be filed with the Kings County Register's office. This transfer tax return and TP-584 form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental officer.

31. **Foreign Investment in Real Property Tax Act**. Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after February 17, 2016, the Purchaser of such real property interest must deduct and withhold a tax equal to fifteen percent (15%) of the purchase price unless the Seller furnishes a certificate that it is not a foreign entity or individual. Seller, a limited liability company formed pursuant to the laws of New York, will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

32. **Custom Work**. Purchaser acknowledges and agrees that all custom work ordered by Purchaser which is agreed to by Seller in its sole and absolute discretion, is to be performed by Sponsor's contractors. The cost of such custom work will be in addition to the total purchase price for the Unit and will be at the sole cost and expense of Purchaser. The Down Payment for the purchase of the Unit will be increased by the total cost of the custom work. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser subsequent to the Consummation of the Plan, as defined in the Plan, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are required to pay for the custom work.

33. **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 Element 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. The provisions of this Paragraph 33 shall survive delivery of the deed at Closing.

34. **Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction**. If applicable, any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) will be required at the time of closing of title to the Purchaser's Unit, to expressly waive any and all immunity from suit by Sponsor and/or the Board of Managers of the Condominium. Such Purchasers at closing will be required to execute the "Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction" which is attached hereto as **Exhibit A** to the Purchase Agreement.

35. **Confidentiality**. Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be deemed a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

36. **Purchaser's Representations**. Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing, such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser further represents that the Down Payment represents Purchaser's own funds and that no other party (other than Purchaser or Seller, as provided herein) has any right or claim to all or any portion of the Down Payment.

Purchaser is not now, nor shall it be at any time prior to or at the Closing, an individual, corporation, partnership, joint venture, trust trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise. Neither Purchaser nor any person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Closing a Person with whom a U.S.

Person, including a "financial institution" as defined in 31 U.S.C. 5312(a)(z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

Purchaser has taken, and shall continue to take until the Closing, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at Closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107 56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. App. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

The provisions of this Paragraph 36 shall survive the Closing of title to the Unit or termination of this Agreement.

37. **Smoking Policy**. Purchaser hereby acknowledges and agrees to the Condominium's smoking policy, which is disclosed in the Offering Plan as follows: No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (hereinafter referred to collectively as "Smoking Apparatus") in any of the indoor portions of the Building, including individual Units and common areas, at any time. Though smoking shall be permitted in any outdoor areas of the Condominium that are accessible to Unit Owners, including a private patio, terrace, roof terrace, and/or yard, no person may smoke or otherwise burn any Smoking Apparatus in any outdoor areas of the Condominium in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium.

38. **Survival**. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom. All representations under the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

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

40. **Counterparts.** This Purchase Agreement and any Rider(s) attached thereto may be executed by facsimile and/or PDF signature and/or in any number of counterparts and each of such facsimile and /or PDF signature and/or counterpart shall for all purposes be deemed to be an original; and all such facsimile and/or PDF signatures and/or counterparts shall together constitute but one and the same Purchase Agreement.

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

Dated: _____, New York
_____, 20__

_____L.S.

_____Purchaser

Accepted:

_____L.S.

_____Purchaser

SPONSOR/SELLER:

174 Richardson LLC

By:_____
Name:
Title:

Dated:_____, 20__

ESCROW AGENT:

D'Agostino, Levine, Landesman,
Lederman, Rivera & Sampson, LLP

By:_____
_____, Partner

Dated:_____, 20__

Exhibit A

WAIVER OF DIPLOMATIC OR SOVEREIGN
IMMUNITY AND CONSENT TO JURISDICTION

In consideration of Sponsor/Seller conveying title to Unit _____ of "174 Richardson Street Condominium," located at 174 Richardson Street, Brooklyn, New York and for other good and valuable consideration to Sponsor/Seller, the receipt and sufficiency of which is hereby acknowledged by Sponsor/Seller, Purchaser hereby agrees to the following:

1. Capitalized terms used and not otherwise defined in this Waiver shall have the respective meanings ascribed thereto in the Offering Plan, as amended from time to time.

2. Purchaser represents and warrants that the Purchase Agreement for Unit _____ and the sales transaction contemplated thereunder is a commercial rather than a public or governmental act, and that Purchaser is not entitled to claim immunity from legal proceedings with respect to Purchaser or any property of Purchaser on the grounds of sovereignty or otherwise under any law or in any jurisdiction where any action may be brought for enforcement of Purchaser's obligations thereunder.

3. To the extent that Purchaser has now or may hereafter acquire such, Purchaser hereby irrevocably waives, in respect of Purchaser's obligations under the Purchase Agreement and the Condominium Declaration and By-Laws, (i) immunity from the jurisdiction of any court (including but not limited to the courts of the United States or any State thereof) and (ii) immunity of Purchaser's revenues, assets or properties (whether commercial or non-commercial) (A) from execution upon, attachment in aid of execution upon, and attachment prior to a judgment of any such court, (B) from setoff, and (C) from any other legal action or proceeding taken to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws. In addition to the extent not prohibited by the laws of the United States or international law, Purchaser hereby irrevocably waives, in respect of Purchaser's obligations under the Purchase Agreement and/or the Condominium Declaration and By-Laws, "mission inviolability" as same has been interpreted under the Vienna Convention on Diplomatic Relations, 23 U.S.T. 3227.

4. Purchaser, Sponsor/Seller and the Board of Managers of the Condominium acknowledge and agree that all disputes arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws and all actions to enforce the Purchase Agreement and/or the Condominium Declaration and By-Laws may be dealt with and adjudicated in the courts of the United States of America or the State of New York, as Sponsor/Seller and/or the Board of Managers of the Condominium elect, and, by

execution of the Purchase Agreement, Purchaser hereby expressly and irrevocably accepts for itself and, to the extent permitted by law, in respect of Purchaser's property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws or in any action to enforce the Purchase Agreement and/or the Condominium Declaration and By-Laws. So far as is permitted under applicable law, this consent to personal jurisdiction by Purchaser shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Waiver, or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

5. Provided that service of process is effected upon Purchaser in one of the manners specified in this Waiver or as otherwise permitted by applicable law, Purchaser hereby irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise, (i) any objection which Purchaser may now or hereafter have to the laying of venue or any suit, action or proceeding relating, directly or indirectly, to the Purchase Agreement and/or the Condominium Declaration and By-Laws in the State of New York, (ii) any claim that the State of New York is not a convenient forum for any such suit, action or proceeding, and (iii) any claim that Purchaser is not personally subject to the jurisdiction of the above named courts. Provided that service of process is effected upon Purchaser in one of the manners specified in this Waiver or as otherwise permitted by law, Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court of competent jurisdiction shall be conclusive and binding upon Purchaser and may, to the fullest extent permitted by applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

6. In the case of the courts of the United States of America and the State of New York, Purchaser hereby designates, appoints and empowers the party described below ("Purchaser's Agent"):

_____

_____

_____

as its authorized agent to accept and acknowledge for and on Purchaser's behalf service of process in any legal action or proceeding of the nature referred to in the Purchase Agreement and/or the Condominium Declaration and By-Laws, but for no other purpose. Purchaser acknowledges that the provisions of this Section 6, and the provisions of Section

8, below constitute a "special arrangement for service" within the meaning of 28 USC § 1608.

7. Purchaser shall have Purchaser's Agent execute all documents and affidavits reasonably necessary to insure that (i) the designation and appointment of Purchaser's Agent as such shall be irrevocable until one (1) year after the date of the closing of title to the Unit, and (ii) Purchaser's Agent shall not cease to act as the agent for service unless and until, in either case, another agent for such purpose reasonably satisfactory to Sponsor/Seller and/or the Board of Managers of the Condominium shall have been irrevocably designated and appointed and Purchaser shall have delivered to Sponsor/Seller and/or the Board of Managers of the Condominium or any of its successors or assigns, evidence in writing of such other agent's acceptance of such appointment. Any attempt by Purchaser's Agent to cease to so act shall be ineffective and without force or effect unless the foregoing provisions of this Section 7 shall be complied with.

8. Purchaser hereby consents to process being served in any suit, action or proceeding of the nature referred to in the Purchase Agreement and/or the Condominium Declaration and By-Laws either by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested to (i) Purchaser at the address set forth in the Purchase Agreement, if mailed prior to the closing of title to the Unit, and thereafter at the Unit conveyed, and (ii) to Purchaser's Agent at the address set forth in Section 6 of this Waiver. Service shall be deemed completed ten (10) days after delivery thereof to such party served. Purchaser irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service and agrees that such service (i) shall be deemed in every respect effective service of process upon Purchaser in any such suit, action or proceeding, and (ii) shall to the fullest extent permitted by law, be taken and held to be valid personal service upon and personal, delivery to Purchaser. Copies of any process or other papers served on Purchaser's Agent shall be forwarded promptly to Purchaser but failure to do so shall have no effect on the effectiveness of such service on Purchaser's Agent. Purchaser undertakes to enter an unconditional appearance within thirty (30) days after the completion of such service.

9. Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York in order to make effective (a) the appointment of Purchaser's Agent, (b) the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York, and (c) any other provisions of this Waiver.

10. Nothing in this Waiver shall affect the right of Sponsor/Seller and/or the Board of Managers of the Condominium to serve process in any other manner permitted by law or limit the right of Sponsor/Seller and/or the Board of Managers of the Condominium or any of its successors or assigns, to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

11. The provisions of this Waiver shall survive the closing of title to the Unit to Purchaser for the purpose of any suits, action or proceeding arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws or any action to enforce the Purchase Agreement and/or Condominium Declaration and By-Laws.

Dated: _____, 20__

_____

, Purchaser

_____

, Purchaser

POWER OF ATTORNEY

The undersigned, _____ the Owner of Residential Unit No. _____ located at 174 Richardson Street, Brooklyn, New York, in the Condominium known as "174 Richardson Street Condominium" consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 20__, and recorded in the Office of the Register of the City of New York, County of Kings, as CRFN _____ and on the Floor Plans on file in said office as CRFN _____, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of "174 Richardson Street Condominium" jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, any Unit whose Owner desires to abandon or sell the same, including the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned do(es) hereby nominate, constitute and appoint 174 Richardson LLC, a New York limited liability company ("Sponsor"), Sponsor's designee, and/or their successors and assigns, as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to severally amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to effectuate the provisions of Articles 16 and 17 of the Declaration and any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or to reflect any change in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Articles 16 and 17 of the Declaration or any other provision thereof or set forth in the Condominium's By Laws and/or Rules and Regulations, or (2) shall be required by (a) an institutional lender procured by Sponsor or its designee, to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor or its designee, to insure

title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. With regard to Sponsor's Unsold Units, the terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned do(es) further nominate, constitute and appoint 174 Richardson LLC, its designee, and/or their successors and assigns as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, its designee, and/or their successors and assigns in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its designee, and/or their successors and assigns in accordance with Paragraph numbered 20 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

The undersigned do(es) further nominate, constitute and appoint (i) the persons who may from time to time constitute the Board of Managers of the Condominium jointly, and (ii) 174 Richardson LLC and/or its designee, their successors or assigns, as attorneys-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of the Register of Kings County, (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the Landmarks Preservation Commission, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has (have) executed this Power of Attorney this _____ day of _____, 20__.

_____

_____

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

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

_____
Notary Public

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

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

_____
Notary Public

FORM OF UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between 174 Richardson LLC, a New York limited liability company having an office at 174 Richardson Street #B, Brooklyn, New York 11222, "Grantor", and _____, "Grantee," residing at _____.

W I T N E S S E T H:

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

The Unit known as Unit No. _____ in the Building known as 174 Richardson Street Condominium, located at 174 Richardson Street, in the Borough of Brooklyn, Kings County, City and State of New York and also designated and described as Unit No. _____ in the Declaration establishing 174 Richardson Street Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 20__, and recorded in the Kings County Office of the Register of the City of New York, on the _____ day of _____, 20__, as CRFN _____ (hereinafter called the "Declaration"), which Unit is also designated as Block No. 2735, Tax Lot No. _____ on the Floor Plans and Site Plan (the "Floor Plans") of the Building, certified by Saheb Architecture, filed in the Real Property Assessment Department of the City of New York on the _____ day of _____, 20__, as CRFN _____ and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, Kings County, as Condominium Plan No. ____, CRFN _____ (hereinafter called the "Unit"). The land area of the Property is described as follows:

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Richardson Street, distant one hundred and twenty feet and six inches more or less, easterly from the southeasterly corner of Richardson Street and Graham Avenue, and

RUNNING THENCE easterly along the southerly side of Richardson Street twenty nine feet and six inches, more or less to the westerly side of line of lot number three and easterly side of line of lot number two as laid on a certain Map of 109, lots of land formerly belonging to Paul Fish and William Richards;

THENCE southerly along said westerly line of said lot, seventy five feet;

THENCE westerly, twenty nine feet and six inches, more or less;

THENCE northerly seventy five feet to the point or place of BEGINNING.

SAID PREMISES being known as and by the street number 174 Richardson Street, Brooklyn, New York.

TOGETHER with all right, title and interest, if any, to any interior strips or gores adjoining the above described premises on any sides thereof.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of the construction or rehabilitation of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

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

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

TOGETHER with and SUBJECT TO EASEMENTS, rights of way, restrictions and encumbrances created by the Declaration for "174 Richardson Street Condominium" recorded in the Kings

County Office of the Register of the City of New York on the _____ day of _____, 20__ as CRFN _____.

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

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid; this deed was authorized at a duly called meeting of the members of Grantor;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The Unit is intended to, and, subject to and by the terms of the Declaration, is to be used as a Residential Unit.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of clause 18 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The Grantee accepts and ratified the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the office of the New York City Register, Kings County.

This conveyance has been made with the consent of all the members of the party of the first part entitled to vote thereon at a meeting duly called.

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

Grantor:

174 RICHARDSON LLC

By:_____
Name:
Title:

_____
Grantee:

_____
Grantee:

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

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

_____
Notary Public

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

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

_____
Notary Public

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

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

_____
Notary Public

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

BOROUGH: Brooklyn
BLOCK: 02735
LOT: 13
ZONE: R6B
YEAR BUILT: 2017

Certificate of Occupancy: #321129088F (dated 11/01/2017)

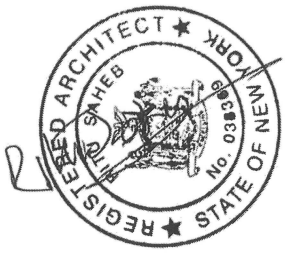
Occupancy Classification: R-2 residential.
Class "A" Multiple Dwelling

THE LIABILITY OF THE UNDERSIGNED IS STRICTLY LIMITED TO COMPLIANCE WITH THE PROVISION OF ARTICLE 23A OF THE GENERAL BUSINESS LAW AND THE REGULATIONS OF THE DEPARTMENT OF LAW PURSUANT THERETO.

NO OBLIGATION OR LIABILITY IS ASSUMED FOR DEFECTS, ERRORS, VARIATIONS OR CHANGES MADE IN THE CONSTRUCTION OF THE BUILDING. MY PARTICIPATION IN THE PROJECT IS LIMITED TO THE PREPARATION OF THIS REPORT.

TO THE BEST OF MY KNOWLEDGE, THE FINISHES, MATERIAL OR EQUIPMENT DESCRIBED IN THIS REPORT ARE ACCURATE AS OF THE DATE OF THIS REPORT; AND I HAVE NO CONTROL OVER WHETHER THE SAME ARE UPDATED SUBSEQUENT TO THE DATE OF THIS REPORT. IT IS SUGGESTED THAT EACH PURCHASER MAKE HIS OR HER INSPECTION PRIOR TO CLOSING. I WAS NOT ENGAGED IN THE SUPERVISION OF THE CONSTRUCTION OF THIS BUILDING.

Date: 11/10/2020
By: Ritu Saheb, RA



(a) LOCATION AND USE OF PROPERTY

This property and proposed use complies with all zoning and use requirements as of the time of closing.

(1) Address:
174 Richardson Street, Brooklyn NY 11222

(2) Lot 13, Block 02735

(3) Zoning:
R6B – Residential Zoning Classification

(4) Permissible Use:
R-2 residential. / Class "A" Multiple Dwelling

(5) The building is a Quality Housing project. As such, it complies with the following Quality Housing requirements:

(i) Dwelling unit sizes: each residential unit have an area of at least 400 square feet;
(ii) Windows: all windows are double glazed;
(iii) Refuse storage and disposal: a refuse chute and refuse room are not required for Quality Housing buildings with less than 9 dwelling units, as such, none are provided;
(iv) Daylight in corridors: a glazed area of at least 40 sf is provided at 1st floor;
(v) Laundry facilities: each residential unit has a washer and dryer.
(vi) Recreation spaces: common recreation space is not required for a Quality Housing building with less than 9 dwelling units, as such, none is provided;
(vii) Planted areas: there is no area between the street line and street wall, as such, no planting is provided;
(viii) Dwelling unit density: DOB requires a maximum of 4 dwelling units per story per corridor and the building meets this requirement.

(6) The former building on site was demolished in its entirety.

(b) STATUS OF COMPLETION

(1) NYC DOB – NB Application # 321129088NB – Approved under the 2014 NYC Construction Code.

(2) Class of Construction
Class "A" Multiple Dwelling
NYC Construction Code I-B / 2 Hour / Non-Combustible Construction Project is built under NYC Quality Housing requirements, and is in compliance therewith.

(3) Certificate of Occupancy: #321129088F (dated 11/01/2017)

(4) Construction of the building began in December 2015. The final Certificate of Occupancy was issued on 11/1/2017. Though the building was newly constructed as of that date, all components of the Building, as described in this report, will be delivered in existing, good condition unless otherwise specified herein.

(c) SITE

(1) Size: 29.5' x 75' lot area 2,212.5 square feet

(2) 1 building, 4 floors and cellar, 3 residential units (hereinafter, the "Units" or "Residential Units"). There is one R-2 residential building occupying the building site. This building is in good condition. There is no unused square footage remaining for any development rights.

(3) Streets maintained by the project: N/A

(i) Paving: The roadway is paved primarily with asphalt in excellent condition.

(ii) Curbing: The concrete curb is in excellent condition.

(iii) Catch Basins / Drainage: The roadway is crowned and pitched to catch basins. (Not owned by the project)

(iv) Street Lighting: Street lighting is typical of New York City. (Not owned by the project)

(v) Condominium shall be responsible for maintaining the sidewalk per NYC DOT requirements

(vi) There are no sidewalk vaults existing or to be built

(vii) Sidewalk is sloped to drain water away from the building

(4) Drives, sidewalks and ramps:

(i) There is new concrete sidewalk and concrete curb in compliance with the requirements of the New York City Department of Transportation ("DOT") in front of the property. New sidewalk is ADA compliant. The sidewalk is pitched to drain to sewer catch basins in the street. Sidewalk providing access to the building is free of tripping hazard and ponding. The Condominium shall be responsible for maintaining the sidewalk per DOT and any other applicable requirements, the cost of which shall be a common expense.

(ii) No Catch basins on property.

(iii) Lighting in front of building is (1) LED wall sconce adjacent to building entrance. There is public street lighting in front of the building.

(iv) All paving, curbing, and street lighting is installed and shall be maintained pursuant to all NYC codes.

(d) UTILITIES

(1) Gas:

Gas service is individually metered to all Residential Units. Gas service is provided by National Grid Company. The service is provided with three (3) residential gas meters, sized by the utility company. Natural gas is used for cooking ranges used in each Residential Unit, a gas clothes dryer in Unit 1 and individual unit domestic hot water heaters in each Residential Unit.

(2) Water:

The building domestic and fire water services are connected to the City of New York public water main located on Richardson Street, through a metered domestic service and a fire protection service in accordance with the New York City Department of Environmental Protection. The charges for water service provided to the building (including Condominium Units and in the public areas of the building) will be collectively metered and borne by all of the Condominium Unit Owners as a Condominium Common Expense. Domestic hot water is generated by a gas-fired tankless type (10.5 GPM flow rate) domestic hot water heater located in each Residential Unit. There are 3 such hot water heaters in the building.

The heaters are manufactured by Navien (model NPE 240S) with 19,900 BTU heater. The heaters are provided with combustion air intake and vents as required. The heaters are in compliance with 2014 New York City Energy Conservation Code having an efficiency of 96%. The hot water heaters are sized in accordance to manufacturer sizing criteria for a medium peak demand. To the best of Sponsor's knowledge, the hot water heaters have a 5-year manufacturer's warranty, which runs from installation, estimated to be in or about October of 2016. Thus, prospective purchasers should be aware that as of the date of this report, it is believed that approximately 1 year of the warranty remains.

(3) Sewer:

The building sewer service and drainage systems are connected by a duplex ejector ¾ h.p. pump manufactured by the Liberty Company, model 1103-LE71M, to a City of New York public combined sewer main located on Richardson Street through a 4-inch combined (storm and sewer) drain line in accordance with the New York City Department of Environmental Protection. The charges for sewer service provided to the building (including Condominium Units and in the public areas of the building) will be collectively metered and borne by all of the Condominium Unit Owners as a Condominium Common Expense.

(4) Electric:

Electrical service is individually metered to all Residential Units with common metering for Public Areas and Facilities. Service is provided by Con Edison from Richardson Street. Individual feeders for electric service run from each Residential Unit's meter in the cellar to the appropriate Residential Unit. Residential Unit feeders vary in size and required by load and voltage drop, but they all are 120/208 volts, single phase, using copper material. The Residential Unit panelboards and service are adequately sized to handle a lighting load of 0.7 watts/ square foot, an electric dryer plus appliances and air-conditioning load.

(5) Telephone and Internet

Verizon is the telephone and internet provider for the building. Any telephone or internet service for the Residential Units shall be arranged and paid for by the respective unit owners. Verizon is the only provider for the building.

(e) SUBSOIL CONDITIONS

(1) Per the New Building Application and boring data reviewed during design by the licensed Structural Engineer, there is no evidence of foundation movement or settlement. Based on the boring data, the sub-soil is sufficient and adequate to support the building as constructed.

(2) Based on subsoil boring data, and current FEMA map analysis, there is minimal risk of flooding.

FEMA Flood Zone : Zone 'X'. Area of minimal flood hazard, areas that have a 0.2-percent-annual-chance of flood.

(3) Moisture protection for the concrete foundation walls is achieved using a dimple boards, bituminous waterproofing, integral waterproofing admixture and continuous water stop at construction joints. In addition, the concrete mat slab is placed over crushed stone to improve drainage. A vapor barrier is installed between the crushed stone and the underside of the concrete slab.

There was no evidence of presence of moisture in the cellar at the time of writing this report.

(4) No expansive soils, hazardous materials, and/or other environmental restrictions are present at the property.

(f) LANDSCAPING

(1) Grass cover: None

(2) Plantings: Sponsor will install appropriate perennial plants in the rear yard planter prior to the Offering Plan being declared effective.

(3) Trees: One white birch in the rear yard of Unit 1. In addition to this tree, as of the date of this report, there is an empty tree pit in the rear yard of Unit 1 where a second birch is anticipated to be planted by Sponsor prior to the Offering Plan being declared effective.

(4) Fencing: Cedar slat wood Fence and 6' tall. Fencing is around the perimeter of the backyard.

(5) Gates: None

(6) Garden Walls: None

(7) Retaining Walls: None

(8) Display Pools / Fountains: None

(9) Pavers: With respect to outdoor areas appurtenant to Unit 1, the private terrace at the cellar level is concrete with porcelain tiles, the raised, private rear patio at the ground floor is concrete with

porcelain tiles, and the private rear yard is finished with concrete pavers laid in compacted sand and gravel.

(g) BUILDING SIZE

(1) Total Height: 46'-0"

(2) Crawl Spaces: None

(3) 1 Cellar / No Sub-Cellar Space

(4) Number of Floors: Cellar, 4 floors and Roof

(5) Rooms and areas in the building for building equipment are as follows:

- Mechanical room: One room in cellar used for building utilities, including sprinkler, plumbing, telecommunications (telephone and internet systems) and electrical systems.
- General utility room in the cellar for trash collection and storage of common materials, equipment and supplies.
- Plumbing and mechanical exhaust vents are located on the roof.
- Four HVAC condensers for the Residential Units are located on the bulkhead above the stairwell roof.

(6) Parapet: Rooftop and fourth floor terrace parapets are each 42" high, in compliance with applicable code.

(h) STRUCTURAL SYSTEMS

(1) Exterior of Building

(i) Foundations:

The foundation system consists of 12" thick cast-in-place, steel reinforced concrete foundation walls with 24" thick concrete mat slab.

Moisture protection for the concrete foundation walls, piers, spread footings, and slab on grade is achieved through the use of an integral waterproofing admixture and continuous waterstops at construction joints. In addition, the concrete mat slab on grade is placed over crushed stone to improve drainage. A vapor barrier is installed between the crushed stone and the underside of the concrete slab. No additional sub-grade drainage system is provided for the foundations of the building.

2-feet wide underpinning was installed under the neighboring structure at 176 Richardson Street on the east side. This underpinning which is under the neighbor's stone masonry wall aligns with the Cellar foundation. It is cast-in-place concrete, which was poured in sections.

The foundation is in good condition.

(ii) Superstructure:

The structural system consists of load bearing masonry walls supporting structural steel beams and metal joist floor framing with metal decking. Interior floor framing and roof framing is sheathed with cement board. Exterior terraces are concrete on metal decking, supported by structural steel beams.

The superstructure is in good condition.

(iii) Walls:

The walls of the building are Type I-B Fire Resistive, Non-Combustible construction. Exterior, load bearing lot line walls and interior load bearing walls are 2-hour fire rated, concrete masonry unit construction. Exterior, non-load bearing walls are non-fire rated metal stud walls with 1 layer of 1/2" glass-mat sheathing on the exterior face, bat insulation, and 2 layers 5/8" gypsum wall board on the interior face. Interior demising walls around stairs and public halls are 2-hour fire rated metal studs with 2 layers of 5/8" gypsum board on each side. Interior Residential Unit partitions are built of 3 5/8" metal studs covered with painted 5/8" gypsum board.

Floors 1 through 3 of the front façade have a brick finish. The 4th floor has a stucco finish. The bulkhead also has a stucco finish. The side and rear facades at all elevations have an EFIS stucco finish. The stucco system consists of (starting on the exterior side) EFIS finish on 2.5" rigid foam insulation board on CMU blocks.

NYC Façade Inspection Safety Program (f/k/a Local Law 11/98) does not apply to the property.

The building does not share a party wall with any neighboring building or property. There is a 1" seismic gap between the building and the adjacent building located at 176 Richardson Street on the eastern side. At the time of initial submission of the Offering Plan, there is a vacant lot at 172 Richardson Street on the western side.

R-Values - Exterior Walls (above grade)

a. Front Façade Wall (fls. 1-3): Approximate R value = 19
b. Front Façade Wall (fls 4-roof): Approximate R value = 19
c. Lot Line Walls: Approximate R value = 12.5
d. Rear Façade Wall: Approximate R value = 19
e. Cellar Wall (below grade): Approximate R value = 24

The walls are in good condition.

(iv) Windows

All windows in the building are thermally broken, insulated aluminum casement, fixed or awning windows, with metal clad exterior finishes and metal screens. Windows edges are sealed with waterproof silicone caulking.

All windows and doors are provided by Gamco Corporation, Flushing, NY. To the best of Sponsor's knowledge, no warranties remain with respect to window material or installation.

The lintels are aluminum termination tracks with profiles appropriate for interfacing with the stucco, brick, and cement cladding types. The sills are aluminum sill extensions, shaped to lap over building cladding and provide positive drainage away from windows.

All exterior doors and windows have double insulated tempered glass.

All requirements for NYC light and air regulations for windows have been followed.

There are no lot-line windows in this building.

The windows are in good condition.

(v) Landmarks

The building is not a landmark and is not located in a landmark district.

(2) Parapets and Copings:

Roof and first floor rear yard parapet copings are aluminum. Fourth floor terrace parapet coping has stone capping and no coping above it. The fourth floor must have parapet caulking checked annually and the stone cap must be coated with an appropriate sealer re-coated every two years.

The parapet wall is 3'-6" high at the fourth floor terrace as well as roof pursuant to applicable code, with flashing along the perimeter of the parapet at the roof deck. All exterior metals, including fasteners are corrosion resistant.

The parapets and copings are in good condition.

(3) Chimneys and Caps:

Chimney cap for combustible ventilation on the roof are double walled and constructed of 16 GA Stainless Steel sheet metal.

The chimney caps are in good condition.

(4) Balconies and Terraces:

As shown on the floor plans, certain Residential Units have access to a private terrace, patio, and/or yard. Unit 1 has a paved private rear yard and patio directly accessed from its upper level on first floor. It also has access to private lower terrace directly accessed from its lower level.

Unit 3 has a private front terrace directly accessed from its upper level on fourth floor.

The roof terrace is accessible for private use of Unit 2 only as per the Certificate of Occupancy and complies with NYC Department of Buildings Bulletin 2018-2002. The roof terrace has a

maximum legal occupancy of thirty (30) people. Pursuant to the Declaration of Condominium, the Board of Managers, all Unit Owners, and their servicemen, consultants and/or repairmen shall have an easement on, over, and across the Unit 2 private terrace at the main roof of the Building for the sole purpose of maintaining, repairing and/or replacing any HVAC equipment serving the Units located on top of the stair bulkhead.

Rear yard and terrace floors are pitched away from With respect to outdoor areas appurtenant to Unit 1, the private terrace at the cellar level is concrete with porcelain tiles, the raised, private rear patio at the ground floor is concrete with porcelain tiles, and the private rear yard is finished with concrete pavers laid in compacted sand and gravel. The private Unit 2 roof terrace and the private Unit 3 terrace each has a pedestal system with concrete pavers. Such pavers are sufficient as a walking surface for daily foot traffic.

Unit 2 has a Juliette balcony located outside of the living room. A 42" high painted metal guardrail runs along the length of operable doors and is located a maximum of 4" from the edge of the exterior face of the doors. Railings have horizontal bars that create a ladder effect.

Doors to the rear yard, terraces, and the aforementioned Juliette balcony are insulated glass aluminum doors that are thermally broken. All exterior glass doors are manufactured by Gamco Corporation, Flushing NY.

Parapets are made from CMU blocks with aluminum or stone coping, and have aluminum drip cap or a drip edge. They are exposed brick on the front façade, and stucco on side and rear facades.

Painted steel railings are installed on top of bulkhead as well as around rear yard light well open to cellar level. Exterior metals (including fasteners) are corrosion resistant. Railings are 3'-6" high, pursuant to applicable code. Steel post railings have horizontal bars that create a ladder effect on the bulkhead.

There are no exterior soffits at the building. There are no exterior balustrades other than the painted steel railings described above.

Terraces and rear yards must remain open as built. Unit Owners will not be permitted to perform construction on them, enclose any space, or install decking or pavers on the terraces without express written permission from the Board of Managers, and if required, from the Department of Buildings.

Unit Owners may place furnishings on terraces subject to rules established by the Condominium's Board of Managers and subject to the terms of the Condominium Declaration, By Laws and Rules and Regulations. Unit Owners will not be permitted to place furnishings or other obstructions in areas designated on the roof plan for fire department clear access.

(5) Exterior Entrances:

(i) The rear yard exterior doors are made of aluminum and glass, manufactured by Gamco Corporation, Flushing, NY. The locking mechanism is an internal latch mechanism.

(ii) The building vestibule doors are made of aluminum and glass, manufactured by Gamco Corporation, Flushing, NY. The locking mechanism is a commercial keyed entry lock with electronic strike.

(iii) Stair railings: None.

(iv) Mailbox: a 4-unit mailbox is located in the lobby. Three mailboxes are for the unit owners, and one is installed for the management. Mailbox is finished aluminum.

(v) Lighting: There is lighting in front of the building at the entrance ceiling as well as the exterior wall.

(vi) The area in front of the entrance is sloped away from the building for drainage.

(6) Service Entrances

None

(7) Roof and Roof Structures

(i) The Board of Managers will have right of access to roof areas including setback roofs and including private terraces and balconies for necessary inspection, maintenance or repairs.

(ii) Roof construction consists of a 3-ply built-up roof using a Firestone 180 Cool modified bitumen membrane 5/8" over plywood sub roof on concrete slab. Flashing is provided over the roof slab joint with the parapet. The roof has a 1-hour fire rating.

(iii) Batt insulation along with min. 2" of continuous insulation of total R-48 is provided at the roof assembly. Pedestal system with concrete pavers are provided at the roof terrace. Such pavers are sufficient as a walking surface for daily foot traffic.

(iv) The bulkhead is designed for placement of (4) HVAC condensers. It is made up of a 3-ply built-up roof using a Firestone 180 Cool modified bitumen membrane 5/8" over plywood sub roof on concrete slab. No pavers are provided on it.

(v) To the best of Sponsor's knowledge, no warranties remain on roof material nor on installation.

(vi) Drains:

1. Number: (1) 4" drain is provided on the private Unit 2 roof terrace and (1) 4" drain is provided on the fourth floor private terrace. These drains are on private terraces, and will need to be maintained by the Condominium and kept clear of debris by the unit owner.

2. Material & Type: Cast Iron

3. Gutters & Leaders: One at bulkhead

4. Secondary drainage system: None.

(vii) Skylights: None

(viii) Bulkheads: The building has one stair bulkhead at the main roof level. The bulkhead roof is constructed of metal joist framing with built up roof. Portions of the bulkhead walls are constructed from concrete masonry block. The stairwell, and 4th floor terrace walls are constructed of metal stud framed walls in some parts and concrete masonry block walls in other parts. Bulkhead walls are finished with stucco. See sub-section 7(iv) above. Stairway access to the roof complies with all applicable fire code.

(ix) Metal work at Roof Level: Metal work at roofs and terraces include 42" high steel guardrails at bulkhead, above finish floor surfaces; steel bulkhead access ladders, stainless steel Gooseneck and exhaust vents, and aluminum parapet coping. Exterior metal work is aluminum or steel finished with corrosion resistant primer and two coats of corrosion resistant paint. Exterior hardware is corrosion resistant. There are no exterior stairs at the roof.

(x) Rooftop Facilities: Unit 2 has a private roof terrace at the main roof level. 6' wide central part of the building roof must be available at all times for FDNY access and is not intended for common access or accessory residential use.

(xi) Rooftop Mounted Mechanical Equipment: The roof over the stair bulkhead contains HVAC mechanical equipment. These air-cooled condensing units are mounted on metal curbs with vibration isolators.

(xii) The roof and bulkhead are in good condition.

(8) Fire Escapes

Due to construction classification, Non-Combustible, the building has no fire escapes and does not require any.

(9) Yards and Courts

Front Yard

(i) No front yard is provided

Rear Yard

(i) Material: With respect to outdoor areas appurtenant to Unit 1, the private terrace at the cellar level is concrete with porcelain tiles, the raised, private rear patio at the ground floor is concrete with porcelain tiles, and the private rear yard is finished with concrete pavers laid in compacted sand and gravel
(ii) Drainage: 4" metal area drain
(iii) Railings: Painted steel 42" high around light well in to cellar

(iv) Stairs: An exterior stair connects Unit 1's private terrace at the cellar level and private patio at the first floor, as described in sub-section 10(iii) below
(v) Fencing: Cedar wood Fence
(vi) Walls: None
(vii) Lighting: One exterior wall sconce on rear wall above the door
(viii) Yard meets all requirements required by the NYC Dept. of Buildings.
(ix) Unit 1 has a private rear yard and patio on the first floor. This private rear yard and patio are accessed via Unit 1, and are for the exclusive use of the Unit 1 owner.

(10) Stairs

(i) Egress Stairs: There is (1) switchback interior egress stair providing means of egress for all levels. The egress stairs extends from the cellar up to the main roof. The stair discharges into the lobby hall. These stairs comply with all applicable code.

(a) Enclosure: The egress stair is enclosed in a 2-hour fire rated metal stud-wall assembly.
(b) Stair Construction: metal steel pan with concrete
(c) Treads and Landings: porcelain tiles
(d) Stringers and Risers: Painted steel
(e) Hand Rails: Painted steel pipe handrail
(f) Balustrade: Painted steel

(ii) Interior Convenience Stairs: Unit 1 and 3 are duplex Residential Units and have interior convenience stairs connecting their respective floors. These stairs comply with all applicable code.

(a) Enclosure: The convenience stairs are not fire rated and are, in each case, open to the Residential Unit interior.
(b) Stair Construction: painted metal steel pans with concrete and tile finish in Unit 1, and wood finish in Unit 3
(c) Treads and Landings: steel pan with wood infill
(d) Stringers and Risers: Painted steel
(e) Hand Rails: Painted steel bar handrail
(f) Balustrade: Painted steel

(iii) Exterior Convenience Stairs: An exterior stair connects Unit 1's private terrace at the cellar level and private patio at the first floor. These stairs comply with all applicable code.

(a) Enclosure: The convenience stairs are not fire rated and note enclosed
(b) Stair Construction: painted metal stringers
(c) Treads and Landings: steel
(d) Stringers and Risers: Painted steel
(e) Hand Rails: Painted steel bar handrail
(f) Balustrade: Painted steel

(11) Interior Door and Frames

(i) The Residential Unit entry doors are painted hollow metal – 1 ½ hour fire-rated self closing doors. Doors are painted with an acrylic based primer, and 2 coats of acrylic finish paint. Interior Residential Unit doors are flat panel - solid-core wood doors) painted white.

(ii) The stair doors: they are the same as the Residential Unit entry doors.

(iii) The roof door and cellar door each is a painted hollow metal – 1 ½ hour fire-rated self-closing door.

(iv) The doors and frames are in good condition.

(12) Elevator: There is no elevator in the building.

(13) Acoustic Separation

The floor assembly exceeds the minimum Impact Insulation Class (IIC) rating of 50. This has been achieved with R-38 batt insulation placed between the steel joists, that is topped with 2.5" poured concrete slab. In addition, 1.5" resilient metal furring channel with 2" continuous insulation is provided on the underside of joists, finished off with 2 layers of 5/8" gypsum boards.

(i) AUXILIARY FACILITIES

(1) Laundry Room: None. Each Residential Unit has its own washer/dryer within. Washers are electric. Dryers in Units 2 and 3 are electric and vented to the roof. Dryer in Unit 1 is gas operated with exterior vent to the roof.

(2) Refuse Disposal: Residential refuse is collected at the sidewalk by the Department of Sanitation of the City of New York. Trash bins for refuse and recyclables are located in the cellar of the building for resident disposal. The Condominium's part time janitor will maintain the stairwell and other common areas, including moving the trash bins to the curb on designated refuse collection days.

(i) Incinerator: Not applicable

(ii) Compactor: Not applicable

(3) Storage Rooms

(i) The cellar contains one accessory space (not for living, not for sleeping) that is part of Unit 1.
(ii) No common bicycle storage is provided.

(j) PLUMBING AND DRAINAGE

(1) Water Supply

Potable water is supplied via New York City public water system located on Richardson Street.

(i) A combined metered domestic water service is provided from the city main to the building. A backflow preventor is installed on the incoming water service as required by DEP. The main shut-off valve is located in the sprinkler and meter area of the cellar.

(ii) Domestic cold water system is horizontally distributed at the ceiling of the Cellar floor to supply risers, placed within fire rated chases. Branch piping is provided to all plumbing fixtures, appliances and mechanical equipment.

(iii) Domestic hot water is generated by a gas-fired tankless system (5.7 gal./minute) domestic hot water heater located inside each Unit. The heaters are manufactured by Navien. The heaters are provided with combustion air intake and vents as required. The heaters are in compliance with New York State Energy Conservation Code.

(iv) Domestic hot and cold water is horizontally distributed in each unit in the ceiling to supply risers, placed within fire rated enclosures. Branch piping is provided to all plumbing fixtures, appliances and mechanical equipment.

(v) All domestic hot and cold water piping is distributed by means of type "L" copper pipe distribution system of various sizing. All hot and cold domestic water piping is insulated with a thickness in compliance with the New York State Energy Conservation Code.

(vi) There is a single water meter for the building. All water charges the units and common areas will be borne by all of the Condominium Unit Owners as a common expense.

(vii) The building domestic and fire water services are connected to the City of New York public water main located on Richardson Street, through a metered domestic service and a fire protection service in accordance with the New York City Department of Environmental Protection. The charges for water service provided to the building will be collectively metered and borne by all of the Condominium Unit Owners as a Condominium Common Expense.

(viii) No booster pump is required nor provided to maintain the pressure of the domestic water.

(ix) Sprinkler system pressure is maintained by the street pressure.

(x) The plumbing system is in good condition.

(2) Fire protection:

(i) The building is protected throughout with an automatic wet fire sprinkler system in accordance with NFPA, and the City of New York Building and Fire Codes.

(ii) 4" Fire Protection Service was designed to be brought to the building first floor from a water main located on Richardson Street. Street water pressure is utilized

to supply water to sprinklers as required to comply with the DOB code requirements.

(iii) A standpipe is not required in the building

(iv) Siamese connection type, location: Fire department connection is located on Richardson Street, threaded

(v) The fire protections system is in good condition.

(3) Water storage tanks: Not applicable.

(4) Sanitary sewage system

(i) The sanitary drainage system: None, drainage is by a gravity type that is connected via new 4" combined sewer to the public street sewer on Richardson Street. Waste lines and vent stacks are hubless cast iron above grade and hub and spigot below grade.

(ii) Sewage ejector pump: Manufactured by Liberty Pump Company, duplex 3/4 h.p. pump model1103-LE71M. Non-storm drainage system is gravity type that is connected to public street combination storm/sewer. This pump only services the powder room and laundry room in the cellar along with the drain in the Unit 1 private terrace at the cellar level. The 3-year warranty included, the term of which commenced upon installation, has since expired.

(5) Storm Drainage System:

(i) The storm drainage system is gravity type that is connected to public street combination storm/sewer.

(ii) Storm piping is cast iron.

(iii) Storm drains are controlled flow type located at main roof. The system is adequately sized. Roof is used as storm water detention system in accordance with DEP requirements.

(iv) Drywell that is connected with roof and rear yard storm drains is provided in the rear yard.

(6) Permits Required: Sprinkler and Plumbing work for building were filed and approved under primary Department of Building application, Job #321129088. Permit obtained March 17, 2016.

(k) HEATING

(1) Air conditioning and heating systems meet all requirements of 2014 NYC Energy Construction Code and have minimum 14 SEER and 7.70 HSPF. Individual Residential Units are provided with independent and dedicated split type, variable refrigerant flow (VRF) heat pump type equipment for each Residential Unit.

(2) Air conditioning and heating in each residential unit is provided by an air cooled heat pump split system manufactured Mitsubishi. Neoprene type vibration isolators are installed as recommended by manufacturer of the units.

(3) Fan coil units are ductless wall mounted units to provide forced air cooling or heating depending on the season.

(4) There is no ductwork.

(5) Fan coil units are wall mounted with vibration isolators to prevent reverberation into Residential Units. Indoor fan coil units will require maintenance such as replacement/cleaning of the filters at the beginning and end of each season and cleaning of condensate drain. The maintenance shall be responsibility of the individual Condominium Unit Owner.

(6) All exterior metals including fasteners are corrosion resistant.

(7) All refrigerant piping is insulated as required to comply with energy conservation code and protected by aluminum or PVC jacketing to prevent physical damage. The thickness of insulation is 1-1/2" thick with conductivity (K) not exceeding 0.27 btu.in/h.

(8) Condenser units are mounted on steel dunnage. Dunnage has been primed to receive two coats of corrosion resistant paint. Condenser units are located on the bulkhead above roof level.

(9) Each fan coil unit is controlled by a dedicated thermostat.

(10) All Residential Unit HVAC units are manufactured by Mitsubishi and have the following capacities:

Unit No.	Condensing Unit Model(s)	Cooling BTU/Hour	Heating BTU/Hour
1	MXZ-4C632NA2	36,000	36,000
2	MXZ-3C30NA2	30,000	30,000
3 lower level	MXZ-8C48NA	48,000	48,000
3 upper level	MXZ-4C36NA2	36,000	36,000

Each residential unit's HVAC has its own condenser. They are located on the roof bulkhead.

(11) Electrical baseboard heaters have been provided for heating of utility area in the cellar and the entrance lobby. They are in good condition.

The 1st floor lobby has King model 6K1215, 6 feet, 1500 Watts, while the Cellar utility area has King model 3k2407, 3 feet, 563 watts

(12) The systems are sized to meet the interior design temperatures of maximum 72°F for heating and a minimum of 75°F for cooling. The design outdoor temperature for heating was 13.9F and 92.4F for cooling.

(13) The heating and cooling system is in good condition. To the best of Sponsor's knowledge, the HVAC compressors have a 5-year warranty, which runs from installation, estimated to be in or about October of 2016. However, the warranty is only valid for the initial purchaser of the HVAC units from the manufacturer, which is Sponsor. Therefore, prospective

purchasers should be aware that the units will not be covered by the warranty upon transfer of title from Sponsor to purchasers.

(l) GAS SUPPLY

(1) National Grid supplies low pressure gas service.

(2) Gas service is individually metered to all Residential Units. The service is provided with three (3) residential gas meters, sized by the utility company. Natural gas is used for cooking ranges used in each Residential Unit, the dryer in Unit 1, and individual centralized domestic hot water heaters in each Residential Unit.

(3) Piping Material: Black steel – size varies.

(m) AIR CONDITIONING: Same as Heating; see Section (k) above.

(n) VENTILATION

(1) Common Area: There is no dedicated exhaust air system required to serve the common stairwell. Fresh air intake is provided through bulkhead vent. Ventilation is compliant with NYC DOB Code requirements. – Fresh air intake is provided in the mechanical room in the cellar via ceiling vent in accordance with NYC Mechanical Code requirements for mechanical rooms.

(2) Dwelling Units:

- Toilet Exhaust: All toilets are mechanically ventilated. A ceiling exhaust fan in each toilet room is connected to duct risers passing through the residential levels. The risers are terminated with a gooseneck at the roof.

- Residential Kitchen Exhaust: All kitchens are either mechanically (Units 1 and 2) or naturally ventilated through an exterior window (Unit 3). A ceiling exhaust fan in kitchenette in Units 1 and 2 is connected to duct risers passing through the residential levels. The risers are terminated with a gooseneck at the roof.

- Laundry exhaust – Dryers in Units 2 and 3 are electric and vented to the roof. Dryer in Unit 1 is gas operated with exterior vent to the roof, which requires an extended venting dryer with a minimum vent length of 100 feet.

- All bathrooms are provided with minimum 50 CFM from switched ceiling exhaust fans.

- All mechanically ventilated kitchens are provided with minimum 130 CFM switched exhaust.

- Bathroom and kitchen ventilation is in compliance with NYC MC code table 403.3 which requires a minimum 25 CFM exhaust in kitchen and 20 CFM exhaust in bathrooms.

- Both the kitchen exhaust and the toilet exhaust fans comply with the noise emission ratings for each as per Code.

- The exhaust system is in good condition.

- The lower level of Unit 1, located in the cellar, is ventilated via windows at the rear of the building. These windows open to the rear terrace which is open to the sky above. In addition, the HVAC system servicing Unit 1 moves fresh air into the lower level through air infiltration and leaks caused by change in pressure. Ventilation is compliant with NYC DOB Code requirements.

(o) ELECTRICAL SYSTEM

(1) Electrical service is individually metered to all Residential Units with common metering for Public Areas. Service is provided by Con Edison from Richardson Street.

(2) Individual feeders run from the cellar to each Residential Unit. Residential Unit feeders vary in size and as required by load and voltage drop.

(3) Service to each Residential Unit is provided from the meters in the cellar.

(4) Service capacity to each Residential Unit is: 80 Amp, 120/208 volts for Units 1 and 2; 100 Amp, 120/208 volts for Unit 3, each of which is protected by a fusible pullout switch. Service capacity for the common Public Areas is 100 Amp, 120/208 volts, protected by a fusible pullout switch.

(5) All electrical work is in accordance with Code requirements. Power capacity in each residential unit is adequate to accommodate usage of all lighting, HVAC, appliances, and receptacles.

(6) Switched lighting fixtures are provided in bathrooms, foyers, kitchens and terraces.

(7) Switched receptacles are provided in all rooms, as required by New York City Electrical Code. Ground fault receptacles are provided in all bathrooms and kitchens. Ground fault receptacles with weather resistant enclosures are provided at Residential Unit terraces.

(8) Exterior wall sconce lighting is provided in the entrance vestibule, private terraces and roof from the cellar to the fourth floor.

Interior lighting is provided by recessed light LED fixtures and wall sconces meeting NYC energy conservation code requirements.

LIGHTING FIXTURE SCHEDULE

TYPE	SYMBOL	DESCRIPTION	WATTS	LUMENS / WATT	HIGH EFFICACY?	VOLTS	CONTROLS	ROOMS	SHEET#	COMMENTS
F-64w		2' X 4' HIGH PERFORMANCE SURFACE MOUNTED T-8 DOUBLE-LAMP FLUORESCENT FIXTURE	32W MAX. PER LAMP (64W MAX. PER FIXTURE)	NOT APPLICABLE T-8 BULB IS HIGH-EFFICACY LAMP AS PER ECC C202. (SEE DEFINITION BELOW)		120V	*SEE CONTROLS NARRATIVE	LAUNDRY, METER, & STORAGE ROOMS	A-111	FOR USE IN WET AREAS PROVIDE GASKET OR CAULKING BETWEEN HOUSING & CEILING COVERING
C-23w	23W	CEILING MOUNTED PENDANT LIGHT	23W MAX (LED OR CFL BULB ONLY)	55 LUMENS PER WATT	55 > 50 YES	120V		ALL BATHROOMS	A-111 A-112	FOR USE IN WET AREAS
C-14w	14W	CEILING MOUNTED PENDANT LIGHT	14W MAX (LED OR CFL BULB ONLY)	57 LUMENS PER WATT	57 > 50 YES	120V		MAIN ENTRY	A-111	
R-15w	15W	RECESSED HIGH-HAT DOWNLIGHT	15W MAX (LED OR CFL BULB ONLY)	51 LUMENS PER WATT	51 > 50 YES	120V		LIVING ROOMS, BEDROOMS, & ACCESSORY STORAGE	A-111 A-112	PROVIDE GASKET OR CAULKING BETWEEN HOUSING & CEILING COVERING
S-23w	S-23w	BATHROOM VANITY SCONCE	23W MAX (LED OR CFL BULB ONLY)	55 LUMENS PER WATT	55 > 50 YES	120V		ALL BATHROOMS	A-111 A-112	FOR USE IN WET AREAS
E-12w	E-12w	EXTERIOR WALL SCONCE LIGHT FIXTURE	14W MAX (LED OR CFL BULB ONLY)	57 LUMENS PER WATT	57 > 50 YES	120V	*SEE CONTROLS NARRATIVE	OUTDOOR AREAS	A-111 A-112	FOR USE IN OUTDOORS
P-70w	70W	DOWN-LIGHT PENDANT FIXTURE (MULTI-BULB)	24W MAX PER LAMP 5 LAMPS MAX. PER FIXTURE TOTAL 120W MAX (LED OR CFL BULB ONLY)	55 LUMENS PER WATT	55 > 50 YES	120V		BEDROOMS	A-111 A-112	

(9) No provisions for electricity supply during outages are provided.

(10) Noise emission rating for mechanical ventilation: Noise emission generated by residential type equipment and is in compliance with DEP required ratings.

(p) INTERCOM SYSTEMS

(1) A central intercom system is furnished for the building with loud speaker, buzzer and electric door release module at the front entrance door. Each Residential Unit is equipped with a speaker and buzzer intercom wired to the main front entrance door module though metal conduit.

(2) The system includes an electronic strike at the front door capable of being actuated from a panel within each Residential Unit.

(3) Intercom systems is AiPhone AX-DV video intercom.

(4) The building does not have a CCTV or a security closed circuit TV.

(q) PUBLIC AREA LIGHTING

(1) Lobby lighting at the first floor level entrance vestibule, entrance hallway and exterior entrance door is provided with ceiling lights, wall sconces and an exterior wall mounted lights.

(1) Stairway and Landing lighting is provided with 23W LED wall sconces and ceiling mounted lights. Lighting complies with New York City codes.

(2) Emergency lighting in stairwells and in the entrance hallway are permanently wired to a common area electrical panel dedicated circuit with incorporated battery back-up. Emergency lighting is LITON DLQ360. Lighting complies with New York City codes.

(r) PARKING

None

(s) SWIMMING POOL

None

(t) TENNIS COURTS & OTHER RECREATIONAL FACILITIES

No Tennis Court. As described above in Paragraph A, Subsection 6, vi: common recreation space is not required for a Quality Housing building with less than 9 dwelling units, as such, none is provided.

(u) PERMITS

# 321548429-01-AL	Filed for Residential Awning. Sponsor filed for and obtained a permit to install a residential awning over the entry door. The awning has been satisfactorily installed and DOB issued a letter of completion and signed off on the work as of August 26, 2020.

The following inspections are required for maintenance:

- Sprinkler system testing and inspection – monthly visual inspection and an annual comprehensive inspection, as per NFPA 25.
- Fire Doors – annual visual inspection, as per NFPA 80.
- Gas pipe installation – as per NYC Local Law 152 , an initial inspection of the gas pipe system is required to be completed by December 31, 2020; additional inspections are required every four years thereafter.

(v) VIOLATIONS

The sponsor of the project shall cause any existing or future violations to be removed prior to the issuance of the final certificate of occupancy for the building.

(w) UNIT INFORMATION

(i) Abbreviations for finishes:

WF	Wood Flooring: 4" solid white oak, number 1 grade, 3/4" thick, tongue & groove, with 3 coats oil base polyurethane and no stain. Underlayment is plywood.
WDB	Painted Wood Baseboard
TILE	Ceramic or Porcelain Tile
ALUM	Painted Aluminum Slats
GWB	Primed and Painted Gypsum Wallboard with 2 coats of paint
PCON	Painted Concrete
SCO	Painted Exterior Stucco
MTL	Painted Metal Guard Rail

As of the date of this report, Sponsor plans to replace approximately twenty (20) square feet of wood flooring outside of the hot water heater closet on the lower level of Unit 3, which was previously damaged by a leak. The leak has been fixed by Sponsor and the new flooring in the affected area shall be installed by Sponsor prior to the Offering Plan being declared effective.

(ii) Finish schedule for Residential Units:

Space	Floor	Wall	Base	Ceiling
Bedroom	WF	GWB	WDB	GWB
Living	WF	GWB	WDB	GWB
Bathroom	TILE	GWB/TILE	WDB/TILE	GWB
Hallways	WF	GWB	WDB	GWB
Closets	WF	GWB	WDB	GWB
Kitchen	WF	GWB/TILE	WDB	GWB
Terrace	TILE	-	-	-

(iii) Finish schedule for spaces other than units:

Space	Floor	Wall	Base	Ceiling
Lobby	TILE	GWB	WDB	GWB
Interior Corridors	TILE	GWB	WDB	GWB
Mechanical Rooms	TILE	GWB	WDB	GWB

(iv) Kitchen Cabinets are 3/4" Canadian Eurostyle plywood box construction with Thermofoil laminate exteriors and Melamine interiors, manufactured by Modern Family Kitchens, Salem, Oregon, and with sealed quartz stone countertop. Kitchen faucets are Kraus Oletto Single Lever Pull Out Model KPF-2610CH.

(v) Bathroom vanities with marble vanity tops and sinks are Winterfell series manufactured by Virtu USA, vanity/shower/tub faucets are Delta Ara in stainless steel finish, toilets are Kohler Highline Class Five Model K-3979. All plumbing fixtures are compliant with NYC Plumbing Code flow requirements

(vi) Lighting: Unit light fixtures: 4". recessed ceiling lights located in living room, bedrooms and kitchen. Bathrooms are provided with ceiling mounted fixtures as well as wall mounted sconces.

(vii) Living Areas are in compliance with NYC Department of Building Light & Air requirements and standards, providing adequate natural light and air to living areas.

(viii) Ceiling Height: The clearance between the top of the finished floor and the bottom of the finished ceiling at each floor of the Building is approximately as follows:
Unit 1 lower level at Cellar is 8' ,
Unite 1 upper level on 1st floor is 9',
Unit 2 is 9',
Unit 3 lower level on 3rd floor is 9,
Unit 3 upper level on 4th floor is 11'6".

(ix) Appliances: Each Residential Unit is furnished with the following appliances:

Gas Range:	Make: Bosch	Model: HGI8056UC
Refrigerator:	Make: Bosch	B36CL80SNS
Dishwasher:	Make: Bosch	SHX3AR75UC
Washer:	Make: Maytag	MHW3505FWH
Dryer (Unit 1)	Make: Whirlpool	WGD560LHW
Dryer (Units 2 and 3 only)	Make: Maytag	MED3500FWH
Microwave:	Make: Bosch	HMV5053U

The above-referenced range, refrigerator, dishwasher, and microwave will be delivered in new condition in each Unit, to be installed prior to the Offering Plan being declared effective. The washer and dryer units will be delivered in existing, good condition.

(Y) Safety and Warning Devices

Fire and Smoke Detection Systems

(1) Fire Alarm System: A code compliant sprinkler alarm system monitors the alarm devices including sprinkler flow and tamper switches, smoke and heat detectors in mechanical rooms; and smoke detectors in utility rooms. Carbon monoxide detectors are provided in each unit. The central fire alarm gong is installed at the building entrance on the exterior of the building.

(2) Smoke Detection System: Each Condominium Unit contains a combination carbon monoxide/smoke detector unit located in the vicinity of the bedrooms. The detector is wired to 120-volt local power and is self-contained with its own sounding device.

(3) Common Area Fire Alarm System: Smoke detectors are provided in mechanical room in the Cellar. System also includes flow and tamper switches.

(z) ADDITIONAL INFORMATION REQUIRED

(1) Asbestos is not present in insulating or fireproofing material anywhere in the building. There are no known records, reports, violations or any other information known or available regarding the presence of lead based paint and/or lead based paint hazard.

(2) Purchasers are referred to the floor plans included in the Offering Plan for room dimensions and approximate square footage of each Residential Unit.

SITE PLAN AND FLOOR PLANS

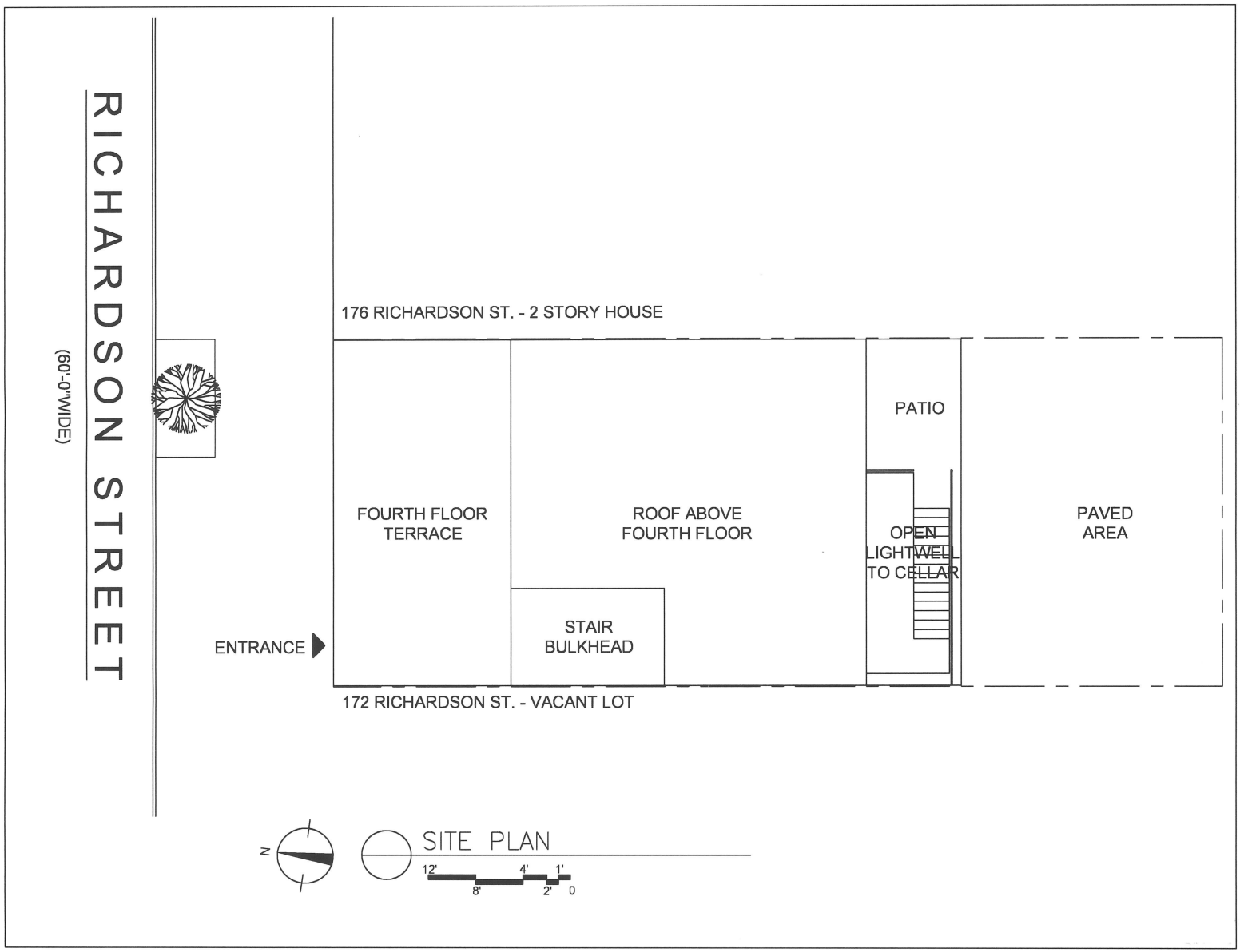
Please note that all dimensions are approximate, within reasonable tolerances. Plans, specifications, and materials may vary due to construction, field conditions, requirements, and availabilities. Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit or exterior area in question.

The approximate gross square footage of the Units is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, mechanical equipment spaces, and other Common Elements; or, if applicable, to the exterior side of the glass or the exterior side of the opposite exterior walls of the Building. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are not deducted from the approximate gross square foot area of the Units; however, common corridors, common stairways, mechanical equipment spaces, and other Common Elements located outside of the Units are not included in the square footage calculations for the Units.

Measured vertically, each Residential Unit will consist of the space from the top of the floor slab below (located under the finished flooring and sub-floor materials, if applicable) to the underside of the floor slab above.

The gross square footage of a Residential Unit is greater than the approximate square footage of a Unit measured by using the legal definition of such Residential Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these gross square footages substantially exceed the useable floor area of each Residential Unit.

The approximate square footage of exterior private patio, terrace, or yard areas is measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.



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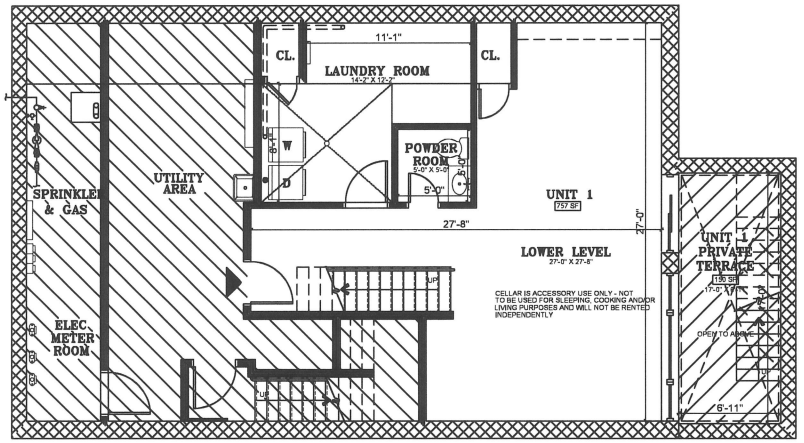
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SITE PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOM DIMENSIONS AS SHOW ON THIS FLOOR PLAN, WILL NOT EXCUSE PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SQUARE FOOTAGE EXCEEDS USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLAN, WHICH MAY BE AMENDED FROM TIME TO TIME.

LEGEND

- UNIT
- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT



UNIT 1 LOWER LEVEL

2 BEDROOMS - 2.5 BATHROOMS

757 SF AT LOWER LEVEL (CELLAR)

1,867 SF TOTAL (SEE FIRST FLOOR FOR UPPER LEVEL)



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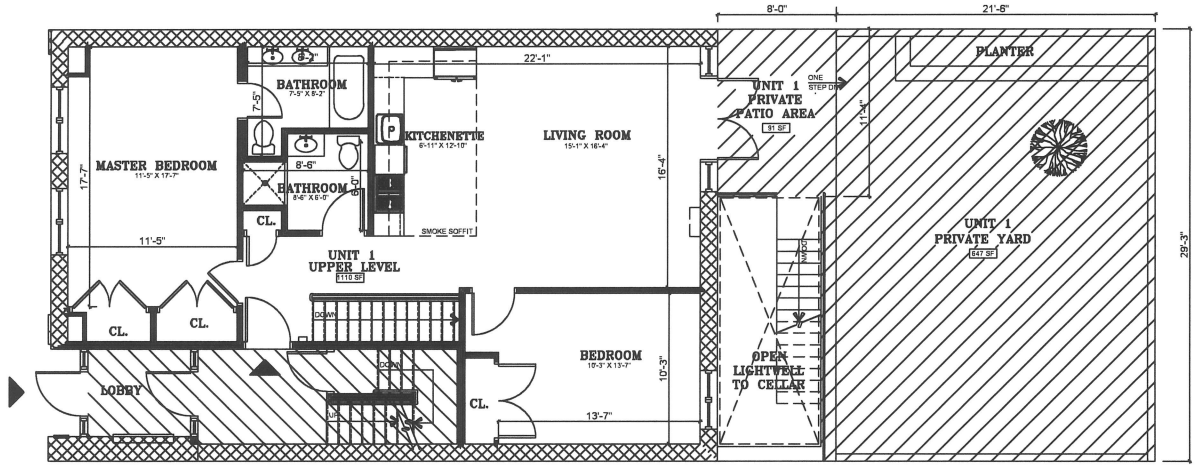
CELLAR FLOOR PLAN

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255

LEGEND

- UNIT
- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT

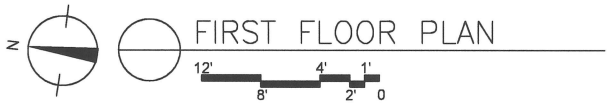


UNIT 1 UPPER LEVEL

2 BEDROOMS - 2.5 BATHROOMS

1,110 SF AT UPPER LEVEL (FIRST FLOOR)

1,867 SF TOTAL (SEE CELLAR FOR LOWER LEVEL)



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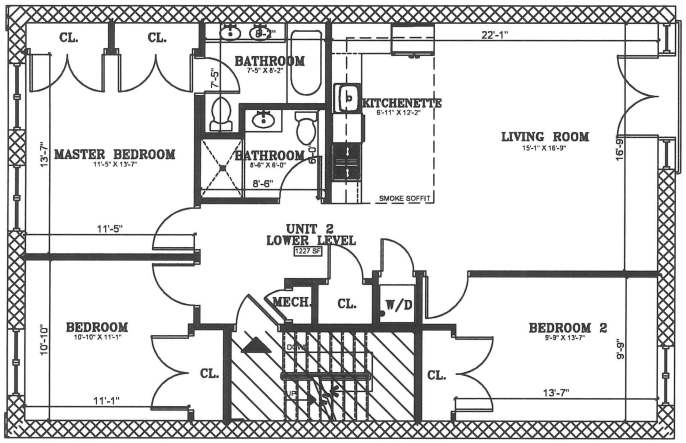
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FIRST FLOOR PLAN

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LEGEND

- UNIT
- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT



UNIT 2

3 BEDROOMS - 2 BATHROOMS

1,227 SF

(SEE ROOF PLAN FOR PRIVATE TERRACE)

N

SECOND FLOOR PLAN

12' 8' 4' 2' 1' 0

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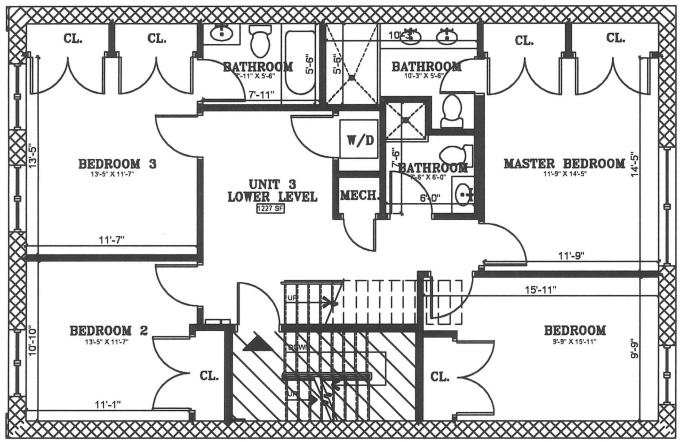
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SECOND FLOOR PLAN

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LEGEND

- UNIT
- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT



UNIT 3 LOWER LEVEL

4 BEDROOMS - 4 BATHROOMS

1,227 SF AT LOWER LEVEL (THIRD FLOOR)

2,008 SF TOTAL (SEE FOURTH FLOOR FOR UPPER LEVEL)

N

THIRD FLOOR PLAN

12' 8' 4' 2' 1' 0

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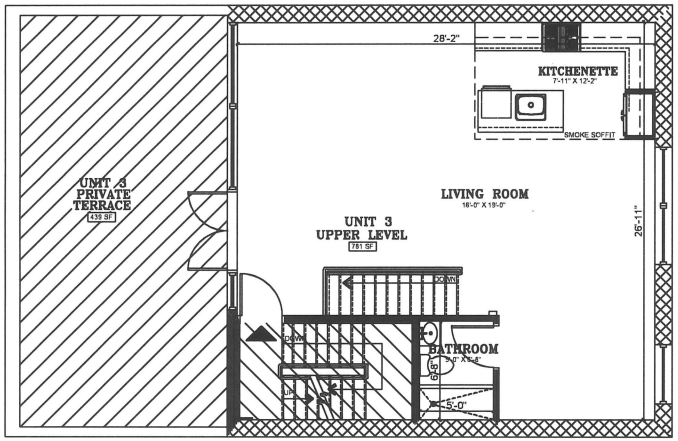
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THIRD FLOOR PLAN

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LEGEND

- UNIT
- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT



UNIT 3 UPPER LEVEL
4 BEDROOMS - 4 BATHROOMS
781 SF AT UPPER LEVEL (FOURTH FLOOR)
2,008 SF TOTAL (SEE THIRD FLOOR FOR LOWER LEVEL)

N

FOURTH FLOOR PLAN

12' 8' 4' 2' 1' 0

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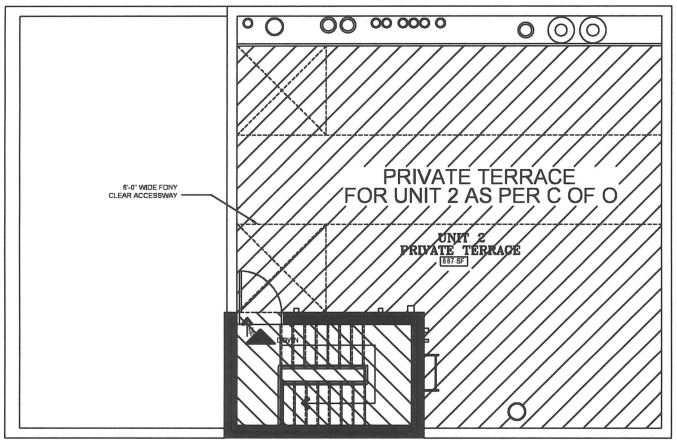
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FOURTH FLOOR PLAN

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LEGEND

- UNIT
- GENERAL COMMON ELEMENT
- LIMITED COMMON ELEMENT



N

ROOF PLAN

12' 8' 4' 2' 1' 0

259

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ROOF

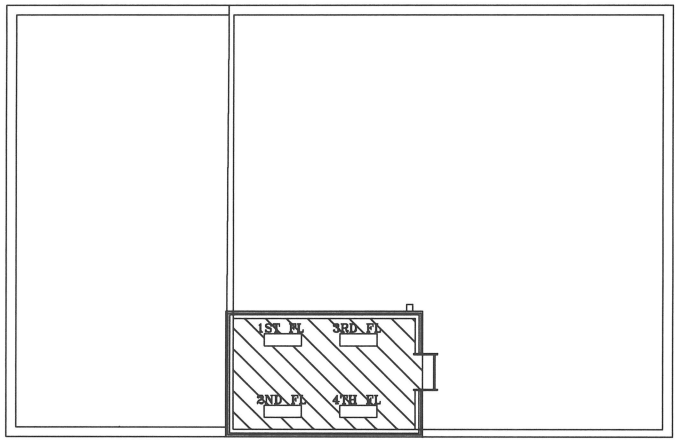
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LEGEND

UNIT

GENERAL COMMON ELEMENT

LIMITED COMMON ELEMENT



HVAC CONDENSERS
FOR UNITS

N

BULKHEAD PLAN

12' 8' 4' 2' 1' 0

260

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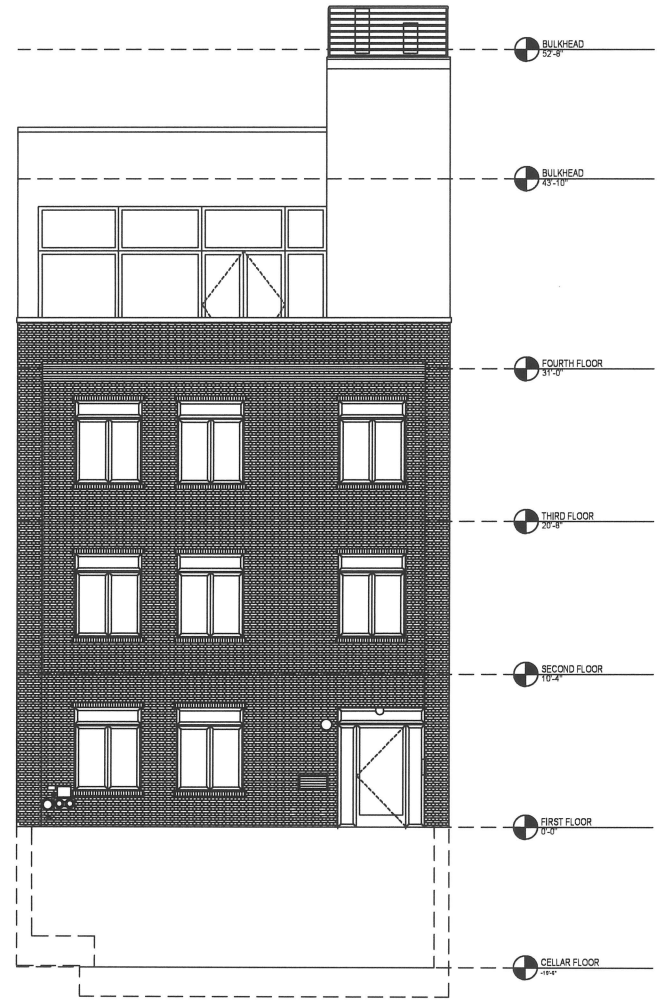
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BULKHEAD PLAN

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FRONT ELEVATION (SOUTH ON RICHARDSON ST.)

12' 8' 4' 2' 1' 0

Saheb Architecture PLLC

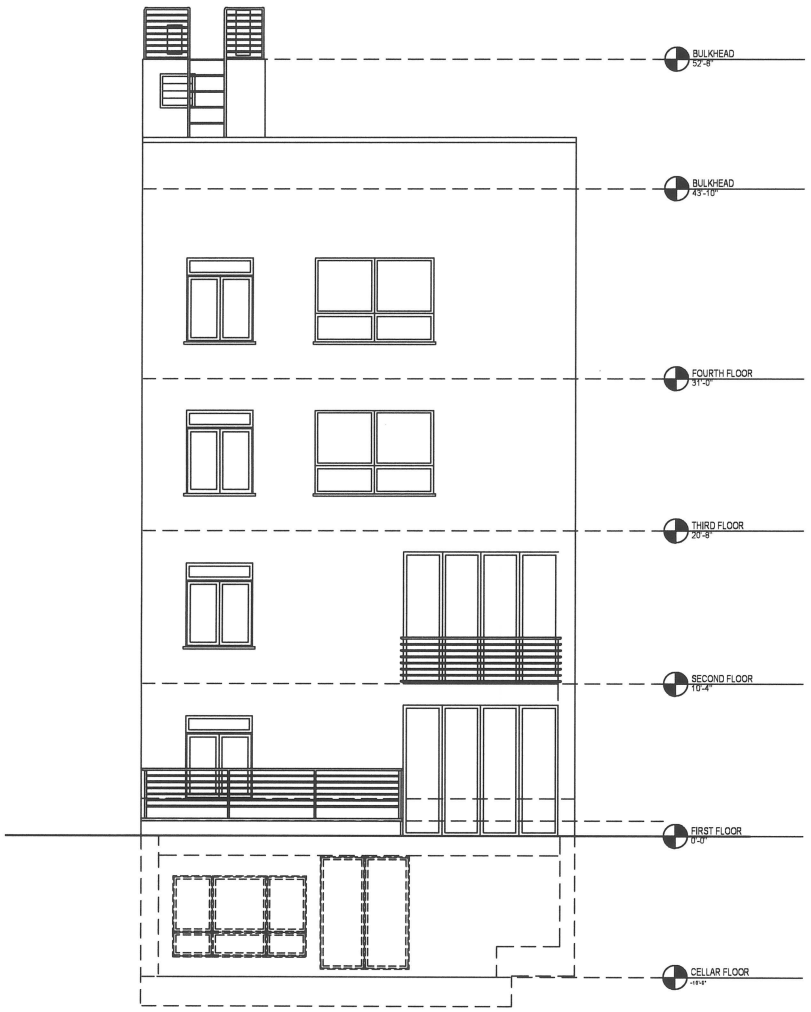
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174 RICHARDSON STREET
CONDOMINIUM
BROOKLYN, NY 11222

FRONT ELEVATION (SOUTH ON RICHARDSON ST.)

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOM DIMENSIONS AS SHOW ON THIS FLOOR PLAN, WILL NOT EXCUSE PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SQUARE FOOTAGE EXCEEDS USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLAN, WHICH MAY BE AMENDED FROM TIME TO TIME.



REAR ELEVATION (NORTH)

12' 8' 4' 2' 1' 0

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DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 174 Richardson Street, Kings County, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME:

174 Richardson Street Condominium
Located at 174 Richardson Street
Brooklyn, New York 11222

SPONSOR:

174 Richardson LLC
174 Richardson Street #B
Brooklyn, New York 11222

DATE OF DECLARATION: _____, 20__.

The land affected by the within instrument lies in Block 2735 Formerly Tax Lot 13 and to be Known as Tax Lots ____ to ____ on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

Record and Return:

D'AGOSTINO, LEVINE, LANDESMAN, LEDERMAN, RIVERA & SAMPSON, LLP
Attorneys for Sponsor
345 Seventh Avenue, 23rd Floor
New York, New York 10001
Attn: Jose M. Rivera, Esq.
(212) 564-9800

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as 174 Richardson Street Condominium located at 174 Richardson Street, Brooklyn, New York, Kings County, City and State of New York, Pursuant to Article 9-B of Real Property Law of the State of New York.

174 Richardson LLC, a New York limited liability company with an address at 174 Richardson Street #B, Brooklyn, New York 11222, hereinafter referred to as "the Sponsor" and/or "Declarant" does hereby declare:

1. **Submission of Property**: Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land or Building, which rights are being reserved by Sponsor for itself, its designee, and/or their successors and assigns.

2. **Area and Location of Land**. The land ("Land") has an area of approximately 2,212 square feet and consists of all that certain tracts, plots, pieces and parcels of land situate, lying and being in the County of Kings and City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple.

3. **Name of Condominium**. The Condominium shall be known as 174 Richardson Street Condominium.

4. **Description of the Building.** The Sponsor has constructed a four (4) story plus cellar building situated at the Property (hereinafter, the "Building") of Class I-B non-combustible construction as noted in Certificate of Occupancy #321129088F, dated November 1, 2017, issued for the Building. The Building is located on Richardson Street between Graham Avenue and Humboldt Street and is not in a landmarked district.

   The Certificate of Occupancy provides for three (3) Class A residential units in the Building (each, a "Unit" or "Residential Unit" and collectively, the "Units" or "Residential Units") plus other common elements of the Building as defined herein (the "Common Elements"), including but not limited to mechanical and utility areas and accessory terrace space. The Common Elements shall either be for the use of all the Unit Owners ("General Common Elements") or for the exclusive use of one (1) or more Unit Owners ("Limited Common Elements"). The Residential Units shall be known as Unit 1, a duplex apartment on the cellar and first floors which has two (2) bedrooms; Unit 2, a simplex apartment on the second floor which has three (3) bedrooms; and Unit 3, a duplex apartment on the third and fourth floors which has four (4) bedrooms.

   The cellar level of the Building contains the lower level of Unit 1, which is connected to its upper level by an interior access stair, as well as Common Elements including mechanical and utility rooms, common corridors and stairs. The first floor of the Building

contains the upper level of Unit 1 and Common Elements including the Building's entry and mailbox area, common corridors and stairs. The second floor of the Building contains Unit 2 and Common Elements including common corridors and stairs. The third floor of the Building contains the lower level of Unit 3, which is connected to its upper level by an interior access stair, as well as Common Elements including common corridors and stairs. The fourth floor of the Building contains the upper level of Unit 3 and Common Elements including common corridors and stairs. The Building's main roof contains Common Elements including the common stair bulkhead and an exterior private terrace for the exclusive use of Unit 2, as described below. The roof over the stair bulkhead is mechanical in nature and is anticipated to contain HVAC equipment for the Units.

Certain Unit Owners shall have the exclusive use of a private patio, private terrace, and/or a private yard, which shall be Limited Common Elements appurtenant to their respective Units. Unit 1 has a private terrace directly accessed from its lower level and a private patio directly accessed from its upper level that leads to a private yard. Unit 2 has a private terrace at the main roof level, which is not adjacent to the Unit, but accessible via the common stairs. Unit 3 has a private terrace directly accessed from its upper level.

There is one (1) fire staircase at the Building, which runs from the cellar to the main roof of the Building, with access at all floors. All common corridors and stairs throughout the Building will be General Common Elements.

There are no common recreational areas or facilities at the Property. Any roofs, patios, terraces, yards, or areaways of the Building are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of one of the respective Unit Owners. Additionally, there are no parking facilities which are part of the Property. The Building does not have balconies, other than a decorative Juliette balcony outside of the living room of Unit 2, and does not have any patios or terraces other than the private patio and terraces and mechanical roof terrace areas described above.

Each Residential Unit is provided with a laundry closet with hook-up for one (1) stacked or side-by-side washer and dryer, which is supplied by the Sponsor as part of the Offering Plan to be filed with the New York State Department of Law.

Structurally, the Building has a foundation system consisting of cast-in-place, steel reinforced concrete foundation walls with concrete mat slab. There is also partial underpinning on the eastern side. The superstructure consists of load bearing masonry walls supporting structural steel beams and metal joist floor framing with metal decking.

The front façade at the first through third floors is clad in brick, while the fourth floor façade is stucco. The rear façade has stucco finish. The Building's windows are aluminum casement, fixed or awning type. The roof is constructed of a built-up system over concrete slab.

The Building's south façade at the second floor level of the Building features a Juliette balcony outside of the living room of Unit 2. Collectively, a Juliette balcony shall consist of the following components: (a) the doors that are part of the window wall system, which shall be part of the applicable Unit, and (b) the railing and slab beyond the doors at the exterior of the Unit, which shall be a Limited Common Element appurtenant thereto, though such Juliette balcony is an architectural feature of a decorative nature.

Domestic water is supplied through one (1) domestic water service pipe connecting the New York City water main to the Building. Water and sewerage services are provided for by the City of New York, and the cost of consumption thereof in all of the Units and in the Common Elements shall be commonly metered as a Common Expense of all of the Unit Owners. There is one (1) water meter at the Building.

Electric heating and cooling in the Residential Units is provided by variable split-system heat pumps with rooftop condensers. Electric baseboard heating is provided in the Building's cellar utility area and common corridors. Each of the Residential Units shall be separately metered for the consumption of electricity therein, and each respective Unit Owner shall be solely responsible for the cost thereof. One (1) common meter shall measure the consumption of electricity in the common areas, the cost of which shall be a Common Expense of all of the Unit Owners.

Each of the Residential Units shall be separately metered with respect to gas usage therein, including (a) cooking gas and gas for each Unit's hot water heater, and (b) with respect to Unit 1, gas for the clothes dryer. Each respective Unit Owner shall be solely responsible for the cost thereof. As there is no gas heating system or common water heaters, it is not anticipated that gas will be consumed in the common areas. However, in the event the Condominium adds any gas-fired systems to service the common areas, the same shall be separately metered or sub-metered and the cost thereof shall be a Common Expense of all of the Unit Owners.

With respect to telephone, cable television, and internet service for the Residential Units, each Residential Unit Owner desiring the same shall be responsible for arranging an account with the respective provider thereof, and the costs of any such services shall be the sole responsibility of the respective Residential Unit Owner.

5. **The Units**. Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; percentage interest in the Common Elements; approximate square footage area of the Unit and its exclusive Limited Common Elements, if any; location; number of bedrooms and bathrooms; and the portion of the Common Elements to which the Unit has immediate access. The location of each Unit is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

As shown on the Floor Plans of the Building (the "Floor Plans"), certified by Saheb Architecture, and intended to be filed in the Kings County Office of the Register of the City of New York, simultaneously with the recording of this Declaration, the approximate physical dimensions of each Residential Unit consist of the area of the Unit on one or more floors measured horizontally from the Unit side of the glass or the inside face of the exterior walls of the Building (columns, mechanical pipes, shafts, shaftways, chases, chaseways, or conduits, whether located within the Unit or along the perimeter of the Unit, are not deducted for square footage calculations) to the centerline of the interior walls and partitions separating the Unit from another Unit, common corridors, common stairways, mechanical equipment spaces or other Common Elements; or, if applicable, to the Unit side of the glass or the line of the inside face of the opposite exterior walls of the Building. Vertically, each Unit consists of the space at each floor of the Building between the upper face of the slab below (located under the finished flooring and sub-floor materials) and the upper face of the drywall ceiling above or where there is no drywall ceiling, the under face of the floor slab above. Doors and windows which open from or form a border of a Unit shall be deemed part of the Unit.

Any access stair located within a Unit which is for the exclusive use of the Unit Owner thereof shall be deemed a part of such Unit. Further, any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

Any Common Elements located within a Unit will not be considered a part of such Unit.

Outdoor floor areas of any private patio, terrace, or yard appurtenant to a Residential Unit are not included in such Residential Unit's floor areas. The approximate square footage of exterior private patio, terrace, or yard areas is measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

6. **Common Elements**. The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units or unless otherwise specified. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, without limitation, the following:

A. General Common Elements:

(1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any, which are not a Limited Common Element, as set forth below, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are

being reserved by Sponsor for itself, its designee, and/or their successors and assigns. Yard and/or courtyard areas or other areaways at the Property, if any, other than the Limited Common Elements as described below are not intended for public use except for fire egress purposes; and are subject to the easement rights, if any, in favor of the Sponsor and/or a Sponsor-designee;

(2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached;

(3) Roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units;

(4) Service corridors, fire corridors, halls, stairs, and stairway areas located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element;

(5) Storage, utility, and mechanical rooms and areas, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all areas which are not specifically designated below as a Limited Common Element and not part of a Unit;

(6) The sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the

Building, including any handicapped ramp adjacent thereto, together with any canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(7) The mechanical rooms or other utility rooms located at the cellar level of the Building, including, but not limited to, storage areas, the electric meter room, the sprinkler and gas room, the gas meters, water meters, electric meters, pumps and other equipment in the cellar, the refuse and recycling area, and any and all other cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

(8) The lobby to the Building together with the adjoining entry vestibule and mail area and mailboxes for the Units located therein;

(9) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;

(10) All sewer pipes and drainage pipes, sprinkler systems and standpipe systems; the detention tank, if any;

(11) Those portions of the roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, if any, and any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;

(12) The heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service the Units and/or the General Common Elements;

(13) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service the Units and/or the General Common Elements;

(14) Any and all windows of the Building which are not part of a particular Unit;

(15) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Common Expense;

(16) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use; and

(17) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

B. Limited Common Elements - Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements which shall be for the exclusive use of an individual Unit Owner(s):

(1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

(2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired, wood-burning or ventless, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner; The maintenance, repair and replacement of such fireplace, including any flue and/or ductwork attached thereto, if any, shall be the responsibility of the individual Unit Owners of such Units;

(3) The private patio, private terraces, and private yard, together with any walls, railings, or fencing delineating such area, which are adjacent to or directly accessed from a particular Unit, (as well as the private terrace located at the main roof level for the exclusive use of the Unit Owner of Unit 2, which terrace is not adjacent to or directly accessed from such Unit), as delineated on the Floor Plans. Nonstructural, ordinary repairs and maintenance of the private patio, private terraces, and private yard, together with any walls, railings, or fencing which delineates such area, shall be the responsibility of the individual Unit Owner who has the exclusive use thereof; and

(4) The railing and slab component of the Juliette balcony at Unit 2. Nonstructural, ordinary repairs and maintenance of the same shall be the responsibility of the individual Unit Owner.

Notwithstanding anything to the contrary in this Paragraph numbered 6, since a Limited Common Element benefits only a particular Unit Owner, the costs of alteration, additional, repair, replacement and restoration thereto shall be borne solely by the Unit Owner who

benefits from the Limited Common Element. In addition, except as otherwise provided in Article VI, Section 10 of the By-Laws, such Unit Owner shall be responsible for the normal operation, maintenance and repair of any such Limited Common Element at their sole cost and expense.

7. **Use of Units**. Subject to compliance with the By-Laws of the Condominium, each of the Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

   A Residential Unit may only be occupied by: (i) any individual who is a Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Unit and is not being designated to use the Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of the foregoing.

   Further, the accessory space at the lower level of Unit 1 is not intended for sleeping, cooking and/or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code. Such accessory space shall not be rented independently from the rest of the Unit.

8. **Determination of Percentages in Common Elements**. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

9. **Encroachments**. If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

10. **Maintenance and Operation of Internal Drains**.

A. Pursuant to the requirements of all applicable laws, ordinances and/or building codes, each Unit Owner, together with the Condominium, shall be responsible for the maintenance and operation of the internal drains within the Property which are Common Elements ("Internal Drains"). The cost of such maintenance and operation shall be a Common Expense of all the Unit Owners.

B. Any charge or assessment for said maintenance and operation of the Internal Drains shall be a charge upon the Land or Unit against which the same are made and shall be a continuing lien upon the Land or Unit so charged or assessed. In addition such charge or assessment shall be the personal obligation of the record owner of such Land or Unit against which the same is made.

C. The Sponsor and/or Condominium and each Unit Owner thereof shall keep the Internal Drains wholly within the boundary lines of the Property, and its point of exit from the Property shall not be altered.

D. The Sponsor and/or Condominium and each and every Unit Owner thereof shall maintain the Internal Drains at all times throughout the life of the Condominium and Property. They shall be responsible for the abatement of any nuisance due to the use of the Internal Drains that would have an adverse effect on the health, safety and welfare of the City and State of New York.

E. The Sponsor shall insure that the utilization of the Internal Drains for the conveyance of the sanitary flow is to be designed as to size, shape, slope and velocity to have sufficient capacity to take the estimated peak sanitary flow from the Property.

F. The Sponsor and/or Condominium and each and every Unit Owner thereof, shall utilize the Internal Drains in such a manner, that it will not in any way have an adverse effect on the City of New York's complete or pending sanitary and storm water drainage plans for the tributary drainage area or the separate sewer outlets.

11. **Easements**.

A. Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to all General Common Elements, to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained within a particular Unit or elsewhere in the Building. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit and in favor of other Units and the Common Elements.

B. The Sponsor and its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon of recreation facilities, if any, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, flues, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the recreation facilities, if any, and (ii) construction and installation of, whether on the interior or exterior of the Building, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables necessary for the use of its Units, and (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

C. The Sponsor, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one (1) or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground, exterior wall mounted, or roof-top electric transformer, amplifier, gas, cable television, telephone, satellite, telecommunication equipment, water, storm drainage, sewer or other utility lines or services and appurtenances in, under, over and through the Property, including, without limitation, an easement or easements for the benefit of any property

adjacent to the Property, to relocate any existing utility or equipment easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of the recreation facilities, if any, provided that such additional utilities or equipment or the relocation of existing utilities or equipment will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes or home occupation purposes. Any utility company or service company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as to not unreasonably interfere with the use of the Units.

D. All Unit Owners, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the common entrances to the Building and through the public staircase in, on, over and across the main roofs or other applicable roofs of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including but not limited to, air-conditioning equipment, located on such roofs of the Building which services one or more of the Units. This includes, but is not limited to, an easement on, over, and across the Unit 2 private terrace at the main roof of the Building in order to access any HVAC equipment serving the Units located on top of the stair bulkhead.

E. Sponsor, its assignee or designee and their respective successors, assigns, invitees, licensees, contractors, employees, agents and tenants shall have such rights of access, storage and use necessary to fulfill obligations under the Plan (in the case of Sponsor) and/or to effectuate the rights of such parties to make alterations, additions, improvements or repairs to Units owned by each, respectively, including without limitation the right to (i) use the stairs and other Building facilities during customary industry practice construction hours; (ii) maintain roll-off refuse containers on the Property and dumpsters adjacent to the Property; (iii) store and maintain tools and materials on the Property; (iv) connect to and use the Building's common electricity, water and other utility services and facilities with the cost thereof being a Common Expense paid by all Unit Owners as part of their Common Charges; (v) compel Unit Owners to facilitate penetration and entry into Units to permit the extension and provision of Building services to space under construction or to work, and (vi) erect and maintain hoists, sidewalk sheds, sidewalk fences and temporary walkways, construction shacks and trailers in the street adjacent to and on the Property.

F. Sponsor and its designee(s) shall have the right, until the tenth anniversary of the First Unit Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions (e.g., with respect to any sales programs for Unsold Units). Such activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

G. The Board of Managers, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the common entrances to the Building and through the public staircase in, on, over and across the Units, Limited Common Elements and General Common Elements, including, but not limited to, the main roofs or other applicable roofs of the Building and private patio, terraces, and yard, for the sole purpose of maintaining, cleaning, repairing and/or replacing (i) any windows of the Building; (ii) the exterior facade of the Building; and (iii) any mechanical equipment, including but not limited to, air-conditioning equipment and/or window washing equipment, located on such roofs of the Building which services or is for the benefit of one or more of the Units. Such easement in favor of the Board of Managers, their servicemen, consultants and/or repairmen, shall include the right to temporarily remove any fencing or other improvements located on and/or which demarcate any such roof, patio, terrace, or yard areas. This includes, but is not limited to, an easement on, over, and across the Unit 2 private terrace at the main roof of the Building in order to access any HVAC equipment serving the Units located on top of the stair bulkhead.

H. In addition, each Unit shall have an easement for the exclusive use, alone or in common with one or more other specified Units, of its Limited Common Elements.

I. The user of any easement granted by subparagraphs B, C, D, E, F, G, and H of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

12. **Power of Attorney to Board of Managers and Sponsor**. Each Unit Owner, their successors assigns and/or heirs, shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers. Each Unit Owner, their successors, assigns and/or heirs, shall also grant to the Sponsor or its designee, an irrevocable power of attorney, coupled with an interest, to exercise Sponsor's or Sponsor designee's rights hereunder, including but not limited to, the Sponsor's or Sponsor designee's rights set forth in Paragraph numbered 20

hereinafter. The Form of Power of Attorney to the Board of Managers and Sponsor is attached hereto as **Schedule D**.

13. **Acquisition of Units by Board of Managers**. In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium; (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

14. **Person to Receive Service**. For the period during which Sponsor is in control of the Board of Managers, 174 Richardson LLC with an address at 174 Richardson Street #B, Brooklyn, New York 11222, is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the Office of the Condominium, at 174 Richardson Street, Brooklyn, New York 11222. In addition, the Secretary of State of the State of New York, as agent of the Board of Managers, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium.

15. **Units Subject to Declaration, By-Laws and Rules and Regulations**. All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The initial By-Laws of the Condominium are attached hereto as **Schedule E**. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

16. **Amendment to Declaration**. This Declaration may be amended, modified, added to or deleted from by the vote of at least sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, provided, however:

(a) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;

(b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit or Units, if any;

(c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee, as the case may be, shall consent thereto in writing.

The Sponsor hereby reserves to itself and its designee(s) the right to amend the Condominium Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of (i) filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; and/or (ii) conforming the Declaration to the requirements of applicable state and local condominium laws and/or the legal requirements of the Department of Housing and Urban Development of the United States of America ("HUD"), including, but not limited to, HUD Revised Legal Policy which is attached as appendix 24 of HUD Handbook 4265.1, as same may be amended from time to time, or any other governmental authority or agency, to qualify the Condominium for any applicable Unit financing, including, but not limited to, financing of the Federal Housing Authority of the United States of America ("FHA") and/or Fannie Mae financing.

No such amendment shall be effective until recorded in the Kings County Office of the Register of the City of New York.

17. **Changes in Unsold Units**. For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers,

other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In connection with the foregoing as it relates to the Unsold Units, the Sponsor or its designee shall cause the Declaration to be amended, if necessary. Sponsor or its designee shall have the right pursuant to the Powers of Attorney granted by Unit Owners to amend and record any amendment to the Declaration on behalf of the Condominium and all Unit Owners as required to reflect the foregoing without any further consent of the Condominium Board, Unit Owners or Permitted Mortgagees. Sponsor or its designee shall each have the right, upon its request, to require any other Unit Owners or the Condominium Board or its officers to execute, file and/or record any amendment to the Declaration, together with any application, documents or instruments as they deem appropriate to effectuate the same, or any application, documents or instruments required by any governmental or quasi-governmental agency having or asserting jurisdiction in connection with the foregoing, or any application, documents or instruments necessary in connection with any change, addition, decoration, alteration, improvement, repair or subdivision of any Units owned by said parties or any operation of any Unit owned by said parties, at which time, the requesting party shall indemnify and hold the Condominium Board and the other Unit Owners and Sponsor or its designee harmless from any expense or liability by virtue of the execution of any of such applications, document or instruments. As an alternative, Sponsor or its designee shall have the right pursuant to the Powers of Attorney granted by Unit Owners to execute, file and/or record any such applications, documents or instruments on behalf of the Condominium Board and all Unit Owners. For purposes of recording any amendment to the Declaration or executing, filing or recording any applications, documents or instruments, Sponsor or its designee may rely on the authority contained in the Power of Attorney and no further consent of the Board or the Unit Owners or Permitted Mortgagees is required.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely and directly affected as a result of the above changes. The provisions of this Paragraph 17 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designees(s).

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

18. **Invalidity**.

(a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

(b) Subject to the terms of subparagraph (a) of this Paragraph 18, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

19. **Termination of Condominium**. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners that own not less than eighty percent (80%) in number and in Common Interest of the Units and the affirmative vote of Eligible Holders of first mortgages on Units to which not less than sixty-seven percent (67%) of the

votes of Units subject to mortgages held by such Eligible Holders are allocated. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

20. **Sponsor's Retention of Transferable Air Rights and/or Development Rights**.

(a) Sponsor hereby reserves to itself, its designee, and/or their successors and assigns, all unused transferable air rights and/or development rights (hereinafter "Unused Development Rights"). As against all other Unit Owners, their successors, assigns and/or heirs, and any mortgagees thereof, and the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor, Sponsor's designee, and/or their successors and assigns, shall have the exclusive right to cause any part or all Unused Development Rights pertaining to the Property to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three (3) terms are now defined in the Zoning Resolution of the City of New York, as amended.

(b) Sponsor has also bound itself, its designee, and/or their successors and assigns from transferring, assigning, or surrendering in whole or in part any Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of this Declaration, or (ii) will allow any party, including Sponsor, its designee, and/or their successors and assigns as the holder of Unsold Units, but excluding the non-Sponsor controlled Board of Managers of the Condominium, to build on or directly above the land and/or expand the Building. With regard to (ii) above, the Sponsor, its designee, and/or their successors and assigns, may transfer (pursuant to terms and conditions mutually agreed upon by the foregoing and the Board of Managers) in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers. In such event, any construction by the Condominium shall (i) not increase the number of Units in the Building; (ii) be limited in scope to a minor alteration to a Unit and/or the Building; (iii) not have any material impact on the operating budget of the Condominium; (iv) not impact the Percentage of Common Elements allocated to any of the Units; and (v) be made only in accordance with the Condominium's Declaration and By-Laws and all applicable law, including any requirements of the Landmarks Preservation

Commission and the requirements of 13 NYCRR 20.3(af) of the Attorney General's Regulations. As used herein, "Unused Development Rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. Any and all consideration paid to Sponsor, its designee, and/or their successors and assigns in connection with a transfer of any Unused Development Rights shall be the sole and absolute property of the Sponsor, its designee, and/or their successors and assigns.

(c) The Sponsor, Sponsor's designee, and/or their successors and assigns, herein have the right to cause all other Unit Owners, their successors, assigns and/or heirs, and any mortgagees thereof, and the Board of Managers of the Condominium and any mortgagees thereof, to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, Sponsor's designee, and/or their successors and assigns, in the Register's Office of the County of Kings in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) lease(s), zoning lot agreement(s), declaration(s), and/or grant(s) of such Unit Owners', Board's, and/or mortgagees' interests, if any, in the Property with respect only to any transferable air rights and/or development rights for the purpose of confirming the ownership of Sponsor, Sponsor's designee, and/or their successors and assigns; (ii) any amendment to this Declaration which the Sponsor, Sponsor's designee, and/or their successors and assigns deem necessary or appropriate to effectuate the purpose of this Paragraph 20.

(d) Failure of the Unit Owners and Board of Managers to comply with the terms of this Paragraph 20 shall result in liquidated damages payable by the Board of Managers to the Sponsor, Sponsor's designee, and/or their successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor, Sponsor's designee, and/or their successors and assigns for the transfer, assignment or surrender of all or a portion of such Unused Development Rights.

(e) If any provision that is necessary to effectuate the purposes of this Paragraph 20 is missing, then such provision shall be deemed included as part of Paragraph 20, including, but not limited to, any provision required by law to limit the reservation of the contingent rights as set forth herein. Any term of limitation, if required to be measured, may be determined by the use of the life of Sponsor, any principal thereof or the children of any principal thereof plus twenty-one (21) years.

21. **Common Expense**. Common Expenses of the Condominium shall mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws.

22. **Covenant of Further Assurances**.

(a) Any person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person, such instruments, in addition to those specifically provided for herein, and take such other action as such other Person 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.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledgment, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other Person, 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 such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Board of Managers or any other Person 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, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then the Sponsor is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other Person, 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 Person, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other Person, as the case may be.

23. **Definitions**. All capitalized terms used in this Declaration that are not defined herein shall have the meanings set forth in **Schedule C** which is annexed to this Declaration and made a part hereof. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

24. **Waiver**. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

25. **Captions**. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

26. **Gender**. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the party has caused this Declaration to be executed by its duly authorized representative this _____ day of _____, 20__.

Sponsor/Declarant:

174 Richardson LLC

By:_____
Name:
Title:

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

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

_____
Notary Public

SCHEDULE A
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS

174 RICHARDSON STREET CONDOMINIUM

174 RICHARDSON STREET
BROOKLYN, NEW YORK 11222

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Richardson Street, distant one hundred and twenty feet and six inches more or less, easterly from the southeasterly corner of Richardson Street and Graham Avenue, and

RUNNING THENCE easterly along the southerly side of Richardson Street twenty nine feet and six inches, more or less to the westerly side of line of lot number three and easterly side of line of lot number two as laid on a certain Map of 109, lots of land formerly belonging to Paul Fish and William Richards;

THENCE southerly along said westerly line of said lot, seventy five feet;

THENCE westerly, twenty nine feet and six inches, more or less;

THENCE northerly seventy five feet to the point or place of BEGINNING.

SAID PREMISES being known as and by the street number 174 Richardson Street, Brooklyn, New York.

SCHEDULE B
TO THE DECLARATION OF
174 RICHARDSON STREET CONDOMINIUM
174 RICHARDSON STREET
BROOKLYN, NEW YORK 11222
Block: 2735; Lots: TBD to TBD (f/k/a Lot 13)

Unit	Tax Lot Number	Percentage Interest in Common Elements	Approximate Square Foot Area of Unit	Approximate Square Foot Area of Private Patio, Terrace, and/or Yard Which is/are Limited Common Element(s)	Location	Number of Bedrooms/Baths/Etc.	Common Elements to Which Unit Has Immediate Access
1	TBD	28.4600%	1633	888	Cellar + 1st Floor	2 BD/2.5/D/P/T/Y	Public Halls + Stairs
2	TBD	28.4600%	1068	687	2nd Floor	3 BD/2/T	Public Halls + Stairs
3	TBD	43.0800%	1751	439	3rd + 4th Floor	4 BD/4/D/T	Public Halls + Stairs
Totals:		100.0000%	4452	2014			

BD - denotes Bedroom(s)
D - denotes Duplex Unit
P - denotes private Patio
T - denotes private Terrace
Y - denotes private Yard

***The approximate square foot area of Unit 1 includes the 661 SF lower level thereof, which is not to be used for sleeping, cooking, and/or living purposes.**

SCHEDULE C
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS

174 RICHARDSON STREET CONDOMINIUM

LOCATED AT
174 RICHARDSON STREET
BROOKLYN, NEW YORK 11222

DEFINITIONS

"Appurtenant Interest"	-	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Assessments"	-	The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as "174 Richardson Street Condominium" located at 174 Richardson Street, Brooklyn, New York.
"Common Charges"	-	Each Unit Owner's proportionate share of the Common Expenses (as defined in the Condominium Documents), payable by the individual Unit Owner.

"Common Elements"	-	All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses"	-	(a) Expenses of operation of the Property, and (b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.
"Common Interest"	-	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	-	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, "Condominium" specifically refers to "174 Richardson Street Condominium."
"Condominium Act"	-	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	-	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor.
"Declaration"	-	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.

"Eligible Holder"	-	A holder, insurer or guarantor of a first mortgage on a Unit.
"Equal or Better Quality"	-	This phrase shall mean comparable or higher quality as recognized by industry standards for performance, efficiency, longevity and/or classifications, as applicable.
"Facility" or "Facilities"	-	As used in the Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering.
"Filing"	-	Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.
"First Unit Closing"	-	The first closing of title with a bona fide purchaser of a Residential Unit.
"Floor Plans"	-	The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the Register's Office of Kings County simultaneously

with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements" - The General Common Elements include, without limitation:

(1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any, which are not a Limited Common Element, as set forth below, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself, its designee, and/or their successors and assigns. Yard and/or courtyard areas or other areaways at the Property, if any, other than the Limited Common Elements as described below are not intended for public use except for fire egress purposes; and are subject to the easement rights, if any, in favor of the Sponsor and/or a Sponsor-designee;

(2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of the dry walls

enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached;

(3) Roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units;

(4) Service corridors, fire corridors, halls, stairs, and stairway areas located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element;

(5) Storage, utility, and mechanical rooms and areas, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all areas which are not specifically designated below as a Limited Common Element and not part of a Unit;

(6) The sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits

from the Building, including any handicapped ramp adjacent thereto, together with any canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(7) The mechanical rooms or other utility rooms located at the cellar level of the Building, including, but not limited to, storage areas, the electric meter room, the sprinkler and gas room, the gas meters, water meters, electric meters, pumps and other equipment in the cellar, the refuse and recycling area, and any and all other cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

(8) The lobby to the Building together with the adjoining entry vestibule and mail area and mailboxes for the Units located therein;

(9) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;

(10) All sewer pipes and drainage pipes, sprinkler systems and standpipe systems; the detention tank, if any;

(11) Those portions of the roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, if any, and any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;

(12) The heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service the Units and/or the General Common Elements;

(13) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service the Units and/or the General Common Elements;

(14) Any and all windows of the Building which are not part of a particular Unit;

(15) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Common Expense;

(16) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use; and

(17) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

"Insurance Trustee" - A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

"Land" - All that certain tracts, plots, pieces and parcels of land situate, lying and being in City of New York, County of Kings and State of New York as more particularly described in Schedule A to the Declaration.

"Law" - The laws and ordinances of any or all of the Federal, New York State, New York City, and Kings County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities, including, if applicable, the Landmarks Preservation Commission, having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Limited Common Elements" - Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements which shall be for the exclusive use of an individual Unit Owner(s):

(1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

(2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired, wood-burning or ventless, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner; The maintenance, repair and replacement of such fireplace, including any flue and/or ductwork attached thereto,

if any, shall be the responsibility of the individual Unit Owners of such Units;

(3) The private patio, private terraces, and private yard, together with any walls, railings, or fencing delineating such area, which are adjacent to or directly accessed from a particular Unit, (as well as the private terrace located at the main roof level for the exclusive use of the Unit Owner of Unit 2, which terrace is not adjacent to or directly accessed from such Unit), as delineated on the Floor Plans. Nonstructural, ordinary repairs and maintenance of the private patio, private terraces, and private yard, together with any walls, railings, or fencing which delineates such area, shall be the responsibility of the individual Unit Owner who has the exclusive use thereof; and

(4) The railing and slab component of the Juliette balcony at Unit 2. Nonstructural, ordinary repairs and maintenance of the same shall be the responsibility of the individual Unit Owner.

"Majority" - Majority of Unit Owners means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.

"Managing Agent"	-	A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.
"Offering Plan"	-	The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".
"Operation of the Property"	-	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
"Person"	-	A natural person, corporation, limited liability company, partnership, association, trustee or other legal entity.
"Power of Attorney"	-	The document, signed by Unit Owners, which appoints: (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine; (ii) the Sponsor, its designee, and/or their successors and assigns, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and (iii) the Sponsor, its designee, and/or their successors and assigns, as attorney-in-fact, to execute any document to effectuate the

transfer, assignment or conveyance by Sponsor, its designee, and/or their successors and assigns, in whole or part, of the unused transferable air rights and/or development rights which Sponsor has retained for itself, its designee, and/or their successors and assigns.

"Property"	-	Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, (ii) all easements, rights and appurtenances belonging thereto, and (iii) all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
"Purchaser"	-	Any Person who has entered into an agreement with Sponsor to purchase a Residential Unit and is not in default thereunder.
"Recording officer" and "Recording" or "Recorded"	-	Shall have the meanings stated in section Two Hundred Ninety of the New York State Real Property Law.
"Residential Unit"	-	A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
"Residential Units"	-	Collectively, all the apartments in the Building.
"Residential Unit Owner"	-	Means the person, persons or entity owning a Residential Unit in fee simple absolute.
"Rules and Regulations"	-	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Selling Agent"	-	The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. MNS is the

Selling Agent pursuant to the terms of the Offering Plan.

"Sponsor"	-	The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 174 Richardson LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	-	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".
"Unit"	-	Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a private patio, private terrace, and/or private yard. Any access stair located within a Unit which is for the exclusive use of the Unit Owner thereof shall be deemed a part of the Unit. Further, any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.
"Unit Deed"	-	The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
"Unit designation"	-	The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

“Unit Owner”	-	The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units.
“Unsold Units”	-	Any Unit owned by Sponsor or its designee at the time in question.

SCHEDULE D
TO THE DECLARATION OF CONDOMINIUM
OF THE PREMISES KNOWN AS
174 RICHARDSON STREET CONDOMINIUM

POWER OF ATTORNEY
TO BOARD OF MANAGERS
AND SPONSOR

POWER OF ATTORNEY

The undersigned, _____ the Owner of Residential Unit No. _____ located at 174 Richardson Street, Brooklyn, New York, in the Condominium known as "174 Richardson Street Condominium" consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 20__, and recorded in the Office of the Register of the City of New York, County of Kings, as CRFN _____ and on the Floor Plans on file in said office as CRFN _____, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of "174 Richardson Street Condominium" jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, any Unit whose Owner desires to abandon or sell the same, including the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned do(es) hereby nominate, constitute and appoint 174 Richardson LLC, a New York limited liability company ("Sponsor"), Sponsor's designee, and/or their successors and assigns, as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to severally amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to effectuate the provisions of Articles 16 and 17 of the Declaration and any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or to reflect any change in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Articles 16 and 17 of the Declaration or any other provision thereof or set forth in the Condominium's By Laws and/or Rules and Regulations, or (2) shall be required by (a) an institutional lender procured by Sponsor or its designee, to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor or its designee, to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this

paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. With regard to Sponsor's Unsold Units, the terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned do(es) further nominate, constitute and appoint 174 Richardson LLC, its designee, and/or their successors and assigns as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, its designee, and/or their successors and assigns, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its designee, and/or their successors and assigns in accordance with Paragraph numbered 20 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

The undersigned do(es) further nominate, constitute and appoint (i) the persons who may from time to time constitute the Board of Managers of the Condominium jointly, and (ii) 174 Richardson LLC and/or its designee, their successors or assigns, as attorneys-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of the Register of Kings County, (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the Landmarks Preservation Commission, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has (have) executed this Power of Attorney this _____ day of _____, 20__.

_____

_____

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

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

_____
Notary Public

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

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

_____
Notary Public

SCHEDULE E

BY-LAWS

OF

THE CONDOMINIUM OF THE PREMISES

KNOWN AS

174 RICHARDSON STREET CONDOMINIUM

LOCATED AT
174 RICHARDSON STREET
BROOKLYN, NEW YORK 11222

BOROUGH OF BROOKLYN

KINGS COUNTY, CITY AND STATE OF NEW YORK

D'AGOSTINO, LEVINE, LANDESMAN, LEDERMAN, RIVERA & SAMPSON, LLP
ATTORNEYS FOR SPONSOR
345 SEVENTH AVENUE, 23RD FLOOR
NEW YORK, NEW YORK 10001
ATTN: JOSE M. RIVERA, ESQ.

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BY-LAWS
OF
THE CONDOMINIUM OF THE PREMISES
KNOWN AS
174 RICHARDSON STREET CONDOMINIUM
LOCATED AT 174 RICHARDSON STREET
BROOKLYN, NEW YORK 11222

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. **Unit Ownership**. The property, located in the Borough of Brooklyn, Kings County, City and State of New York at 174 Richardson Street, Brooklyn, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as "174 Richardson Street Condominium" and is sometimes referred to as the "Condominium" or "Condominiums."

Section 2. **Applicability of By-Laws**. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units and the Common Elements, whether General Common Elements or Limited Common Elements), but excluding any unused transferable air rights and/or development rights pertaining to the land and building which rights are being reserved by Sponsor for itself, its designee and/or their successors and assigns, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. **Application**. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Addendum to the By-Laws.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. **Definitions**. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Schedule C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized

terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 5. **Office**. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

BOARD OF MANAGERS

Section 1. **Status of the Board of Managers**. Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2. **Number and Term**. The number of Managers which shall constitute the whole Board shall be not less than three (3) and not more than five (5). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than a representative of Sponsor or its designee, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first such meeting shall be three (3). Thereafter, within the limits above specified, the number of Managers shall be determined by the Unit Owners at their annual meetings. The Managers shall be elected at the annual meeting of the members. There shall always be an odd number of Managers. The Managers shall hold office until their successors have been elected and hold their first meeting. But, in any event, the terms of the members of the Board of Managers shall expire annually.

Section 3. **Powers and Duties**. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. Contracting for the necessary services for operation, care, upkeep and maintenance of the Common Elements.

b. Determination of the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

c. Collection of the Common Charges and expenses of the Condominium from the Unit Owners.

d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board (See Article VI, Section 16).

f. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

g. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.

h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

i. Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.

j. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

k. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

l. To incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (i) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (ii) the terms of the Declaration and these By-Laws shall prevail in the

event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and bylaws;

m. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.

n. Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

o. Negotiation and settlement of all claims and actions relating to the Condominium.

p. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of $10,000.00 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (p) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

q. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges, including Assessments and Special Assessments.

r. Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in excess of five (5) years from the closing of title to the first Unit ("First Unit Closing"), the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to any contingency fund and/or

capital replacement reserve provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4%) of the budgeted expenses of the Condominium, and Sponsor will consent to replacements to the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B of the Offering Plan and as required by Federal Housing Administration ("FHA") and Fannie Mae guidelines to the extent that the aggregate amount of such funds does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan to be filed for the Property or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan to be filed for the Property, unless the annual cost of all other services being provided, is no greater than the total cost of those provided for in Schedule B. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with the offer and sale or leasing of Units; (iii) interfere with the operation of general or sales and leasing offices at the Property or the actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 3r, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations, including but not limited to any matter affecting the health and safety of occupants of the Building, or to remedy any notice of violation or to remedy any work order by an insurer.

With respect to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify a reduction of the Major Capital Improvement Replacement Reserve Fund, in the event such study is obtained by Sponsor, or by the Board of Managers while Sponsor is in control of the same, Sponsor shall pay for the reserve study. However, if the reserve study is obtained by the Board of Managers after Sponsor has turned over control of the same, the reserve study shall be an expense of the Condominium.

Section 4. **Managing Agent and Manager**. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (l), (o), (p) and (q) of Section 3 of this Article II. Except with respect to Sponsor or Sponsor's designee, the managing agent or manager may not be a member of the Board of Managers.

Section 5. **First Board of Managers**. The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 7 of this Article.

Section 6. **Removal of Members of the Board of Managers**. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-designee, may be removed with or without cause by an affirmative vote of Unit Owners whose aggregate Common Interest exceed fifty percent (50%) of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is a designee of the Sponsor or a Sponsor-designee, such Board Member shall be deemed to have resigned effective as of the date such ownership interest ceased.

Section 7. **Vacancies**. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners to serve the remaining term. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee, shall be filled only by the Sponsor or Sponsor-designee, as the case may be.

Section 8. **Organization Meeting**. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 9. **Regular Meetings**. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 10. **Special Meetings**. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail, telegraph or personal delivery to the Unit owned by such member of the Board of Managers, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 11. **Waiver of Notice**. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. **Quorum of Board of Managers**. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 13. **Fidelity Bonds**. The Board of Managers shall, in its discretion, obtain fidelity bonds or a commercial crime insurance policy in the amount of $25,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent, if any. The premiums on such bonds or commercial crime insurance policy shall constitute a Common Expense.

Section 14. **Compensation**. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 15. **Liability of the Board of Managers**. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall 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 provisions 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 within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor to contract with the Sponsor and affiliated corporations without fear of being charged with 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 members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 16. **Executive Committee**. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of two (2) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-designee so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the managing of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (p) of Section 3 of Article II.

Section 17. **Other Committees**. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one (1) of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member

of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 16 of Article II.

ARTICLE III

UNIT OWNERS

Section 1. **Annual Meetings**.

(a) Within thirty (30) days after the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all of the Units have been conveyed to Unit Purchasers; (ii) the date on which the closing of title to Units whose aggregate Common Interest exceeds ninety (90%) percent of the Common Interest allocated to all of the Residential Units; or (iii) two (2) years from the First Unit Closing, or such earlier time as Sponsor deems to be in the best interest of the parties the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting the First Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

(b) Sponsor's Right to Elect Members of the Board of Managers. So long as the Sponsor or a Sponsor-designee shall continue to own: (i) Units representing ten percent (10%) or more in Common Interest allocated to all the Residential Units, the Sponsor or Sponsor-designee shall have the right to designate or elect at least two (2) of the three (3) members of the Board of Managers and in any event a majority of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) at least one (1) Unit, but less than ten percent (10%) in Common Interest allocated to all the Residential Units, or Residential Units representing ten percent (10%) or more in Common Interest five (5) years or more subsequent to the First Unit Closing, the Sponsor or Sponsor-designee shall have the right to designate or elect at least one (1) of the three (3) members of the Board of Managers and in any event the right to designate or elect a number of members of the Board which equals one (1) less than a majority of the Board. Members of the Board of Managers shall serve for a term of one (1) year. The Unit Owners may transact such other business at such meetings as may properly come before them. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%) of the Common Interest allocated to all the Residential Units, or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so.

(c) Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint hereunder, must be owner-occupants

of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

Section 2. **Place of Meetings**. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. **Special Meetings**. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. **Notice of Meetings**. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least ten (10) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. **Adjournment of Meetings**. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. **Order of Business**. The order of business at all meetings of the Unit Owners shall be as follows:

a. Roll call;

b. Proof of notice of meeting;

c. Reading of minutes of preceding meeting;

d. Reports of officers;

e. Report of Board of Managers;

f. Reports of committees;

g. Election of inspectors of election (when so required);

h. Election of members of the Board of Managers (when so required);

i. Unfinished business;

j. New business.

Section 7. **Title to Units**. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or limited liability company or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. **Voting**. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one (1) or more Units) shall be entitled to cast one (1) vote for each .0001% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one (1) vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If Units are owned by more than one (1) person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, corporation, limited liability company, or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 9. **Majority of Unit Owners**. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than fifty percent (50%) of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. **Quorum**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. **Majority Vote**. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. **Action Without Meeting**. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1. **Designation**. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2. **Election of Officers**. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. **Removal of Officers**. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. **President**. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. **Vice President**. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers is to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. **Secretary**. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of

secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. **Treasurer**. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. **Agreements, Contracts, Deeds, Checks, etc**. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. **Compensation of Officers**. No officer shall receive any compensation from the Condominium for acting as such.

Section 10. **Liability of Officers**. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 15 of these By-Laws.

ARTICLE V

NOTICES

Section 1. **Definition**. Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. **Service of Notice Waiver**. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. **Determination of Common Expenses and Fixing of Common Charges**. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective percentage of Common Interest. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, 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 Residential 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, together with such amounts as may be necessary to maintain such Unit(s).

Notwithstanding anything contained in these By-Laws, the Board of Managers shall be obligated to include in the Common Charges a Common Expense known as a Major Capital Improvement Replacement Reserve Fund which shall be equal to at least ten percent (10%) of the annual Common Charges for the First Year of Condominium operation, but subject to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify the reduction of the requisite percentage. However, the inclusion of such Major Capital Replacement Reserve ("Reserve Contribution") as a Common Expense in any subsequent year shall be at the sole discretion of the Board of Managers. The Board of Managers reserves the right, in its sole discretion (including without limitation during the time that Sponsor controls the Board of Managers) to use the Reserve Contribution towards any capital expenditures it deems appropriate. However, the Reserve Contribution can only be used for the repair and replacement of the Common Elements.

With respect to the right of Sponsor and/or the Board of Managers to obtain a reserve study that may justify a reduction of the Major Capital Improvement Replacement Reserve Fund, in the event such study is obtained by Sponsor, or by the Board of Managers while Sponsor is in control of the same, Sponsor shall pay for the reserve study. However, if the reserve study is obtained by the Board of Managers after Sponsor has turned over control of the same, the reserve study shall be an expense of the Condominium.

The Board of Managers shall also, where necessary, impose an Assessment or additional Common Charge in order to meet any unanticipated Common Expense. All such Assessments or additional Common Charges shall be levied against all Unit Owners in proportion to their

respective Common Interest. Assessments may be payable either in one lump sum or in installments, as the Board of Managers shall determine, provided, however, that the Board of Managers shall give each Unit Owner not less than fifteen (15) days written notice prior to the date upon which such Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purposes thereof. The Board of Managers shall have all rights and remedies for the collection of Assessments as are provided herein for the collection of Common Charges, such Assessments constituting a Common Charge. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Condominium Board shall advise all Unit Owners in writing promptly after same are determined of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees.

The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

The Sponsor shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser. Until title to all Units has been conveyed, the Sponsor as the owner of any Unsold Units, may delay the commencement of Common Charges and decide that Sponsor will, at Sponsor's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan. Further, Sponsor reserves the right to use its majority vote on the Board of Managers to cause a refund to be issued to Unit Owners, including Sponsor, for Common Charges collected pursuant to an annual Condominium operating budget, which are in excess of actual Condominium operating expenses. In the event Sponsor elects to delay the collection of Common Charges and instead make "in lieu" payments, Sponsor shall indicate on the closing statement for each Purchaser that closes during the delay period that Common Charges have been waived (except with respect to the two months of Common Charges collected for contribution to the Working Capital Fund). Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent Purchasers. Such amendment shall also disclose the anticipated 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 owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. During any such delay period, Sponsor shall: (i) timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (ii) pay from Sponsor's funds any reserve fund payments; and (iii) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, and during the period that Sponsor controls the Board of Managers, there will not be an assessment for any item set forth in the approved Budget of the Condominium.

Section 2. **Insurance**. The Board of Managers shall be required to obtain and maintain the following insurance: (a) an all-risk property policy insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including any improvements and betterments installed by Unit Owners or any furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than the greater of the agreed upon replacement cost of the Building, including the above noted items but exclusive of footings and foundations and without deduction for depreciation, as approved by a fire insurance company or a qualified insurance broker, or in any event the amount of insurance necessary to avoid the effects of co-insurance; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (b) worker's compensation insurance, if the Condominium has employees; (c) a fidelity bond or bonds, or a commercial crime insurance policy in sufficient amounts, to fully protect the interest of the Condominium, shall be carried on each member of the Board of Managers, officers of the Condominium, managing agent and managers, including any person or persons handling or responsible for funds of the Condominium; (d) disability benefits insurance if the Condominium has employees; (e) directors' and officers' liability coverage covering the Board of Managers; and (f) such other insurance, including, but not limited to, boiler and machinery insurance, as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than $100,000.00), and that the total proceeds thereof, if $100,000.00 or less, shall be payable to the Board of Managers and if more than $100,000.00 shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insured to the extent as their interests shall also appear. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the 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 if so requested in writing by them. The standard mortgagee loss payable clause shall be attached to all policies.

In the event that the damage resulting from a fire or other casualty loss shall (a) render one (1) or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (b) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a family member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board of Managers with respect to such Unit.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another and for any and all claims which may arise from the public use or Unit Owner use of the sidewalks in front of the Building. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate.

All Unit Owners shall be required to maintain insurance on all portions of their respective Units and the Limited Common Elements appurtenant thereto (e.g., if applicable, any private patio, terrace, or yard). A Unit Owner shall, at his or her sole cost and expense, obtain and keep in full force and effect: (a) comprehensive personal liability insurance against any and all claims for personal injury, death, or property damage (including, but not limited to, loss due to water damage), occurring in, upon, or from the Unit or, if applicable, its appurtenant Limited Common Elements, with minimum combined single limits of $500,000.00 for bodily injury or death arising out of any one occurrence and $500,000.00 for damage to property; and (b) all-risk property insurance with a minimum limit of $500,000.00 with respect to property damage occurring in, upon, or from the Unit or, if applicable, its appurtenant Limited Common Elements, which policy shall include coverage for any improvements and betterments installed by the Unit Owner or any furniture, furnishings, or other personal property supplied or installed by the Unit Owner, as well as the fixtures initially installed therein by the Sponsor or by prior construction. The Board of Managers may, from time to time, revise the minimum limits of insurance required to be carried by Unit Owners.

Unit Owners shall not be prohibited from carrying additional or other insurance for their own benefit; however, all insurance policies carried by Unit Owners shall contain waivers of subrogation and further provide that the liability of the carriers issuing insurance obtained by the

Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers. Further, all insurance policies carried by Unit Owners shall be written by solvent insurance companies admitted to do business in the State of New York. Upon ten (10) days written notice from the Board of Managers or the Condominium's managing agent, a Unit Owner shall deliver copies of the required insurance policies, certificates evidencing such insurance, or other proof of the required coverage that is satisfactory to the requesting party.

The insurance policy for the Condominium obtained by the Board of Managers shall require the insurer to notify in writing the Board of Managers (or Insurance Trustee) and each first mortgage holder named in the mortgage clause at least ten (10) days before it cancels or substantially changes the Condominium's coverage.

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

Section 3. **Repair or Reconstruction After Fire or Other Casualty**. In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. If the cost of such repair and restoration is in excess of the insurance proceeds, the Board of Managers shall levy a Special Assessment against all Unit Owners, for the amount of such deficiency in proportion to their respective Common Interests and all proceeds of such Special Assessment shall become part of the trust funds to be disbursed by the Insurance Trustee, if any, or the Board of Managers, as the case may be. Notwithstanding anything contained herein, any restoration or repair of the Condominium made in accordance with the terms of this Section shall be substantially in accordance with the specifications set forth in the Offering Plan, as amended, unless the Board of Managers obtains the approval of the holders of first mortgages on the Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

If seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, if any, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first payment 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.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after Insurance Trustee notified said Board of Managers and Unit Owner or Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjustor retained by the Board of Managers. Wherever the words, "promptly resolve" are used it shall also mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 4. **Payment of Common Charges**. All Unit Owners shall be obligated to pay the Common Charges, including Assessments, assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges, including Assessments, assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the "Appurtenant Interests" to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges, including Assessments, assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges, including Assessments, assessed prior to the foreclosure sale.

Section 5. **Collection of Common Charges and Assessments**. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any Assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late.

Pursuant to Real Property Law Section 339-kk, the Board of Managers has the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if a Non-Occupying Unit Owner is not current on his or her Common Charges, Assessments or late fees, hereinafter ("Charges"). In order to collect rents directly from the Tenant, the Non-Occupying Unit Owner must fail to make the payment of Charges within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and the Non-Occupying Unit Owner providing that, commencing immediately and until such time as all payments for all Charges are made current, all rental payments are to be made directly to the Condominium at the address provided in the notice. Once all charges are current the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such payment and that thereafter all future rental payments should be made to the Non-Occupying Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present his or her supporting facts at the next scheduled Board meeting (which must be held within thirty (30) days of Board receiving notice of contest). The Board shall have the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Section 6. **Default in Payment of Common Charges or Assessments**. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any Assessment as determined by the Board of Managers, which default is greater than fifteen (15) days, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or Assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or Assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or Assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges or Assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

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

Section 7. **Foreclosure of Liens for Unpaid Common Charges**. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges or any unpaid Assessment, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit, if applicable, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. **Statement of Common Charges and Assessments**. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges, including Assessments, due from such Unit Owner.

Section 9. **Abatement and Enjoinment of Violations by Unit Owners**. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Section 10. **Maintenance and Repairs**.

a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except the painting of the exterior side of the Unit's entrance door), windows (except the painting of the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units, together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s), shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related

ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owners(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, the individual Unit Owner shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning or other mechanical equipment.

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

c. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is a Limited Common Element for the exclusive use of more than one (1) of the Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) by the individual Unit Owner having direct and exclusive access thereto and use thereof at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner, having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv), at the election of the Board of Managers, by the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect.

d. Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by mail to the Board of Managers or to the Managing Agent any defect or need for repairs for which the Board of Managers is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall (i) comply with all applicable

law and building codes; (ii) shall not unreasonably disturb or interfere with any Unit Owners or tenants and occupants of any Units; and (iii) shall not affect the structural integrity of the Building.

e. Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any yard, patio, terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board of Managers, whichever is responsible for the maintenance thereof as set forth herein (the cost of debris and snow removal from the sidewalks in front of the of the Building and any roof area containing mechanical equipment for two (2) or more Units and/or Common Elements of the Building shall be a Common Expense and shall only be the responsibility of the Board of Managers); the Board of Managers shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of or at the sides of the Building shall be a Common Expense. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board of Managers, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of the yard, patio, terraces, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

Section 11. **Restrictions on Use of Units**. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. The Residential Units shall be used for private residences only, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Residential Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning law, regulations or ordinance and provided further, that the prior consent of the Board of Managers to such professional use is obtained.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit

Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of the foregoing.

Further, the accessory space at the lower level of Unit 1 is not intended for sleeping, cooking and/or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code. Such accessory space shall not be rented independently from the rest of the Unit.

Notwithstanding anything herein to the contrary, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one (1) or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units. In addition, no furniture, doormats, packages, or objects of any kind shall be placed in the lobbies, public halls, public stairways, the elevators or any other part of the Common Elements (except for those areas designated as storage areas, if any) without the prior written consent of the Board of Managers. The lobbies, public halls, public stairways and elevators shall be used only for normal passage through them.

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

d. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and

regulations of all governmental bodies, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

e. Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

f. No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

The terms of subparagraph (b) of this Section 11 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. So long as Sponsor owns any Unit, Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to any entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Offering Plan.

Section 12. **Additions, Alterations or Improvements by Board of Managers**. Subject to the provisions of Section 3 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $10,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing $10,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. **Additions, Alterations or Improvements by Unit Owners**. Except as provided below, no Unit Owner shall make any structural addition, alteration or improvement in

or to his Unit, or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 13 which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor or its designee. Neither the Sponsor or its designee shall need such consent. All other provisions of this Section 13 shall apply to all Units.

For example, with respect to any structural addition, alteration or improvement to a Sponsor-owned Unit, such work shall be at the sole cost and expense of the Sponsor and/or its designee, and be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by said Sponsor or its

designee, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any structural alteration, addition or improvement, or due to improper design or construction of any structural alteration, addition or improvement. Additionally, the Sponsor and/or its designee shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any services provided to such alteration, addition or improvement.

Notwithstanding anything to the contrary contained in this Section 13, however, Sponsor, any Sponsor-designee, or any partner of any entity affiliated directly or indirectly with Sponsor shall have the right, pursuant to the terms of Paragraph 17 of the Declaration, without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers to (i) make any alterations, additions, improvements, or repairs in or to any Units owned by any of them whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Units owned by any of them.

Non-structural alterations and improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers.

Section 14. **Use of Common Elements and Facilities**. A Unit Owner shall not place or cause to be placed in the public halls and stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The lobbies, public halls and stairways or other common areas shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI and in conjunction with the Sponsor's or a Sponsor-designee's exercise of the rights retained by Sponsor in the Condominium Declaration.

The Owner of a Unit or Owner or Owners of any two (2) or more Units, which Unit or Units is/are the only Unit(s) serviced or benefitted by any General or Limited Common Element adjacent or appurtenant to such Unit(s) (for example, the portion at the end of any hallway that is directly adjacent to any such Unit(s) located on opposite sides of such hallway) and not affecting access or service (including, without limitation, heating, ventilating and air-conditioning) to any other Unit or to any other portion of the Common Elements, shall, with the consent of the Board of Managers (which consent will not be unreasonably withheld or delayed and shall not be required if the Unit Owner or Owners is/are Sponsor or Sponsor's designee), have the right to use such General or Limited Common Elements exclusively, as if it were a part of such Unit(s) (including the right, in the example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests will be made by reason thereof. In such an event, however, such Owner or Owners shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General or Limited Common Element for so long as such Owner or Owners exercise such exclusive right of use and (ii) restore such General or Limited Common

Element to its original condition, reasonable wear and tear excepted, after such Owner or Owners cease to exercise such exclusive right of use.

Section 15. **Right of Access**. A Unit Owner shall grant a right of access to his Unit to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or any Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. **Rules of Conduct**. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as **Schedule A.** Notwithstanding this provision, for as long as Sponsor or its designee remains the Owner of one (1) or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or its designee without Sponsor's or its designee's prior written consent.

Section 17. **Real Estate Taxes, Water Charges and Sewer Rents**. Water shall be supplied to all of the Units and the Common Elements on the basis of one (1) or more meters or submeters for the Building or pursuant to a frontage charge. Any water and sewer bills received by a Unit Owner shall immediately be rendered to the Board of Managers for payment. In no event shall the Board of Managers be responsible for loss of service to any Unit, interest or penalties, due to a delay in paying such bills resulting from a Unit Owner not tendering a bill. Any interest or penalties due for such late payments will be an additional assessment to be paid by the Unit Owner who failed to timely tender any bill. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit promptly after such charges shall have been billed.

In the event Sponsor has elected, in its sole and absolute discretion, not to establish at the First Unit Closing the real estate tax escrow described in the "Real Estate Taxes" section of the Offering Plan, then until the Units are separately assessed for real estate tax purposes, the Board of Managers shall charge each Unit Owner, as a Common Charge, its respective pro rata share (on the basis of the percentage of Common Interest attributable to such Unit) of all real estate taxes

with respect to the Property, and the Board of Managers shall in turn pay such taxes to the proper authorities of the City of New York, or instead directly to Sponsor if Sponsor has paid such taxes.

Section 18. **Electricity and Gas**. Electricity shall be supplied by the public utility company serving the area directly to each Unit through separate meters. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his or her Unit to the public utility.

The electricity serving the common areas shall be metered by one (1) or more meters or submeters, and the Board of Managers shall pay the bills for such consumption as a Common Expense.

Gas shall be supplied by the public utility company serving the area. Each of the Residential Units shall be separately metered with respect to gas usage therein, including (a) cooking gas and gas for each Unit's hot water heater, and (b) with respect to Unit 1, gas for the clothes dryer. Each respective Unit Owner shall be solely responsible for the cost thereof, and shall be required to pay such bills for gas consumed in his or her Unit directly to the public utility. As there is no gas heating system or common water heaters, it is not anticipated that gas will be consumed in the common areas. However, in the event the Condominium adds any gas-fired systems to service the common areas, the same shall be collectively metered by one (1) or more meters or submeters and the Board of Managers shall pay, as a Common Expense, the bills for such consumption.

Section 19. **Review of Real Estate Tax Assessments**. It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund attributed to a Unit, and all apportioned expenses incurred in connection with obtaining of such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Section 20. **Vault Charges**. All license fees and all periodic taxes and charges ("Vault Charges") for street vaults located in the Common Elements of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Board of Managers as a Common Expense.

ARTICLE VII

MORTGAGES

Section 1. **Notice to Board of Managers**. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. **Notice of Unpaid Common Charges**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. **Notice of Default**. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. **Examination of Books**. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on reasonable notice to the manager, managing agent or Board of Managers on business days.

Section 5. **Notice of Changes to Units and/or Common Elements**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any proposed amendment to the Condominium Offering Plan, Declaration and/or By-Laws effecting a change in (i) the size or location of any Unit or the exclusive easement rights, if any, appertaining thereto; (ii) any change in the percentage of Common Interest of a Unit or Common Charges payable by a Unit Owner to the Condominium; (iii) any change in the number of votes each Unit Owner shall be entitled to cast at a meeting of Unit Owners; and (iv) any change to the restrictions on use of the Units or Common Elements.

Section 6. **Notice of Termination of the Condominium**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any proposed termination of the Condominium.

Section 7. **Notice of Condemnation or Casualty**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any taking in condemnation or by eminent domain or any casualty loss of a material portion of the Common Elements or a portion of any Unit on which there is a first mortgage.

Section 8. **Notice of Insurance**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to a mortgagee, there shall be implied mortgagee approval when a mortgagee fails to respond after sixty (60) days written notice provided notice was delivered by certified or registered mail with a return receipt requested.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. **Sales and Leases**. Subject to any additional restrictions set forth below, no Unit Owner other than the Sponsor or a Sponsor-designee may sell or lease his Unit or any interest therein except by complying with the provisions below. Sponsor or a Sponsor-designee need not comply with such provisions. Sponsor or a Sponsor-designee shall have the right, without the payment of any fees or charges to the Board of Managers or the Managing Agent, to sell its Unit(s) or lease its Unit(s) without the Board of Managers having any right of first refusal to purchase or lease such Unit(s), and all sale and/or rental proceeds shall belong solely to such Sponsor or Sponsor-designee, as the case may be. However, any deed or lease made by a Sponsor or a Sponsor-designee with respect to a Unit as grantor or lessor, in the Building, shall provide that acceptance thereof by the grantee or lessee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as same may be amended from time to time.

Except as provided immediately above, any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests"); or a bona fide offer for a lease of his Unit; (hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said twenty (20) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and

conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee fail to notify the offering Unit Owner of its decision to accept such offer within twenty (20) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within thirty (30) days after the expiration of the twenty (20) day period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Units shall be the then current form of lease recommended by Julius Blumberg, Inc., or The Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such thirty (30) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such thirty (30) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions,

the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

Prior to the closing of title to any Unit purchased from Sponsor, such Purchaser shall not advertise or otherwise offer, promote or publicize the availability of such Unit for sale.

No assignment or transfer of an executed Purchase Agreement between Sponsor and any purchaser shall be permitted without the prior written consent of Sponsor which may be withheld for any reason. Any purported assignment of a Purchase Agreement in violation hereof shall be voidable at the option of Sponsor.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers or Sponsor, as the case may be.

Section 2. **Consent of Unit Owners to Purchase or Lease of Units by Board of Managers**. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. **No Severance of Ownership**. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one (1) or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. **Release by Board of Managers of Right of First Refusal**. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. **Certificate of Termination of Right of First Refusal**. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. **Financing of Purchase of Units by Board of Managers**. Acquisition or lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made

from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy a Special Assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which Assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no Assessment may be levied under this Section 6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 7. **Exceptions**. The provisions of Section 1 of this Article VIII shall not apply with respect to the right of first refusal pertaining to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one (1) or more of them, or to any Unit owned by the Sponsor or a Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. **Gifts and Devises, etc**. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 9. **Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common**. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. **Payment of Common Charges and Assessments**. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and Assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. **Mortgage of Units**. No Residential Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage encumbering a Residential Unit may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control

by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or Assessments and discharge any liens therefor. The Sponsor and/or its designee may encumber its Unit or Units with a mortgage or mortgages without being subject to the aforementioned restrictions.

Section 12. **Fees and Charges**. The Board of Managers shall have the right to require the Residential Unit Owner who is selling or is a prospective lessor to pay a fee to the Board of Managers and/or the Managing Agent to cover reasonable legal and other expenses of the Board of Managers and the Managing Agent in connection with the sale or lease of a Residential Unit pursuant to the provisions of this Article VIII except such charges and fees shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor. Any other fees in connection with the sale or lease of a Residential Unit may only be enacted by action of Unit Owners, except any such fee shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor.

ARTICLE IX

CERTAIN REMEDIES

Section 1. **Self Help**. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article VI hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board of Managers, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board of Managers shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 2. **Abatement and Enjoinment**.

a. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

b. The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 3. **Remedies Cumulative**. The remedies specifically granted to the Board of Managers or to the Sponsor or its designee in this Article IX or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one (1) time or at different times, concurrently or in any order, in the sole discretion of the Board of Managers or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 4. **Costs and Expenses**. All sums of money expended, and all costs and expenses incurred, including, but not limited to, reasonable attorney's fees, by (i) the Board of Managers in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 1 or paragraph (a) of Section 2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (b) of Section 2 hereof, shall be immediately payable by such Unit Owner to the Board of Managers in the event set forth in subparagraph (i) hereof or by the offering party (i.e., the Board of Managers or the Unit Owner) to Sponsor, in the event set forth in subparagraph (ii) hereof, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent (2%) per month, but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law. All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE X

CONDEMNATION

Section 1. **Condemnation**. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $100,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than $100,000.00. If seventy-five percent (75%) or more of the Unit Owners, including Sponsor and/or Sponsor's designees as the Holder of Unsold Units, duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, if any, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five percent (75%) or more of the Unit Owners, including Sponsor and/or Sponsor's designees as the Holder of Unsold Units, do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner

as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. If applicable, the vote of Sponsor and/or Sponsor's designees as the Holder of Unsold Units will be subject to the approval of any holder of a mortgage encumbering said Unsold Units. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking. Notwithstanding anything contained herein, any restoration or repair of the Condominium made in accordance with the terms of this Section shall be substantially in accordance with the specifications set forth in the Offering Plan, as amended, unless the Board of Managers obtains the approval of the holders of first mortgages on the Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

If a portion of any Unit shall be taken in condemnation or by eminent domain and the Condominium shall not be terminated, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements after such taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such taking. The Board of Managers shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

ARTICLE XI

RECORDS

Section 1. **Records and Audits**. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

(a) The financial statement of the Condominium prepared by a certified public accountant or, public accountant by March 15th of each calendar year for the prior fiscal year;

(b) Prior notice of the annual Unit Owner's meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium, within ten (10) days prior to the date set for adoption thereof by the Board of Managers.

ARTICLE XII

MISCELLANEOUS

Section 1. **Invalidity**. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. **Captions**. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. **Gender**. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. **Waiver**. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. **Insurance Trustee**. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of three (2) or more Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of two (2) or more Unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 6. **Definition of "Mortgagee"**. As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a unit.

Section 7. **Lot-Line Windows**.

Not applicable.

ARTICLE XIII

AMENDMENTS TO THE BY-LAWS

Section 1. **Amendment to By-Laws**. These By-Laws may be modified or amended by the vote of sixty-seven percent (67%) in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as Sponsor or its designee remains the Owner of one (1) or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or its designee, in the sole discretion of Sponsor or its designee, as the case may be, without the prior written consent of Sponsor or its designee. Additionally, the By-Laws, including the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the lien of any mortgage without the prior written consent of the mortgagee.

Notwithstanding anything contained herein, Sponsor hereby reserves itself and its designee(s) the right to amend these By-Laws at any time without the requirements of a vote and without the approval or consent of the Board of Managers, any Unit Owners or mortgagees of any Unit Owners for the sole purpose of conforming the By-Laws to the requirements of applicable state and local condominium laws and/or the legal requirements of the Department of Housing and Urban Development of the United States of America ("HUD"), including, but not limited to, HUD Revised Legal Policy which is attached as appendix 24 of the HUD Handbook 4265.1, as same may be amended from time to time, or any other governmental authority or agency to qualify the Condominium for any applicable Unit financing, including, but not limited to, financing of the Federal Housing Authority of the United States of America ("FHA") and/or Fannie Mae financing.

ARTICLE XIV

CONFLICTS

Section 1. **Conflicts**. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XV

ARBITRATION

Section 1. **Procedure**. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a preceding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. Such arbitration shall be required to be submitted as expedited arbitration. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such

arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York.

Section 2. **Variation by Agreement**. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. **Binding Effect**. The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. **Costs and Expenses**. The fees, costs and expenses of the arbitrator shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

Section 5. **Sponsor's and Sponsor-designee's Option Not to Arbitrate**. Notwithstanding anything herein to the contrary, Sponsor, and/or its designee, shall not be obligated to arbitrate any matter arising under its ownership or sale of Units in the Building. The decision to arbitrate any such matter will be in the sole discretion of Sponsor or its designee. In the event that Sponsor or Sponsor's designee elects not to arbitrate, Sponsor or Sponsor's designee shall have all remedies available to it at equity and law.

SCHEDULE A

ADDENDUM TO THE BY-LAWS OF THE CONDOMINIUM OF THE PREMISES KNOWN AS 174 RICHARDSON STREET CONDOMINIUM 174 RICHARDSON STREET BROOKLYN, NEW YORK 11222

RULES AND REGULATIONS

1. The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.

A Residential Unit may only be occupied by: (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Residential Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (A) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of, or in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Unit; and (vii) family members, domestic employees and/or non-paying guests of any of the foregoing.

Further, the accessory space at the lower level of Unit 1 is not intended for sleeping, cooking and/or living purposes, which uses are not permitted under, and could result in a violation issued pursuant to, the Building Code. Such accessory space shall not be rented independently from the rest of the Unit.

Notwithstanding anything herein to the contrary, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one (1) or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

2. Except as set forth above and herein, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" or similar signs on any unsold and/or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1) foot by two (2) feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one (1) or more vacant and unsold Units in the Building as a sales office and/or model Unit(s). Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

3. No group tour or exhibition of any Residential Unit or its contents shall be conducted nor shall any auction sale be held in any Residential Unit, without the consent of the Board of Managers or the Managing Agent in each instance.

4. Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

5. No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted.

6. No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Unit, unless otherwise required by law, without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers, unless such installation is required by law, nor shall anything be projected out of any window of any Unit without similar approval. In connection with the individual Unit, each Unit Owner shall be responsible for compliance with all applicable laws relating to the requirement of installing window guards in the Unit.

7. No exterior of any Residential Unit, or the windows or doors thereof, if any, or any other portions of the Common Elements, including Limited Common Elements such as a private patio,

private terrace, or private yard, shall be painted or decorated by any Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

8. Plantings on any private patio or terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two (2) inches from the private patio or terrace surface, and, if adjoining a wall, at least three (3) inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a wall, plantings may be contained in masonry or hollow tile walls which shall be at least three (3) inches from the wall, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such private patio or terrace, but shall stand on supports at least two (2) inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any private patio, terrace, or yard by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers.

9. No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

10. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, stereo, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight 12:00 A.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

11. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows

of a Unit, or any private terrace, any dirt or other substances. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, or open private terraces, or placed upon the window sills of the Building.

12. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

13. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials and deposit them into the designated receptacles located in the cellar level of the Building. The Board of Managers may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any governmental agency shall be payable by the Unit Owner as additional Common Charges.

14. Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

15. Except for Units owned by Sponsor and/or a Sponsor designee, no bird, reptile, or animal, other than a maximum of two (2) domesticated dogs or cats, or one (1) domesticated dog and one (1) domesticated cat, shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal, including, but not limited to, domesticated dogs and cats, be permitted on any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, yard, patio, terraces, or any public portions of the Building, or on the sidewalk or street adjacent to the Building. However, notwithstanding the above, no Unit Owner shall be permitted to have a pit bull terrier or similar type dog which has shown vicious propensities without express prior written permission of the Board of Managers. The individual Unit Owners who keep an animal in their Unit shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any

animal in their Unit. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

16. Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial or satellite dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

17. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

18. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

19. No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any heating, electrical or mechanical equipment area without the express permission of the Board of Managers.

20. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

21. No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.

22. No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

23. Except as provided above, the Unit Owner shall not be allowed to put his name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

24. Any damage to the Building or equipment caused by a Unit Owner, Unit Owner's family members, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

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

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

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

28. Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

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

30. There shall be no playing or lounging in the entrances, passages, public halls, corridors, stairways of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Board of Managers.

31. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, or service purposes in the Building.

32. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law.

33. The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day’s prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for

the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

34. The Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

35. If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

36. No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent for private business or send any employee of the Condominium or of the Managing Agent out of the Building on any private business without the written consent of the Condominium Board except as a real estate broker for the sale or lease of a Unit.

37. The use of any common areas of the Building, including but not limited to the Building's lobby, by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion.

38. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any

such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

39. Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the main roof or the top of the stair bulkhead of the Building.

40. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (hereinafter referred to collectively as "Smoking Apparatus") in any of the indoor portions of the Building, including individual Units and common areas, at any time. Though smoking shall be permitted in any outdoor areas of the Condominium that are accessible to Unit Owners, including a private patio, terrace, roof terrace, and/or yard, no person may smoke or otherwise burn any Smoking Apparatus in any outdoor areas of the Condominium in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium.

41. The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or a Sponsor-designee, as the case may be.

FORM OF INTERIM USE AND OCCUPANCY AGREEMENT

The Sponsor and Purchaser/Occupant agree as of _____ that Purchaser/Occupant shall use and occupy the Apartment (Apartment shall mean "Unit" where applicable herein) as follows:

SPONSOR/OWNER:
174 RICHARDSON LLC
174 Richardson Street #B
Brooklyn, New York 11222

PURCHASER/OCCUPANT:
[TBD]

Address for Notices: Same as Above

Apartment #___ at 174 Richardson Street, Brooklyn, NY 11222

Term see **Paragraph** 33

Security $TBD; **Rent** $TBD

Bank: Not Applicable

Use and Occupancy Fee is $TBD per month for each of the maximum of Twelve (12) months. At the closing of title to the Unit Purchaser/Occupant and Sponsor shall adjust the use and occupancy fee on a pro rata basis for the month in which the closing occurs.

1. **Use.** The Apartment must be used only for residential use as a private Apartment to live in and for no other reason. Only a party signing this Interim Use and Occupancy Agreement and/or the spouse and children of that party may use the Apartment. All references to "Purchaser/ Occupant" shall be read to mean "Purchaser and/or Occupant."

2. **Failure to Five Possession.** Sponsor and Owner, hereinafter collectively referred to as Sponsor, shall not be liable for failure to give Purchaser/Occupant possession of the Apartment on the beginning date of the Term. Use and Occupancy Fee shall be payable as of the beginning of the Term unless Sponsor is unable to give possession. Use and Occupancy Fee shall then be payable as of the date possession is available. Sponsor must give possession within a reasonable time, if not, Purchaser/Occupant may cancel and obtain a refund of money deposited for Use and Occupancy Fee. Sponsor will notify Purchaser/Occupant as to the date possession is available. The ending date of the Term will not change.

3. **Use and Occupancy Fee, Added Use and Occupancy Fee.** The use and occupancy fee payment for each month must be paid on the first day of that month at Sponsor's address. Sponsor need not give notice to pay the use and occupancy fee. Use and Occupancy Fee must be paid in full. The first month's use and occupancy fee and security is to be paid when Purchaser/Occupant signs this Interim Use and Occupancy Agreement. Purchaser/Occupant may be required to pay other charges to Sponsor under the terms of this Interim Use and Occupancy Agreement. They are

to be called "added use and occupancy fee." This added use and occupancy fee is payable as use and occupancy fee, together with the next monthly use and occupancy fee due. If Purchaser/Occupant fails to pay the added use and occupancy fee on time, Sponsor shall have the same rights against Purchaser/Occupant as if Purchaser/Occupant failed to pay use and occupancy fee.

4. **Notices.** Any bill, statement or notice must be in writing. If to Purchaser/Occupant, it must be delivered or mailed to the Purchaser/Occupant at the Apartment. If to Sponsor it must be mailed to Sponsor's address. It will be considered delivered on the day mailed or if not mailed, when left at the proper address. A notice must be sent by certified mail. Sponsor must notify Purchaser/Occupant if Sponsor's address is changed.

5. **Security.** Purchaser/Occupant has given security to Sponsor in the amount stated above. The security has been deposited in the Bank named above and delivery of this use and occupancy agreement is notice of the deposit. If the Bank is not named, Sponsor will notify Purchaser/Occupant of the Bank's name and address in which the security is deposited.

If Purchaser/Occupant does not pay use and the occupancy fee on time, Sponsor may use the security to pay for use and occupancy fee past due. If Purchaser/Occupant fails to perform any other term in this Interim Use and Occupancy Agreement, Sponsor may use the security for payment of money Sponsor may spend, or damages Sponsor suffers because of Purchaser/Occupant's failure. If the Sponsor uses the security, Purchaser/Occupant shall, upon notice from Sponsor, send an amount equal to the sum used by Sponsor. At all times Sponsor is to have the amount of security stated above.

If Purchaser/Occupant fully performs all terms of this Interim Use and Occupancy Agreement, pays the use and occupancy fee on time and leaves the Apartment in good condition on the last day of the Term or closes title pursuant to the Purchase Option Agreement, as amended, , then Sponsor will return the security being held.

If Sponsor sells or leases the Building, Sponsor may give the security to the buyer or lessee. Sponsor will notify Purchaser/Occupant by certified mail of the name and address of the new buyer or lessee of the building to whom the deposit has been transferred. In that event Purchaser/Occupant will look only to the buyer or lessee for the return of the security. The security is in a trust fund for Purchaser/Occupant. The Sponsor may use the security as stated in this Section. Sponsor may put the security in any place permitted by law. If the law states the security must bear interest, unless the security is used by Sponsor as stated Sponsor will give Purchaser/Occupant the interest less the sum Sponsor is allowed to keep for expenses. If the law does not require security to bear interest, Purchaser/Occupant will not be entitled to it.

6. **Services.** Sponsor will supply: (a) heat as required by law, (b) hot and cold water for bathroom and kitchen sink, (c) use of elevator, if any, and (d) cooling if central air conditioning is installed. Stopping or reducing of service(s) will not be reason for Purchaser/Occupant to stop paying use and occupancy fee, to make a money claim or to claim eviction. Purchaser/Occupant may enforce its rights under the warranty of habitability. Damage to the equipment or appliances

supplied by Sponsor, caused by Purchaser/Occupant's act or neglect, may be repaired by Sponsor at Purchaser/Occupant's expense. The repair cost will be an added use and occupant fee.

Purchaser/Occupant must pay for all electric, gas, telephone and other utility services used in the Apartment and arrange for them with the public utility company. Purchaser/Occupant must not use a dishwasher, washing machine, dryer, freezer, heater, ventilator, air cooling equipment or other appliance unless installed by Sponsor or with Sponsor's written consent. Purchaser/Occupant must not use more electric than the wiring or feeders to the Building can safely carry.

Sponsor may stop service of the plumbing, heating, elevator, air cooling or electrical systems, because of accident, emergency, repairs, or changes until the work is complete.

7. **Alterations.** Purchaser/Occupant must obtain Sponsor's prior written consent to install any paneling, flooring, "built in" decoration, partitions, railings or make alterations or to paint or wallpaper the Apartment. Purchaser/Occupant must not change the plumbing, ventilating, air conditioning, electric or heating systems. If consent is given, the alterations and installations shall become the property of Sponsor when completed and paid for. They shall remain with and as part of the Apartment at the end of the Term. Sponsor has the right to demand that Purchaser/Occupant remove the alterations and installations before the end of the Term. The demand shall be by notice, given at least fifteen (15) days before the end of the Term. Purchaser/Occupant shall comply with the demand at Purchaser/Occupant's own cost. Sponsor is not required to do or pay for any work unless stated in this Interim Use and Occupancy Agreement.

If a Mechanic's Lien is filed on the Apartment or Building for Purchaser/Occupant's failure to pay for alterations or installations in the Apartment, Purchaser/Occupant must immediately pay or bond the amount stated in the Lien. Sponsor may pay or bond the Lien if Purchaser/Occupant fails to do so within twenty (20) days after Purchaser/Occupant is given notice of the Lien. Sponsor's reasonable costs shall be an added use and occupancy fee.

8. **Repairs.** Purchaser/Occupant must take good care of the Apartment and all equipment and fixtures in it. Sponsor will repair the plumbing, heating and electrical systems. Purchaser/ Occupant must, at Purchaser/Occupant's cost, make all repairs and replacements whenever the need results from Purchaser/Occupant's act or neglect. If Purchaser/Occupant fails to make a needed repair or replacement, Sponsor may do it. Sponsor's reasonable expense will be an added use and occupancy fee.

9. **Fire, Accident, Defects, Damage.** Purchaser/Occupant must give Sponsor prompt notice of fire, accident, damage or dangerous or defective condition. If the Apartment cannot be used because of fire or other casualty, Purchaser/Occupant is not required to pay the use and occupancy fee for the time the apartment is unusable. If part of the apartment cannot be used, Purchaser/Occupant must pay use and occupancy fee for the usable part. Sponsor shall have the right to decide which part of the Apartment is usable. Sponsor need only repair the damaged part of the Apartment. Sponsor is not required to repair or replace any equipment, fixtures, furnishings or decorations unless originally installed by Sponsor. Sponsor is not responsible for delays due to settling insurance claims, obtaining estimates, labor and supply problems or any other cause not

fully under Sponsor's control.

If the apartment cannot be used, Sponsor has thirty (30) days to decide whether to repair it. Sponsor's decision to repair must be given to Purchaser/Occupant within thirty (30) days of the fire or casualty. Sponsor shall have a reasonable time to repair. In determining what is a reasonable time, consideration shall be given to any delays in receipt of insurance settlements, labor trouble and causes not within Sponsor's control. If Sponsor fails to give Purchaser/Occupant notice of its decision within thirty (30) days, Purchaser/Occupant may cancel this Interim Use and Occupancy Agreement as of the date of the fire or casualty. The cancellation shall be effective only if it is given before Sponsor begins to repair or before Sponsor notifies Purchaser/Occupant of its decision to repair. If the fire or other casualty is caused by an act or neglect of Purchaser/Occupant or guest of Purchaser/Occupant all repairs will be made at Purchaser/Occupant's expense and Purchaser/ Occupant must pay the full use and occupancy fee with no adjustment. The cost of the repairs will be an added use and occupancy fee.

Sponsor has the right to demolish or rebuild the Building if there is substantial damage, by fire or other casualty. Even if the Apartment is not damaged, Sponsor may cancel this Use and Occupancy Agreement within thirty (30) days after the substantial fire or casualty by giving Purchaser/Occupant notice of Sponsor's intention to demolish or rebuild. This Interim Use and Occupancy Agreement will end thirty (30) days after Sponsor's cancellation notice to Purchaser/Occupant. Purchaser/Occupant must deliver the Apartment to Sponsor on or before the cancellation date in the notice and pay all use and occupancy fee due to the date of the fire or casualty. If this Interim Use and Occupancy Agreement is cancelled Sponsor is not required to repair the Apartment or Building. The cancellation does not release Purchaser/Occupant of liability in connection with the fire or casualty. This Section is intended to replace the terms of New York Real Property Law Section 227.

In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor within a one hundred twenty (120) day period notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

10. **Liability.** Sponsor is not liable for loss, expense, or damage to any person or property, unless due to Sponsor's negligence. Sponsor is not liable to Purchaser/Occupant for permitting or refusing entry of anyone into the Building.

Purchaser/Occupant must pay for damages suffered and reasonable expenses of Sponsor relating to any claim arising from any act or neglect of Purchaser/Occupant. If an action is brought against Sponsor arising from Purchaser/Occupant's act or neglect Purchaser/Occupant shall defend Sponsor at Purchaser/Occupant's expense with an attorney of Sponsor's choice.

Purchaser/Occupant is responsible for all acts of Purchaser/Occupant's family, employees, guests or invitees.

11. **Entry by Sponsor.** Sponsor may enter the Apartment at reasonable hours to: repair, inspect, exterminate, install or work on master antennas or other systems and perform other work that Sponsor decides is necessary. At reasonable hours Sponsor may show the Apartment to possible buyers, lenders, or lessee of the entire Building or land. At reasonable hours Sponsor may show the Apartment to possible or new purchaser/occupants during the last four (4) months of the Term, if applicable. Entry by Sponsor must be on reasonable notice except in emergency.

12. **Assignment and Sublease.** Purchaser/Occupant may not assign this Interim Use and Occupancy Agreement or sublet all or part of the Apartment or permit any other person to use the Apartment, unless consented to in writing by Sponsor.

13. **Subordination.** This Interim Use and Occupancy Agreement and Purchaser/Occupant's rights, are subject and subordinate to all present and future (a) leases for the Building or the land on which it stands, (b) mortgages on the leases or the Building or land, (c) agreements securing money paid or to be paid by a lender, and (d) terms, conditions, renewals, changes of any kind and extensions of the mortgages, leases or lender agreements. Purchaser/Occupant must promptly execute any certificate(s) that Sponsor requests to show that this Interim Use and Occupancy Agreement is so subject and subordinate. Purchaser/Occupant authorizes Sponsor to sign these certificate(s) for Purchaser/Occupant. This Interim Use and Occupancy Agreement and Purchaser/Occupant's rights are also subject and subordinate to the Condominium Offering Plan and the Condominium Declaration for **174 Richardson Street Condominium**, as may be amended from time to time.

14. **Condemnation.** If all of the Apartment or Building is taken or condemned by a legal authority, the Term, and Purchaser/Occupant's rights shall end as of the date the authority takes title to the Apartment or Building. If any part of the Apartment or Building is taken, Sponsor may cancel this Interim Use and Occupancy Agreement on notice to Purchaser/Occupant. The notice shall set a cancellation date not less than thirty (30) days from the date of the notice. If this Interim Use and Occupancy Agreement is cancelled, Purchaser/Occupant must deliver the Apartment to Sponsor on the cancellation date together with the total use and occupancy fee due to that date. The entire award for any taking belongs to Sponsor. Purchaser/Occupant gives Sponsor any interest Purchaser/Occupant may have to any part of the award. Purchaser/Occupant shall make no claim for the value of the remaining part of the Term.

15. **Purchaser/Occupant Duty to Obey Laws and Regulations.** Purchaser/Occupant must, at Purchaser/Occupant's expense, promptly comply with all laws, orders, rules, requests and directions, of all governmental authorities, Sponsor's insurers, Board of Fire Underwriters, or similar groups. Notices received by Purchaser/ Occupant from any authority or group must be promptly delivered to Sponsor. Purchaser/Occupant may not do anything which may increase Sponsor's insurance premiums. If Purchaser/Occupant does, Purchaser/Occupant must pay the increase in premium as an added use and occupancy fee.

16. **Purchaser/Occupant's Default.** A. Sponsor must give Purchaser/ Occupant written notice of default stating the type of default. The following are defaults and must be cured by Purchaser/Occupant within the time stated:

(1) Failure to pay the use and occupancy fee or an added use and occupancy fee on time. Three (3) days in which to cure.

(2) Failure to move into the Apartment within fifteen (15) days after the beginning date of the Term. Ten (10) days in which to cure.

(3) Issuance of a court order under which the Apartment may be taken by another party. Ten (10) days in which to cure.

(4) Improper conduct by Purchaser/Occupant annoying other purchaser/occupants. Ten (10) days in which to cure.

(5) Failure to comply with any other term or Rule in this Use and Occupancy Agreement. Ten (10) days in which to cure.

A. If Purchaser/Occupant fails to cure the default in the time stated, Sponsor may cancel this Interim Use and Occupancy Agreement by giving Purchaser/Occupant a cancellation notice. The cancellation notice will state the date the Term will end which may be no less than ten (10) days after the date of the notice. On the cancellation date in the notice the Term of this Interim Use and Occupancy Agreement shall end. Purchaser/Occupant must leave the Apartment and give Sponsor the keys on or before the cancellation date. Purchaser/Occupant continues to be responsible as stated in this Interim Use and Occupancy Agreement. If the default cannot be cured in the time stated, Purchaser/Occupant must begin to cure within that time and continue diligently until cured.

B. If Purchaser/Occupant's application for the Apartment contains any material misstatement of fact, Sponsor may cancel this Interim Use and Occupancy Agreement. Cancellation shall be by cancellation notice as stated in Paragraph 16A hereof.

C. If (1) this Interim Use and Occupancy Agreement is cancelled; or (2) use and occupancy fee or an added use and occupancy fee is not paid on time; or (3) Purchaser/Occupant vacates the Apartment, Sponsor may, in addition to other remedies, take any of the following steps: (a) peacefully enter the Apartment and remove Purchaser/Occupant and any person or property, and (b) use eviction or other lawsuit method to take back the Apartment.

D. If this Interim Use and Occupancy Agreement is cancelled, or Sponsor takes back the Apartment, the following shall occur:

(1) The Use and Occupancy Fee and an added use and occupancy fee for the unexpired Term become immediately due and payable.

(2) Sponsor may relet the Apartment and anything in it. The reletting may be for any Term. Sponsor may charge any rent or no rent and give allowances to the new tenant. Sponsor may, at Purchaser/Occupant's expense, do any work Sponsor reasonably feels needed to put the Apartment in good repair and prepare it for renting. Purchaser/Occupant shall be liable for any cost and expense of Sponsor for any necessary repair.

(3) Any use and occupancy fee received by Sponsor for the re-renting shall be used first to pay Sponsor's expenses and second to pay any amounts Purchaser/Occupant owes under this Interim Use and Occupancy Agreement. Sponsor's expenses include the costs of obtaining possession and re-renting the Apartment, including, but not only reasonable legal fees, brokers' fees, cleaning and repairing costs, decorating costs and advertising costs.

(4) From time to time Sponsor may bring actions for damages. Delay or failure to bring an action shall not be a waiver of Sponsor's rights. Purchaser/Occupant is not entitled to any excess of use and occupancy fees collected over the use and occupancy fee paid by Purchaser/Occupant to Sponsor under this Interim Use and Occupancy Agreement.

(5) If Sponsor relets the apartment combined with other space an adjustment will be made based on square footage. Money received by Sponsor from the next purchaser/occupant other than the monthly use and occupancy fee, shall not be considered as part of the use and occupancy fee paid to Sponsor. Sponsor shall be entitled to all of the use and occupancy fee.

If Sponsor relets the Apartment the fact that all or part of the next purchaser/occupant's use and occupancy fee is not collected does not affect Purchaser/Occupant's liability. Sponsor has no duty to collect the next purchaser/occupant's use and occupancy fee. Purchaser/Occupant must continue to pay use and occupancy fee, damages, losses and expenses without offset.

E. If Sponsor takes possession of the Apartment by Court order, or under this Interim Use and Occupancy Agreement, Purchaser/Occupant has no right to return to the Apartment.

17. **Jury Trial and Counterclaims.** Sponsor and Purchaser/Occupant agree not to use their right to a Trial by Jury in any action or proceeding brought by either against the other, for any matter concerning this Interim Use and Occupancy Agreement or the Apartment. This does not include actions for personal injury or property damage and warranty of habitability actions. Purchaser/Occupant gives up any right to bring a counterclaim or set-off in any action by Sponsor against Purchaser/Occupant on any matter directly or indirectly related to this Interim Use and Occupancy Agreement.

18. **No Waiver, Illegality.** Sponsor's acceptance of use and occupancy fee or failure to enforce any term in this Interim Use and Occupancy Agreement is not a waiver of any of Sponsor's rights.

If a term in this Interim Use and Occupancy Agreement is illegal, the rest of this Use and Occupancy Agreement remains in full force.

19. **Insolvency.** If (1) Purchaser/Occupant assigns property for the benefit of creditors, or (2) a non-bankruptcy trustee or receiver of Purchaser/Occupant or Purchaser/Occupant's property is appointed, Sponsor may give Purchaser/Occupant thirty (30) days' notice of cancellation of the Term of this Interim Use and Occupancy Agreement. If any of the above is not fully dismissed within the thirty (30) days, the Term shall end as of the date stated in the notice. Purchaser/Occupant must continue to pay the use and occupancy fee, damages, losses and expenses without offset. If Purchaser/Occupant files a voluntary petition in bankruptcy or an involuntary petition in bankruptcy is filed against Purchaser/Occupant, Sponsor may not terminate this Interim Use and Occupancy Agreement.

20. **Rules.** Purchaser/Occupant must comply with all Rules and Regulations (the "Rules") at the end of the By-Laws in the Condominium Offering Plan for **174 Richardson Street Condominium**. Notices of new or revised Rules, if applicable, will be given to Purchaser/Occupant. Sponsor need not enforce Rules against other purchasers/occupants. Sponsor is not liable to Purchaser/Occupant if another purchaser/occupant violates the Rules. Purchaser/Occupant receives no special rights under the Rules. Further, Purchaser/Occupant hereby acknowledges and agrees to the Condominium's smoking policy, which is stated in the Rules as follows: No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes (hereinafter referred to collectively as "Smoking Apparatus") in any of the indoor portions of the Building, including individual Units and common areas, at any time. Though smoking shall be permitted in any outdoor areas of the Condominium that are accessible to Unit Owners, including a private patio, terrace, roof terrace, and/or yard, no person may smoke or otherwise burn any Smoking Apparatus in any outdoor areas of the Condominium in a manner which causes smoke to be a nuisance or annoyance to any other resident of the Condominium.

21. **Representations, Changes in This Interim Use and Occupancy Agreement.** Purchaser/Occupant has read this Interim Use and Occupancy Agreement. All promises made by the Sponsor are in this Interim Use and Occupancy Agreement. There are no other Sponsor representations. This Interim Use and Occupancy Agreement may be changed only by an agreement in writing signed by and delivered to each party.

22. **Sponsor Unable to Perform.** If due to labor trouble, government order, lack of supply, Purchaser/Occupant's act or neglect, or any other cause not fully within Sponsor's reasonable control, Sponsor is delayed or unable to (a) carry out any of Sponsor's promises or agreement, (b) supply any service to be supplied, (c) make any required repair or change in the Apartment or Building, or (d) supply any equipment or appliances, this Interim Use and Occupancy Agreement shall not be ended or Purchaser/Occupant's obligations affected. Purchaser/Occupant may enforce its rights under the warranty of habitability.

23. **End of Term.** At the end of the Term, Purchaser/Occupant must: leave the Apartment clean and in good condition, subject to ordinary wear and tear; remove all of Purchaser/Occupant's

property and all Purchaser/Occupant's installations and decorations; repair all damages to the Apartment and Building caused by moving; and restore the Apartment to its condition at the beginning of the Term. If the last day of the Term is on a Saturday, Sunday or Federal holiday the Term shall end on the prior business day.

24. **Punchlist.** Purchaser/Occupant has inspected the Apartment and Building and submitted a Punchlist Inspection Statement to Sponsor, a copy of which is attached hereto. Purchaser/Occupant states that the Apartment is in good order and repair and takes the Apartment as is except for items listed on the Punchlist Inspection Statement attached hereto which are Sponsor's obligation to cure pursuant to the terms of the Offering Plan. Since Purchaser/Occupant will be occupying the subject condominium apartment prior to the closing under his Purchase Option Agreement, as amended, , Purchaser/Occupant agrees to assume all risk and responsibility for the condition of the Apartment from and after the date hereon, and agrees to accept the condominium apartment at closing under the Purchase Option Agreement, as amended, in its then existing condition, without any obligation of the Sponsor to make any repairs, improvements or alterations except as may be required above.

25. **Sponsor's Warranty of Habitability.** Sponsor states that the Apartment is fit for human living and there is no condition dangerous to health, life or safety. This warranty applies to all sections of this Interim Use and Occupancy Agreement. Purchaser/Occupancy may not waive any of Purchaser/Occupant's rights under this warranty.

26. **Sponsor's Consent.** If Purchaser/Occupant requires Sponsor's consent to any act and such consent is not given, Purchaser/Occupant's only right is to ask the Court to force Sponsor to give consent. Purchaser/Occupant agrees not to make any claim against Sponsor for money or subtract any sum from the use and occupancy fee because such consent was not given.

27. **Use and Occupancy Agreement Binding On Parties.** This Interim Use and Occupancy Agreement is binding on Sponsor and Purchaser/Occupant and their heirs, distributees, executors, administrators, successors and lawful assign.

28. **Sponsor.** Sponsor means the owner, or the lessee of the Building, or the holder of unsold Units or shares, or a lender in possession. Sponsor's obligations end when Sponsor's interest in the Unit or Building, as the case may be, is transferred. Any acts Sponsor may do may be performed by Sponsor's agents or employees.

29. **Paragraph Headings.** The paragraph headings are for convenience only.

30. **Cross-Default**. Notwithstanding anything above to the contrary, it is hereby acknowledged and agreed that simultaneously with the execution of this Interim Use and Occupancy Agreement, the Purchaser/Occupant shall execute the Rider to Purchase Agreement, as amended amending the Purchase Agreement, as amended (collectively the "Purchase Agreement, as amended,"), with the Sponsor for the purchase of Unit ___ at **174 Richardson Street Condominium**. It is herewith agreed that in the event Purchaser/Occupant shall default in the payment or performance of any of Purchaser/Occupant's obligations under said Purchase Agreement, as amended, which default shall not be cured by the default cure period set forth in the Purchase Agreement, as amended, then

Sponsor (at Sponsor's sole option) shall have the right to cancel this Interim Use and Occupancy Agreement so long as such default shall be continuing, it being intended that a default under the Purchase Agreement, as amended, shall constitute a default under this Interim Use and Occupancy Agreement. In the event Sponsor exercises its right of cancellation, then this Interim Use and Occupancy Agreement shall cease and come to an end upon Sponsor's sending Purchaser/Occupants five (5) days prior written notice of its intention to cancel this Interim Use and Occupancy Agreement, except Purchaser/Occupants shall remain liable for any amounts unpaid up to the date such cancellation becomes effective (it being intended that the provisions of this sentence shall survive such cancellation). It is also herewith agreed that in the event Purchaser/Occupant shall default in the payment or performance of any of Purchaser/Occupant's obligations under this Interim Use and Occupancy Agreement, then the Sponsor, shall have the right to cancel such Purchase Agreement, as amended, it being a default under the Purchase Agreement, as amended (the provision of this sentence shall be deemed to supplement said Purchase Agreement, as amended, and shall inure to the benefit of said Sponsor). If Sponsor elects to cancel, Purchaser/Occupant shall have five (5) days after the sending of the cancellation notice to Purchaser within which to cure the specified default. Time is of the essence to cure such default within said five (5) day period. If such default is not so cured the Purchase Agreement, as amended, shall be deemed terminated and Sponsor shall have the right to retain, as and for liquidated damages all Down Payments previously made by Purchaser/Occupants (Purchasers) and released to Sponsor under said Purchase Agreement, as amended. Before the Sponsor may utilize the default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

31. **Default under Purchase Agreement**. Notwithstanding anything above to the contrary, Purchaser/Occupant hereunder agrees and understand if Purchaser/Occupant fails to pay the balance of the purchase price for Unit ___ pursuant to the Purchase Agreement, as amended, or fails to close title to Unit ___ pursuant to such Purchase Agreement, as amended, the Purchase Agreement, as amended, shall be deemed null and void and of no further force and effect and the Sponsor/Owner and Purchaser/Occupant shall have no further obligations to each other, except that Purchaser/Occupant shall remain liable for any amounts unpaid up to the date such cancellation becomes effective.

32. **Assumption of Risk**. Notwithstanding anything above to the contrary, Purchaser/Occupant shall be the purchaser of the Apartment pursuant to the Purchase Agreement, as amended, and hereby assumes the risk of loss to Apartment not covered by Sponsor's or Condominium's Insurance Policies resulting from fire or other casualty unless the cause of such loss originated outside the Apartment and did not result from the acts of Purchaser/Occupant or other occupants of the Apartment or Purchaser/Occupants' guests, invitees or workmen.

33. **Term**. Notwithstanding anything above to the contrary, this Interim Use and Occupancy Agreement shall commence on _____, 20__ (the "Commencement Date") and terminate on the earlier of (i) twelve (12) months (_____ __, 20__) from the date of commencement; or (ii) on the date of and immediately prior to the closing of title to Unit ___ located at **174 Richardson**

Street Condominium; or, (iii) at the option of Sponsor, upon a default pursuant to this Interim Use and Occupancy Agreement or the Purchase Agreement, as amended.

34. **Insurance**. Purchaser/Occupant covenants and agrees to provide on or before the Commencement Date and to keep in force during the term hereof the following insurance coverage which coverage shall be effective on the Commencement Date:

(a) A comprehensive policy of liability insurance naming Sponsor as an additional insured protecting Sponsor and Purchaser/Occupant against any liability whatsoever occasioned by accident in or about the Apartment or any appurtenances thereto. Such policy shall have limits of liability of not less than One Million Dollars ($1,000,000.00) combined single limit coverage on a per occurrence basis, including property damage;

(b) Fire and Extended coverage in an amount adequate to cover the cost of replacement of all personal property, fixtures, furnishings and equipment located in the Apartment.

All such policies shall be issued by companies of recognized responsibility licensed to do business in New York State and rated by Best's Insurance Reports or any successor publication of comparable standing and carrying a rating of A+ VIII or better or the then equivalent of such rating, and all such policies shall contain a provision whereby the same cannot be canceled or modified unless Purchaser and any additional insured are given at least thirty (30) days prior written notice of such cancellation or modification.

Prior to the time such insurance is first required to be carried by Purchaser/Occupant and thereafter, at least fifteen (15) days prior to the expiration of any such policies, Purchaser/Occupant shall deliver to Sponsor either duplicate originals of the aforesaid policies or certificates evidencing such insurance, together with evidence of payment for the policy. Purchaser/Occupant's failure to provide and keep in force the aforementioned insurance shall be regarded as a material default hereunder, entitling Sponsor to exercise any or all of the remedies as provided in this Interim Use and Occupancy Agreement in the event of Purchaser/Occupant's default. In addition, in the event Purchaser/Occupant fails to provide and keep in force the insurance required by this Interim Use and Occupancy Agreement, at the times and for the durations specified in this lease, Sponsor shall have the right, but not the obligation, at any time and from time to time, and without notice, to procure such insurance and/or pay the premiums for such insurance in which event Purchaser/Occupant shall repay Sponsor within five (5) days after demand by Sponsor, as an additional use and occupancy fee, all sums so paid by Sponsor and any costs or expenses incurred by Sponsor in connection therewith without prejudice to any other rights and remedies of Sponsor under this Interim Use and Occupancy Agreement.

C. If, by reason of a failure of Purchaser/Occupant to comply with the provisions of this Paragraph 34, the rate of fire insurance with extended coverage on the building or equipment or other property of Sponsor shall be higher than it otherwise would be, Purchaser/Occupant shall reimburse Sponsor, on demand, for that part of the premiums for fire insurance and extended coverage paid by Sponsor because of such failure on the part of Purchaser/Occupant.

D. Each policy evidencing the insurance to be carried by Purchaser/Occupant under this Interim Use and Occupancy Agreement shall contain a clause that such policy and the coverage evidenced thereby shall be primary with respect to any policies carried by Sponsor, and that any coverage carried by Owner shall be excess insurance.

35. **Surrender of Apartment**. Notwithstanding anything above to the contrary, Purchaser/Occupant agrees that TIME IS OF THE ESSENCE as to Purchaser concerning its surrender to landlord of the Apartment upon the expiration or other termination of the term of this Interim Use and Occupancy Agreement. If Purchaser/Occupant fails to grant and surrender to Sponsor said Apartment, broom clean, in good order and condition, ordinary wear excepted upon the expiration or other termination of this Interim Use and Occupancy Agreement, Purchaser/Occupant shall pay to Sponsor additional rent of $1,500.00 per day until it so surrenders the Apartment.

36. **Conflict**. In the event of any conflict between the terms of this Interim Use and Occupancy Agreement and the terms of the Offering Plan, as amended, the terms of the Offering Plan, as amended, shall govern. Further, if any provision of Paragraphs 30 – 37 hereof conflict or are otherwise inconsistent with any other provision of this Interim Use and Occupancy Agreement, the provisions of Paragraphs 30 – 37 shall prevail.

37. **Apartment Not Subject to Rent Control Laws**. IT HAS BEEN FULLY AND CLEARLY EXPLAINED TO PURCHASER/ OCCUPANT AND PURCHASER/OCCUPANT AGREES AND ACKNOWLEDGES, THAT THE APARTMENT IS NOT SUBJECT TO THE EMERGENCY TENANTS PROTECTION ACT, THE RENT CONTROL LAWS OF THE STATE OF NEW YORK, OR ANY OTHER RENT LAWS AND REGULATIONS.

38. **Signature, Effective Date, Counterparts.** Sponsor and Purchaser/Occupant have signed this Interim Use and Occupancy Agreement as of the above date. This Interim Use and Occupancy Agreement may be executed by facsimile signature and/or in any number of counterparts and each of such facsimile signature and/or counterpart shall for all purposes be deemed to be an original; and all such facsimile signatures and/or counterparts shall together constitute but one and the same Interim Use and Occupancy Agreement.

SPONSOR/OWNER:

174 Richardson LLC

By:_____
Name:
Title:

PURCHASER/OCCUPANT:

_____ _____

[TBD] [TBD]

NYC Buildings

Certificate of Occupancy

CO Number: 321129088F

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

A.

Borough: Brooklyn **Address:** 174 RICHARDSON STREET **Building Identification Number (BIN):** 3068105	**Block Number:** 02735 **Lot Number(s):** 13 **Building Type:** New	**Certificate Type:** Final **Effective Date:** 11/01/2017

This building is subject to this Building Code:

For zoning lot metes & bounds, please see BISWeb.

B.

Construction classification:	1-B	(2014/2008 Code)
Building Occupancy Group classification:	R-2	(2014/2008 Code)
Multiple Dwelling Law Classification:	HAEA	

No. of stories: 4	**Height in feet:** 46	**No. of dwelling units:** 3

C. **Fire Protection Equipment:**
Fire alarm system, Sprinkler system

D. **Type and number of open spaces:**
None associated with this filing.

E. **This Certificate is issued with the following legal limitations:**
None

Borough Comments: None

Borough Commissioner

Commissioner

DOCUMENT CONTINUES ON NEXT PAGE

NYC Buildings

Certificate of Occupancy

CO Number: 321129088F

Permissible Use and Occupancy

All Building Code occupancy group designations below are 2008 designations.

Floor From	To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
CEL			OG	S-2		2B	SPRINKLER AND METER AND ACCESSORY STORAGE
CEL			OG	R-2		2B	ACCESSORY STORAGE IN CONJUNCTION WITH FIRST FLOOR DWELLING UNIT.
OS P			OG	R-2		2B	ACCESSORY OPEN AREA.
001	001		100	R-2	1	2A	ONE (1) CLASS A DWELLING UNIT IN CONJUNCTION WITH ACCESSORY STORAGE BELOW (UPPER PORTION OF DUPLEX)
002	002		100	R-2	1	2A	ONE (1) CLASS A DWELLING UNIT
003	003		100	R-2	0.5	2A	ONE (1) CLASS A DWELLING UNIT IN CONJUNCTION WITH PORTION OF DWELLING ABOVE (LOWER PORTION OF DUPLEX)
004	004		100	R-2	0.5	2A	PORTION OF CLASS A DWELLING UNIT IN CONJUNCTION WITH DWELLING BELOW (UPPER PORTION OF DUPLEX)
RO F			100	R-2		2B	ROOF TERRACE ON FOURTH FLOOR IN CONJUNCTION WITH THIRD FLOOR DWELLING UNIT.
RO F			100	R-2		2B	ROOF TERRACE IN CONJUNCTION WITH SECOND FLOOR DWELLING UNIT

TOTAL: THREE (3) CLASS A DWELLING UNITS. NO LIVING, NO SLEEPING AND NO COOK ING IN THE CELLAR SPACE ACCESSORY TO THE ONE DWELING UNIT IMMEDIATELY ABOVE . ROOF TERRACE ON 4TH FLOOR IN CONJUNCTION WITH 3RD FLOOR DWELLING. EXHIBITS 1 & 111 RECORDED AND FILED IN THE OFFICE OF THE CITY REGISTER OF T HE CITY OF NEW YORK UNDER CRFN #2015000130154 & 2015000271728.

END OF SECTION

Borough Commissioner

Commissioner

END OF DOCUMENT

PUNCHLIST INSPECTION STATEMENT

Date:_____

174 Richardson LLC
174 Richardson Street #B
Brooklyn, New York 11222

RE: 174 Richardson Street Condominium
Unit #____

Building Address: 174 Richardson Street
Brooklyn, New York 11222

Gentlemen:

As a result of my/our final inspection, please be advised that the following items need either completion, adjustment or repair:

ITEM

1. _____
2. _____
3. _____
4. _____
5. _____

I/we understand that certain items, as set forth in the Offering Plan, are not the responsibility of Sponsor. I/we also understand that to prevent pilferage certain items such as medicine cabinet doors, shower heads, toilet seats and bifold door knobs,

_____
_____
_____
_____
will be installed just prior to my/our date of moving.

_____Purchaser's signature

_____Purchaser's signature

_____
Seller's Representative

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 title 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.

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.

Section 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 fall 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.

CERTIFICATION BY SPONSOR AND PRINCIPALS
PURSUANT TO SEC. 20.4(b)
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED

New York State Department of Law
28 Liberty Street, 21st Floor
New York, NY 10005
Attn: Real Estate Finance Bureau

Re: 174 Richardson Street Condominium
Premises: 174 Richardson Street
Brooklyn, NY 11222

The undersigned certify as follows:

We are the Sponsor and the principals of 174 Richardson LLC, a New York limited liability company which is the Sponsor of the condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the Offering Plan does, and that all documents submitted hereafter by us which amend or supplement the Offering Plan will:

(1) set forth the detailed terms of the transaction and be complete, current and accurate;

(2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(3) not omit any material fact;

(4) not contain any untrue statement of a material fact;

(5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on 2-5-21 by

G Mottola.

Gary Mottola

SPONSOR:

174 Richardson LLC

By: G Mottola

Gary Mottola, Authorized Signatory

PRINCIPALS OF SPONSOR:

G Mottola

Gary Mottola

[SIGNATURES CONTINUED ON NEXT PAGE]

New York State Department of Law
Attn: Real Estate Finance Bureau
Page 3

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on Jan. 29, 2021 by

John Forelle.

John Forelle

[SIGNATURES CONTINUED ON NEXT PAGE]

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on February 5, 2021 by Tyson Pitzer.

Tyson Pitzer

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SEC 20.4(c) OF PART 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

New York State Department of Law
28 Liberty Street, 21st Floor
New York, NY 10005
Attn.: Real Estate Finance Bureau

Re: 174 Richardson Street Condominium
Premises: 174 Richardson Street
Brooklyn, NY 11222

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership retained me, Ritu Saheb, RA, to prepare a report describing the physical condition of the Property (the "Report"). On June 12, 2020, I visually inspected the Property, and I subsequently examined the building plans and specifications that were prepared by Philip Toscano Architects, dated July 26, 2016, and prepared the Report dated November 10, 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 registered architect in the State of New York.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made. I certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire Property as it exists, and is current and accurate as of the date of inspection;

(ii) in my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

New York State Department of Law
Attn: Real Estate Finance Bureau
Page 2

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

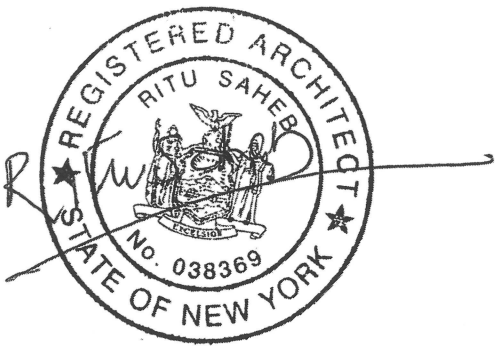
(vii) does not contain any representation or statement which is false, where I: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

I further certify that my firm is not owned or controlled by, and has no beneficial interest in, the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property. It is to be understood that all aspects of the physical condition of the Property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on Nov 10th 2020 by

Ritu Saheb

Ritu Saheb, RA



CERTIFICATION BY EXPERT
ON ADEQUACY OF BUDGET
PURSUANT TO SECTION 20.4(d)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW ARTICLE 23A, AS AMENDED

New York State Department of Law
28 Liberty Street, 21st Floor
New York, NY 10005
Attn: Real Estate Finance Bureau

Re: 174 Richardson Street Condominium
174 Richardson Street
Brooklyn, NY 11222

The undersigned certifies as follows:

The sponsor of the condominium Offering Plan for the captioned property retained our firm, Daniel Sabillon LLC, to review Schedules B and B-1 containing projections of income and expenses for the first year of condominium operation (the "Schedules").

Daniel Sabillon LLC is a real estate management firm with experience in the management of condominium, cooperative, homeowners association, and residential rental properties since 2009. Currently, Daniel Sabillon LLC oversees the management of over 20 properties located in the City of New York and in New Jersey.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedules.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(a) set forth in detail the projected income and expenses for the first year of condominium operation;

(b) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(c) do not omit any material fact;

(d) do not contain any untrue statement of a material fact;

(e) do not contain any fraud, deception, concealment, or suppression;

(f) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(g) do not contain any representation or statement which is false, where we:

i. knew the truth;

ii. with reasonable effort could have known the truth;

iii. made no reasonable effort to ascertain the truth; or

iv. did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

I declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on 7/20/20 by

Daniel Sabillon

Daniel Sabillon LLC

By: Daniel Sabillon, President