



Condominium Offering Plan

68 North Henry Street Condominium

A Plan for Condominium Ownership
of
Premises Known As

68 North Henry Street, Brooklyn, New York 11222

City of New York, Borough of Brooklyn

Kings County, New York



Eleven Condominium Units for Sale

Total Offering Price of seven (7) Residential Condominium Units and four (4) Parking Units For Sale
..... \$10,130,000.00

Sponsor and Selling Agent

68 North Henry Street LLC
270 Madison Avenue, Suite 1203
New York, New York 10016

Name and Address of Sponsor's Attorney

Joseph S. Scarmato, PLLC.
105 Lewis Drive
Upper Nyack, New York 10960
845-548-1880



THE DATE OF ACCEPTANCE FOR FILING THIS OFFERING PLAN IS . THIS
PLAN MAY NOT BE USED AFTER , UNLESS EXTENDED BY AMENDMENT.

SEE PAGE (ii) FOR SPECIAL RISKS TO PURCHASERS.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER PLAN CONSUMMATION, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISK SECTION OF THE PLAN.) PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN.



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PART II

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Document No. 5	–	Form of Condominium Deed
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Document No. 8	–	Warranties on Sales of New Homes
Document No. 9	–	Form of Escrow Agreement
Document No. 10	–	Form of Lease Agreement
Document No. 11	–	Real Property Tax Letter
Certifications:		Sponsor and Principals
		Sponsor's Engineer/Architect
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A. SPECIAL RISKS

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

(A) The Sponsor is reserving the unconditional right to rent Units rather than sell Units after consummation of the Offering Plan. Accordingly, there is no commitment by Sponsor to sell more than 15% of the residential Units or two (2) residential Units, which is necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium. Notwithstanding the fact that not all purchasers used for purposes of declaring the plan effective may actually close, sponsor must re-declare the plan effective in order to consummate the offering plan in accordance with 13 N.Y.C.R.R. § 20.1(c)(6). If all purchase agreements are either rescinded or terminated prior to the date of first Unit closing, regardless of whether the condominium declaration has been recorded, sponsor must re-declare the offering plan effective. As the Sponsor is reserving an unconditional right to rent Units rather than sell after consummation of the plan it may arise that a Unit for purchase will have been previously inhabited. If a buyer is purchasing a Unit that has been previously rented the buyer will purchase the property “as is” and purchaser is strongly recommended to make a thorough inspection of the Unit before closing.

Sponsor has obtained construction financing from Colorado Federal Savings Bank. There is no minimum number or percentage of units which must be under contract before the plan can be declared effective. The lender has set a minimum release price per sale which must be made to the lender in order for the lender to release its lien from the unit being sold, however there are no limits or requirements imposed by the lender for sponsor to rent rather than sell under specified market conditions. Furthermore, because 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 to sell more units than the 15 percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium.

(B) After the plan has been declared effective, Sponsor will serve a notice setting a closing date, which date shall not be earlier than 30 days from the date of such notice. TIME IS OF THE ESSENCE to close on such date. The failure to close on such date will result in the Purchaser losing his down payment, but in no event shall the purchaser lose more than ten percent (10%) of the purchase price. See Section M ("Procedure to Purchase") and Section C ("Definitions") for further details.

(C) The Purchase Agreement to purchase a unit is not contingent on the purchaser's obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose the deposit if unable to pay the balance of the purchase price. Prospective purchasers who need financing to purchase are advised to consult with a bank before executing a Purchase Agreement to ascertain the likelihood of obtaining financing. No representation is made by the Sponsor as the availability or cost of such financing. The Sponsor may, at its sole option, consent to permit a mortgage contingency. In the event the Sponsor consents to permit the same, the purchaser will have the right to condition his Purchase

Agreement upon obtaining a written commitment for a mortgage loan from an institutional lender doing business in New York within FORTY-FIVE (45) days of written notice given by the Sponsor, of not more than 80% of the sales price and the Purchase Agreement will be modified by appending to same the Secured Loan Condition Rider set forth as Exhibit A to the Purchase Agreement in Part II of this Plan (the terms of which are also set forth below). Purchasers should note that the financing commitment may expire or that the terms of the commitment may change prior to actual closing. See Section M ("Procedure to Purchase").

(D) In the event that a purchaser does not close on the Closing Date set forth in the Notice of Closing due to the fault of the Purchaser alone, and Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's closing to his apartment, then Purchaser agrees to pay the Sponsor interest on the unpaid amount of the purchase price from the Closing Date until such amount is paid at the rate of 12% per annum. This rate shall be in effect for as long as there is any unpaid amounts owing towards the full purchase price. This section shall not apply to any delay occurring due to the fault of the Sponsor. See Section M ("Procedure to Purchase") for further details.

(E) Purchaser will be responsible for the following costs at closing, in addition to the purchase price and other closing costs listed in the Section "Unit Closing Costs and Adjustments."

(i) State seller's statutory obligation has been contractually transferred to Purchaser. Purchaser shall be obligated to both the New York State Real Property Transfer Tax (currently 0.4% of the purchase price) and the New York City Real Property Transfer Tax (currently 1.425% of the purchase price) imposed by statute on the transferors of the property. For purposes of calculating the transfer taxes to be paid, consideration includes the transfer taxes paid by the purchaser.

(ii) Purchasers shall be obligated to pay a fee of \$2,500.00 to Sponsor's attorney Joseph S. Scarmato, Esq., for services rendered in connection with the recording of the Declaration of Condominium and the preparation of closing documents. In the event the Purchaser elects to obtain a mortgage, the Purchaser agrees to pay Sponsor's attorney the sum of \$250.00 for review of lender's documents. Should the Purchaser's lender require Sponsor to complete a "Condominium Questionnaire," the Purchaser shall pay Sponsor's attorney the sum of \$150.00 to cover the cost of preparation of the same.

(iii) Each purchaser will be required to pay an additional \$5,000.00 at closing to defray Sponsor's costs, e.g. architectural costs, filing fees, legal fees and other costs incurred in creating the condominium. See Section F ("Schedule A") and Section P ("Unit Closing Costs and Adjustments").

(iv) Purchaser will be required to: (i) pre-pay at closing, its first four (4) months' common charges and (ii) pay an amount equal to four (4) months' common charges to fund the condominium's working capital fund. See Section X ("Working Capital Fund") for details.

(v) Institutional Lenders typically request a certified copy of the survey to the condominium property as a condition to fund a mortgage loan on an individual unit. Purchaser shall pay the Sponsor the sum of \$500.00 per Unit for final "as built" survey. The charge reflects the Sponsor's cost to obtain an original survey certified to the Lender from its Surveyor.

(vi) Purchaser shall reimburse the Sponsor 1/7 of the annual premium for property and liability insurance from the date of inception of coverage which is estimated to be \$625.00 by RJW Brokerage Corp, 651 Willowbrook Road, Staten Island, New York 10314.

(vii) Purchaser shall be obligated to reimburse the Sponsor the sum of \$250.00 for the cost of a set of keys for the post box associated with Purchaser's Unit. See Section P ("Unit Closing Costs and Adjustments")

(F) The Sponsor is reserving the unconditional right to rent rather than sell Units, however the Sponsor may not rent any unit prior to the consummation of the Offering Plan. There are no limits, however, placed on Sponsor's right to rent rather than sell under the terms of the construction loan for the project. Because Sponsor is retaining the right to rent rather than sell units, this plan may not result in the creation of a condominium in which a majority of the units are owned by owner-occupants or investors unrelated to the Sponsor.

(G) No bond or other security has been posted to secure Sponsor's obligations. See Section Q ("Rights and Obligations of the Sponsor").

(H) No managing agent has been selected at this time. Sponsor will manage the condominium free of charge during the Period of Initial Control. In the event repairs to the common areas are required after the closing, the Board of Managers shall be responsible for hiring, supervising and paying for such repairs on behalf of the Unit Owners. After the Period of Initial Control, should the Board of Managers elect to hire a professional managing agent, the cost of such service will result in an increase in the projected annual budget of approximately 6% to cover the fees due to the managing agent. In the event that the unit owners choose not to hire a managing agent after the first year of condominium operations it shall be incumbent upon the Board of Managers to actively manage the condominium by assessing and collecting common charges, hiring and supervising cleaning and maintenance laborers or contractors and undertaking any and all administrative functions including but not limited to paying the expenses of the condominium. See Section H ("Notes to Schedule B") for further details.

(I) The Sponsor is providing an oven/range, refrigerator, dishwasher, microwave oven, and laundry appliances. The Sponsor will not be providing any blinds or shades to the Units and it will be the responsibility of each Unit Owner to provide them, at his or her own cost. See Part II, Document No. 1 ("Description of Property").

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

an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See Section N ("Effective Date") for further details.

(K) As common charges do not include electricity and heating costs for the unit, each Unit Owner will be responsible for the cost of (heating and hot water) electricity supplied to his Unit. See Schedules B and B-1 for further details.

(L) Sponsor will give up control at the earlier of i) three (3) years from the date of the first closing, ii) the date which all units have been sold or iii) such other date on which the Sponsor voluntarily elects to relinquish control. After the initial three (3) year period, the Sponsor shall have the same right to vote as all other Unit Owners and no additional voting rights. The maximum period the Sponsor will control the Board is three (3) years. During this period of Initial Control, the Sponsor shall designate a majority of the Board Members; the remaining Board Members shall be elected by all Unit Owners, other than the Sponsor. Within thirty (30) days of the expiration of the initial three (3) year period of control, the Sponsor will relinquish control by calling a special meeting of the Unit Owners to elect a new Board of Managers who will be elected based on the plurality of the votes. Each and every Unit Owner, including the Sponsor shall have a right to cast one (1) vote equivalent to the percentage of common interest for each unit owned.

(M) The By-Laws of the Condominium do not include a provision that after the initial sponsor voting control period of no more than three (3) years, a majority of the Board of Managers must be Owner-Occupants or members of an Owner-Occupant's household who are unrelated to the Sponsor and its principals. Owner-Occupants and non-resident Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

See Section R ("Control By Sponsor") for further discussion.

(N) As long as the Sponsor or its designee shall own at least one (1) Unit, but in no event later than five (5) years after closing of title to the first Unit, the Board of Managers may not, without the prior written consent of the Sponsor or its designee, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (notwithstanding the above statement, Sponsor may not at any time exercise veto power over expenses described in Schedule B or over expenses required to (a) comply with applicable laws or regulations, or (b) remedy any notice of violation, (c) remedy any work order by an insurer or (d) to insure health and safety of building occupants. Additionally, Sponsor may exercise veto power over expenses other than those described in the previous sentence for a period of not more than five years after the first closing or whenever Sponsor continues to hold unsold units, whichever is sooner), 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). See Section R ("Control By Sponsor") for details.

(O) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, purchasers should note as a special risk that such funds may be released from

the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a purchaser is entitled to rescission, the purchaser will only not receive a refund of any funds used for upgrades or extras to the extent that such funds have been expended by the Sponsor. In the event that the Offering Plan is abandoned, the Sponsor, must return all funds to the purchasers, including those used for upgrades and extras. See Section M ("Procedure to Purchase") for details.

(P) For as long as Sponsor or its designee is the owner of one (1) or more Units in the entire Condominium, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or such designee without the prior written consent of every Unit Owner affected by such amendment. See Section S ("Rights and Obligation of Board of Managers, Summary of By-Laws") for details.

(Q) The Sponsor, as agent of the board of Managers, will collect from each original purchaser at the time of Closing an "Initial Capital Payment" equal to four (4) months' common charges for each unit. The Sponsor will deliver the funds so collected to the Board of managers to provide the necessary working capital for the Condominium. No representation is made that this initial working capital fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the initial working capital fund, it may be necessary for the Board of Managers to increase the charges. See Section X ("Working Capital Fund").

(R) Four (4) parking spaces are provided on the site and will be sold as separate condominium units offered to unit owners on a first come first served basis. Should parking units remain unsold once offered to unit owners, Sponsor reserves the right to sell such unsubscribed parking units to the general public. See the Architect's Description of Property and plans included in Part II as Document No. 1 for further details.

(S) The insurance coverage provided by the Condominium Board does not include claims for personal injury or property damage occurring within a Unit nor does it include coverage for the contents present in the Unit. Therefore, the Unit Owner should consider obtaining the following at his own cost: insurance covering the contents of the Unit, personal property, and liability for personal injury as a result of occurrences in the individual Unit. See Section H ("Notes to Schedule B") and Section T ("Rights and Obligations of Unit Owners") for details.

(T) A person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance. See Section L ("Interim Leases").

(U) The escrow account in which down payments or advances made by purchasers will be placed is covered by federal bank deposit insurance to \$250,000.00 per individual deposit. Any deposit in excess of \$250,000.00 will not be insured in excess of \$250,000.00. See Section M ("Procedure to Purchase") for further details.

(V) The First Closing will be held no later than approximately one hundred eighty (180) days after the Plan is declared effective, unless adjourned by Sponsor, but in no event sooner than thirty (30) days after the date upon which notice is given that the Plan is declared effective. If the First Closing does

not occur before July 1, 2022, the plan will be amended to offer purchasers a right of rescission. Therefore, it is possible that down payments may be held by Sponsor until July 1, 2022, up to twelve (12) months after the anticipated date of commencement of condominium operation in the event that the first closing of a Unit does not occur before such date. See Section N ("Effective Date") for further discussion.

(W) The Sponsor reserves the right to make changes in size, layout and number of unsold Units without the approval of the Board of Managers. The Sponsor will file an amendment to the offering plan disclosing any such changes and any material changes must be with the consent of any affected purchasers. See Section K ("Changes in Prices and Units") for further details.

(X) The condominium is required to file a federal tax form each year whether it has generated any income or owes any tax to the Internal Revenue Service. However, since at least 85% of the units are for residential use, and at least 60% of the association's gross income for the tax year consists of exempt function income consisting of membership dues, fees, or assessments from owners used to pay for the general maintenance of association property, as well as real estate taxes, principal, and interest on that property, it is also unlikely that the condominium will be required to pay any income taxes. If the Condominium is required to pay income taxes, the amount thereof will be levied as an additional common charge. See Part I, Section "Counsel's Income Tax Opinion."

(Y) The New York State Legislature has adopted Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new homes. This new law is applicable to all Purchase Agreements entered into on or after March 1, 1989, for the homes offered for sale under this Plan.

Pursuant to the terms of this law, the Sponsor is giving a Limited Warranty to Purchasers that provides that the home shall be free from (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 to a maximum liability of twenty-five thousand dollars (\$25,000.00); for a period of:

- a. one year for a failure to have been constructed in a skillful manner;
- b. two years for the plumbing, electrical, heating, cooling and ventilation systems of the home to have been installed in a skillful manner; and
- c. six years for structural or material defects.

It shall be the Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, to construct the premises in accordance with all applicable codes and filed plans and specifications, and 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. See Part I, Section Q, "Rights and Obligations of Sponsor," and the complete terms of the Limited Warranty contained in the Rider to the Purchase Agreement set forth in Part II, Document No. 8, "Warranties on Sales of New Homes."

(Z) The New York State Legislature had adopted Section 339-kk of the Real Property Law. Pursuant to the terms of this law, in the event that the Unit Owner has rented out his or her unit and the unit

owner is in default in the payment of common charges, the Board of Managers may direct that all rent payments be paid directly to the Board of Managers in order to cure this default. See Part I, Section T ("Rights & Obligations of Unit Owners & Board of Managers" ("Failure by Non-Occupying Owner to Make Payments on its Unit").

(AA) The use of the Condominium Unit is for single family residence purpose, as well as any commercial, office, home office, home occupation, or any other non-residential uses as may be permitted by the Zoning and Ordinance of the City of New York, Borough of Brooklyn. See Part II, Document No. 7, Condominium By-Laws, Article 8, Section 2.

(BB) If Purchaser obtains a mortgage loan, the Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-e(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage tax previously paid by Sponsor in connection with any existing mortgage(s).

(CC) The proposed condominium budget contains a Reserve Fund that is accrued monthly by a portion of the common charges to provide for any major repairs and/or capital improvements during the first five years of projected operation. The basis of the figure projected for this item is approximately ten percent (10%) of the entire budget. At this time the Sponsor has no knowledge of any capital improvements that may have to be made during the first five years of condominium operation. The Sponsor believes that the proposed Reserve Fund is sufficient to provide for such needs. The Board may elect to amend the current budget to provide an amount sufficient to provide for ordinary repairs and/or capital improvements likely to be needed during the first five years of operation.

(DD) One (1) Lot line window (1'-9" width by 5'-5" height) will be provided at second floor (Unit 2A bathroom), third floor (Unit 3A bathroom), and fourth floor (Unit 4A bathroom). Lot line windows may be obstructed by the neighboring house if they decide to enlarge their structure. These lot line windows are not necessary for light and air purposes. Should an adjacent future development block any of these windows, this will not affect the habitability of any of these rooms. Should the neighboring house decide to enlarge their structure to come within the fire separation distance limit, the unit owners, at their own cost, will need to remove the lot line window and close off the opening.

(EE) Distance between the east façade windows (Units 2B, 3B, 4B, and 5A) of the building and the property line are in compliance with NYC Building Code and regulations. All windows along meeker Avenue will be STC rated to provide sound attenuation.

(FF) Unit Owners shall be responsible for purchasing laundry equipment. Second floor units (2A & 2B), third floor units (3A & 3B), fourth floor units (4A & 4B), and fifth floor unit (5A) will have one (1) laundry closet each. Laundry closet shall be equipped with hookups for domestic type electric washers and gas dryers and is designed for use of stacked laundry appliances. Dryer ventilation is provided by means of a 4" diameter pipe to vent out to the roof.

(GG) Purchasers are advised to visit the NYC Department of Buildings website (section entitled “consumer tips for its recommendation when purchasing units in a condominium that does not have a final certificate of occupancy. In NYC newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy (“FCO”), and sometimes with only a temporary certificate of occupancy (“TCO”) and sometimes with several temporary certificates of occupancy (“TCO”). Certificates of Occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings (“DOB”). A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed or that not all the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining a FCO covering the entire building within two years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two-year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO for the entire building and shall exercise best efforts to obtain the FCO within such two-year period while keeping the TCO current. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings.

(HH) Purchasers should note that even if the first closing occurs on or before January 1, 2022 (or such other date projected as the date of commencement of the operation at the time the purchase agreement was entered into) or within the twelve month period thereafter, the closing of subsequent units may be substantially delayed beyond such dates if a TCO has not been issued for such units or for the floor on which such units are located. In such case, provided that sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against the sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event however, sponsor cannot convey title to the Unit on or before twenty-four (24) months from the date of the purchase agreement, affected purchasers will be afforded the right of rescission.

(II) Right of First Refusal. A Unit owner’s right to sell or lease his or her unit is subject to on behalf of the Unit Owners, the Condominium Board’s, exclusive right of first refusal to either purchase the Unit within fifteen (15) business days after receipt of such notice of sale, or to lease the Unit within ten (10) business days after receipt of such notice of lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article 7 of the By-Laws. See Section T. RIGHTS & OBLIGATIONS OF UNIT OWNERS & BOARD OF MANAGERS.

(JJ) Broker. The Purchaser will represent to Sponsor that he or she has not dealt with any broker other than the Selling Agent in connection with the acquisition of his or her Unit and will indemnify the Sponsor against the claims of any other broker, in the event such broker is not disclosed to the Sponsor at the time of execution of the Purchase Agreement. See also Paragraph 31 of the Purchase Agreement appended hereto as Document 1 of Part II of this Plan.

(KK) Waiver of Jury Trial. Paragraph 20 of the Purchase Agreement appended hereto as Document 1 of Part II of this Plan states that the parties agree to waive the right to a trial by jury in any action, proceeding or counterclaim arising out of or from any breach of the Purchase Agreement.

(LL) Due to possible increases in the tax rate and/or possible further increases in the property's assessed valuation, real estate taxes may be higher than as set forth for the first year of operation and in future years. No warranty is or can be made by Sponsor or any other person that the New York City Department of Housing Preservation and Development or the New York City Real Property Assessment Department, or any agency with jurisdiction, will approve the taxes as estimated. Neither Sponsor nor its counsel shall be liable, if because of change in laws and or regulations or the interpretation of laws and/or regulations or, as to the law office, if the facts represented by Sponsor prove incorrect. See Part I, Schedule A ("Offering Prices and Related Information") and Exhibit 1 ("List of Projected Assessments").

(MM) Building Smoking Policy. The current law governing smoking in class A multiple dwellings in New York City is the Smoke-Free Air Act ("SFAA"). As of the date of this guidance document, SFAA prohibits smoking or using electronic cigarettes in common indoor areas of buildings with three or more residential dwelling units including condominiums. As of August 28, 2018, Local Law 147 amended the Administrative Code of the City of New York ("NYC Administrative Code") to require that all class A multiple dwellings adopt a written smoking policy for the building that is disclosed to all residents and incorporated into all leases, purchase agreements, and building governing documents.

As such, it shall be the policy of the condominium to prohibit smoking or using electronic cigarettes in common indoor areas of building. Smoking shall be permitted inside residential units and in outdoor common areas of the building in areas designated by the Board of Managers including common courtyards, rooftops, balconies and patios and any outdoor areas connected to the dwelling units.

The building's smoking policy also must be incorporated into any agreement to rent or purchase a dwelling unit, including a dwelling unit in a condominium.

(NN) On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. Accordingly, it is our opinion that a Unit Owner who itemizes deductions will be entitled to deduct, for federal income tax purposes, real estate taxes in the amount of up to \$10,000.00 a year assessed against his Unit. Purchasers should note, that the \$10,000.00 tax deduction is for the combined New York State income taxes, New York City (or local) income taxes and real estate taxes. Accordingly, in the event the Unit Owner's combined New York State income taxes, New York City (or local) income taxes and real estate taxes exceed the \$10,000.00 threshold, a Unit Owner may not be able to realize a deduction for amounts over the \$10,000.00 threshold. In addition, a Unit Owner who itemizes deductions will be entitled to deduct, for federal income tax purposes, interest on any acquisition indebtedness up to \$750,000.00. See Sections 163 (interest) and 164 (taxes) of the Internal Revenue Code of 1986, as amended

(the “Code”). These expenses will be deductible when paid or accrued in accordance with the Unit Owner’s method of accounting. See Section “Counsel’s Income Tax Opinion.”

(OO) Due to possible increases in the tax rate and/or possible further increases in the property’s assessed valuation, real estate taxes may be higher than as set forth in the first year of operation and in future years. No warranty is or can be made by sponsor or any other person that the New York City Department of Housing Preservation and Development or the New York City Real Property Assessment Department, or any agency with jurisdiction, will approve the taxes as estimated. Neither sponsor nor its counsel shall be liable, if because of change in laws and/or regulations or the interpretation of laws and/or regulations or, as to the law office, if the facts represented by sponsor prove incorrect.

B. INTRODUCTION

Purpose of the Offering Plan

The purpose of the Plan is to set forth all the material terms of the offer to sell these Units as condominium units. The Plan may be amended from time to time to reflect changes which materially affect the offering. All amendments will be filed with the New York State Department of Law and will thereafter be served upon purchasers who have executed and delivered Purchase Agreements to the Sponsor or Selling Agent and are not in default, Unit Owners and any other person entitled to service pursuant to local law or regulation.

The Offer

The Sponsor presents this Offering Plan (the "Plan") for conversion to condominium ownership of the Property pursuant to and in compliance with Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"). The condominium shall be known as 68 North Henry Street Condominium (the "Condominium").

As of the date that the Plan is accepted for filing, the Sponsor has not entered into any contracts or agreements, written or oral, and has not accepted any deposits or advances with respect to the Units to be offered under this Plan.

The offering plan encompasses the building and all appurtenances thereto at 68 North Henry Street, City of New York, Borough of Brooklyn, Kings County, New York (the "Building"), and the land on which they are to be erected. The Sponsor is 68 North Henry Street LLC, a limited liability company formed in 2017, having an address at 270 Madison Avenue, Suite 1203, New York, New York 10016 ("Sponsor"). The Sponsor is record owner of the property having acquired title on March 23, 2017 from Mary Pando, 573 Meeker Avenue, Brooklyn, New York 11222. There is a six (6) story steel and masonry building currently under construction and the building is vacant and without tenancies of any kind. The building contains in seven (7) units. Four (4) parking spaces are provided on the site and will be sold as separate condominium units offered to unit owners on a first come first served basis. Should parking units remain unsold once offered to unit owners, Sponsor reserves the right to sell such unsubscribed parking units to the general public. The Sponsor will construct the improvements from its own funds and with the assistance of Colorado Federal Savings Bank, 8400 E. Prentice Avenue, Suite 840, Greenwood Village, CO 80111, the construction lender. The terms of the construction loan do not limit the sponsor's obligation to market the units for sale and there is no minimum number or percentage of units which must be under contract before the plan can be declared effective. The lender has stipulated a required minimum payment per sale which must be made to the lender in order for the lender to release its lien from the unit being sold. There are no limits or requirements imposed by the lender for sponsor to rent rather than sell under specified

market conditions. The purchase prices and estimated Common Charges (payable on a monthly basis) for each of these Units are listed in Schedule A – Purchase Price and Other Financial Details for Each Unit.

It is the Sponsor's intent to sell the Units and represents that it will endeavor in good faith to sell Units rather than rent. If Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell Units. Notwithstanding, Sponsor reserves the unconditional right to rent rather than sell. Because Sponsor is retaining the unconditional right to rent rather than sell units after plan consummation, this plan may not result in the creation of a condominium which a majority of the units are owned by owner-occupants or investors unrelated to the sponsor. Purchasers for their own occupancy may never gain control of the board of managers under the terms of this plan.

Such building, units and land are hereinafter collectively called the "Property."

The Sponsor hereby offers seven (7) residential and four (4) parking Condominium Units for sale under the Plan. The purchase prices and estimated Common Charges (payable on a monthly basis) for each of these Units are listed in Schedule A – Purchase Price and Other Financial Details for Each Unit. THE PRICES CONTAINED IN THE PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARM'S LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY.

The Plan delivered to prospective purchasers contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Office of the Attorney General in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on-site sales office is open and at the office of the selling agent or Sponsor.

Each unit owner is obligated to comply with the declaration, the by-laws and rules and regulations of the condo.

Basic Aspects of Condominium Ownership

The ownership of a condominium unit is similar in many respects to the ownership of a private home. Each purchaser owns his Unit outright, in fee simple absolute, and is entitled to exclusive possession of his Unit together with an interest in and right to use the Common Elements and the Limited Common Elements, if any. The Common Elements essentially consist of all parts of the Property other than the Units themselves, are owned by all of the Unit Owners as tenants in common, each having an undivided interest therein.

The Common Elements consist of all portions of the Condominium Property that are not designated as Units or parts thereof. The Common Elements include, generally, and without limitation, the Condominium Property including the portions on which the Building is erected.

Limited Common Elements

Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more Units. Balconies and walkways adjacent to and accessed directly from a Unit are limited common elements for the exclusive use of such Unit. See Schedule A hereof.

The common elements are not subject to partition nor are they severable from the Units except in accordance with The Condominium Act (Article 9-B of the Real Property Law).

Common Charges

Each Unit Owner must pay Common Charges in accordance with the New York Condominium Act, Sections 339-i and 339-m. These charges are payable on a monthly basis. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Units, and Common Elements, and maintenance and operation of the Common Elements. For more information on Common Charges and how they are assessed, see Article VI of the By-Laws attached hereto as Document No. 7. See also Schedule B hereof, Projected Budget for the First Year of Operation.

Other than as set forth herein, there is no restriction upon ownership of a Unit.

Occupancy of a Home, however, may only be for residential purposes. See "Rights and Obligations of Unit Owners." Homes can be sold or leased by a Home Owner without limitation, provided that he is not in arrears on the payment of common charges (except where the payment of such unpaid common charges is paid by the Grantee or provided for out of the proceeds of the sale). A Purchaser is free to lease, make a gift of his Home to anyone during his lifetime or to devise his Home by will, or to have it pass by intestacy without any restriction.

Any Unit Owner may sell or lease his or her Unit to anyone, without restriction or limitation, subject only to Civil Rights laws and the right of first refusal in favor of the Board of Managers of the Condominium (the "Condominium Board") or a third party produced by the Condominium Board to acquire or lease such Unit upon the same terms that were offered to the prospective buyer or tenant. Note that the following is merely a summary of conditions for the resale or lease of a Unit, and purchasers should refer to Article 7 of the By-Laws attached hereto for detailed restrictions on sale, resale or leasing of Units. Any deed to a subsequent purchaser must provide that the acceptance thereof by the grantee constitutes an assumption of the provision of the Declaration, the By-Laws, and the rules and regulations of the Condominium as they may be amended from time to time.

No Unit Owner may convey or mortgage title to his Unit without including therein the appurtenant interest in the common elements.

No Unit Owner is permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he has paid in full to the Board of Managers all unpaid Common Charges previously assessed by the Board of Managers against his Unit, and until he shall have satisfied all unpaid liens against the Unit, except permitted mortgages.

The Board of Managers has the power and responsibility for the operation of the Condominium. These responsibilities include, among other things, the operation, care, upkeep and maintenance of the Common Charges, collection of Common Charges from the Unit Owners, employment of personnel, adoption and amendment of rules and regulations, maintenance of bank accounts, obtaining insurance, making repairs, additions and improvements or alterations to the Common Elements, repair, reconstruction and restoration of damage by fire or other casualty, and such other functions as may be required in connection with the operation and maintenance of the Property. The Board of Managers will elect a President, a Secretary, a Treasurer, and such Vice Presidents as it may deem necessary for the administration of its affairs. No member of the Board nor any officer will receive any compensation for acting in such capacity. The Board may engage a manager or managing agent to perform any of its delegable duties as provided in the By-Laws of the Condominium, and may pay such manager or managing agent such compensation as to the Board deems desirable.

Each Unit is entitled to vote as follows: (a) each Residential Unit shall be entitled to one (1) vote equivalent to the percentage of common interest assigned to such unit in all matters which require a vote of the Unit Owners. Where title to a Unit is held by two (2) persons, each such co-owner will be entitled to one-half ($\frac{1}{2}$) the vote allocated to that Unit. Except in those instances where the New York Condominium Act, the Declaration or the By-Laws provide otherwise, all matters to be decided by the vote of Unit Owners will be decided by a majority vote thereof.

Each Unit will be separately taxed for real estate tax purposes and, therefore, no Unit Owner is liable for the payment of real estate taxes on any Unit other than his own. Each unit may be separately mortgaged and no Unit is subject to the lien of a mortgage on any other Unit.

Fire and liability insurance covering the Common Elements and water and sewer charges covering the entire Condominium are included with other items as part of the Common Charges, but fire and liability insurance for the purchaser's personal effects in the interior of each Unit, including, but not limited to decorations, painting, furniture or improvements made by the Unit Owner, should be carried out by the individual purchaser. Each Unit Owner desiring such coverage on his personal effects must purchase his own policy at his own cost and expense. All policies purchased by Unit Owners must contain waivers of subrogation and must contain provisions to the effect that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of the policy or policies carried by Unit Owners.

All painting and decorating of exterior portions of the Building and Common Elements as well as all repairs and replacements to the Common Elements shall be made by the Board of Managers through its officers, its manager or managing agent. No further approval of the Unit Owners shall be required for the foregoing, regardless of the cost, and such costs will be charged to the Unit Owners as Common Charges,

except to the extent that the same may be charged to a particular Unit Owner if such costs are necessitated by his negligence or misuse.

Each Unit Owner may decorate the interior of his or her Unit in any manner that he or she desires, subject to compliance with the Condominium's By-Laws and the Rules and Regulations promulgated pursuant thereto, and will be solely responsible for the cost and expense of maintaining, repairing, painting and maintaining casualty and liability insurance on his or her Unit.

The Sponsor is providing an oven/range, refrigerator, dishwasher, microwave oven, and laundry appliances. The Sponsor will not be providing any blinds or shades to the Units and it will be the responsibility of each Unit Owner to provide them, at his or her own cost.

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

Limitations on Purchase of Units

There are no restrictions on who may purchase a Unit in the Condominium. However, the Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever any Unit Owner or mortgagee, to refuse to approve and execute (i) a Purchase Agreement for any Unit, and (ii) a Purchase Agreement or Agreements, as the case may be, for more than one (1) Unit to any one person or entity; provided, however, that neither the Sponsor nor the Selling Agent will discriminate in the sale or lease of Units on the basis of race, creed, sex, color, disability, marital status or national origin.

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.

Estimate of Commencement of Condominium Operations

The Sponsor projects that condominium operations shall commence upon the conveyance of title to all of the purchasers estimated to be by January 1, 2022. In the event that the actual or anticipated date of commencement of condominium operation is delayed by twelve (12) months or more from the anticipated date of closing, the Sponsor will amend the plan to offer all purchasers the right for fifteen (15) days following the presentation of such amendment within which to rescind their offer to purchase and to have their down payments refunded.

Contents of Part II

The agreement to purchase a Unit is called a "Purchase Agreement," the general form of which is set forth in Part II as Document No. 2. The terms of sale of Units, as well as the procedure to purchase the same, are summarized in Section M, "Procedure to Purchase."

The form of Unit Owner's Power of Attorney that each Unit Owner will be required to give to the Condominium Board and to Sponsor pursuant to Article 14 of the Declaration, set forth as Document No. 6 in Part II of the Plan. The Power of Attorney (1) gives the Board of Managers the power to acquire a unit when offered for sale by a Unit Owner or pursuant to foreclosure and (2) permits the Board of Managers to file an instrument affecting the condominium with respect to compliance with laws, zoning, easements, etc. For more details see the form annexed as Document No. 4 in Part II of the Plan. The form of deed that Sponsor will issue to purchasers of Units is set forth as Document No. 5 in Part II.

A detailed description of the physical condition of the Property is set forth in Part II as Document No. 1, entitled "Description of Property," which includes an architect's/engineer's report describing the property, and should be reviewed carefully by prospective purchasers.

Floor plans of the Units are set forth in Part II as part of Document Number 1.

The salient provisions of the Declaration of the Condominium (the "Declaration"), which is the document that establishes condominium ownership of the Property, and the By-Laws of the Condominium (the "By-Laws"), which govern the operation of the Condominium and to which are annexed the Rules and Regulations of the Condominium (the "Rules and Regulations"), are partially summarized in Section T, "Rights and Obligations of Unit Owners and Board of Managers" and are reproduced in full in Part II as Document Numbers 6 and 7, respectively. Each Unit Owner is required to comply with the Declaration, the By-Laws, the Rules and Regulations and any other requirement of the Board of Managers.

Parts I and II constitute the entire offering and contain all the detailed terms of the offer. The exhibits submitted to the Department of Law in connection with the filing of the Plan contain additional supporting documentation. All of these are available for inspection and copying to prospective purchasers and their attorneys at the office of the attorneys for the Sponsor during regular business hours. There will be no charge for inspection. However, there will be a charge of forty cents (\$0.40) per page for copying. The Plan and exhibits are also available for inspection and copying by appointment (at a current charge of \$.025 per page) at the Department of Law, 28 Liberty Street, 15th floor, New York, New York 10005. There is a \$25.00 deposit required for each copy of the book, which will be refunded if it is returned to the Sponsor in good condition, normal wear and tear excepted.

C. DEFINITIONS

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

1. Sponsor: As used in New York State regulations pertaining to newly constructed and vacant condominium, the word "sponsor" means "any person, partnership, joint venture, corporation, company, trust, association or other entity or agent thereof who makes or takes part in a public offering or sale in or from the State of New York of participation interests or investments in real estate including condominium interests in realty." The Sponsor of this offering plan is 68 North Henry Street LLC. See Section Y ("Identity of Parties") for more details.
2. Initial Control by Sponsor. The Sponsor will maintain control of the Board of Managers of the Condominium three (3) years from the date of the first closing or when all residential units have been sold, whichever comes first. During this period of Initial Control, the Sponsor shall designate a majority of the Board Members; the remaining Board Members shall be appointed by the Unit Owners. After the initial three-year period, the Sponsor will maintain control of the Board of Managers as long as the Sponsor owns a majority of the units. See "Control by Sponsor" and the By-Laws in Part II for further discussion.
3. New York Condominium Act: Article 9-B of the Real Property Law of the State of New York, as amended, which sets forth provisions governing the creation and operation of condominiums, and to which the Condominium is the subject of this Offering Plan, is submitted.
4. Declaration: The instrument by which the Property is submitted to the provisions of the New York Condominium Act and that instrument as from time to time amended, consistent with the provisions of the New York Condominium Act and the By-Laws of the Condominium.
5. Unit: Any unit designated as such in the Declaration of the Condominium and further described in the floor plans to be filed simultaneously with the Declaration.
6. Unit Owner: The person or persons owning a unit in fee simple absolute.
7. Common Elements: All that part of the Condominium Property or facilities servicing or benefitting all the Units comprising the Condominium, as defined in Section 339-e of the Condominium Act. The Common Elements include generally, and without limitation: (i) all parts of the building (other than the Units) including but not limited to the foundation, structural elements, sheathing, windows, exterior doors, roof and supports of the building; and (ii) all areas or facilities for the common use of all the Units and Unit Owner. Common Elements consist of all portions of the Condominium Property which are not designated as Units or parts thereof.
8. Limited Common Elements: Limited Common Elements generally are those Common Elements reserved for the exclusive use and enjoyment by one or more Units.
9. The Condominium: 68 North Henry Street Condominium, proposed to be created and organized as provided for in this Offering Plan, consisting of land, building, and appurtenances.

10. Condominium Documents: This Offering Plan, and the Declaration, Floor Plans, By-Laws and rules and regulations of the Condominium and all Exhibits for the foregoing, as amended from time to time

11. Board of Managers: The governing body of the Condominium, being the group selected, authorized and directed to manage and operate the Condominium as provided by the New York Condominium Act, the Declaration and the By-Laws. The Board of Managers will manage and operate the building as provided by the New York Condominium Act, the Declaration and the By-Laws.

12. Common Expenses: Expenses for which Unit Owners shall be proportionately liable, and includes the actual and estimated expenses of operating the property, assessments relating to repair, maintenance, replacements, management and operation of the Condominium, and reasonable reserves for such purposes as found and determined by the Board of Managers, and sums designated as Common Expenses by or pursuant to the Condominium Documents.

13. Common Charges: Assessments by the Board of Managers upon the Unit Owners, in proportion to their respective interests in the Common Elements for the purpose of paying Common Expenses. NOTE: These charges are payable to 68 North Henry Street Condominium by Unit Owners on a monthly basis.

14. Common Interest: The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration.

15. Condominium Property or Property: The land described in the Declaration (see Document No. 6) which is subject to the Condominium Act by the Declaration, together with all improvements thereon and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.

16. Floor Plans: shall mean the floor plans of the Units filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and By-Laws and the Floor Plans.

17. Time of the Essence: shall mean that the purchaser must cure a default under his purchase agreement by the date indicated on the notice of closing or forfeit his down payment.

18. Below Grade: means below first floor or ground floor level.

19. Lot Line: shall mean the boundaries of the tax lot as determined by the real property assessment department or other appropriate bureau or governmental authority having jurisdiction over the same. Lot line windows are windows located on such boundaries, in the event the building is constructed on the lot lines.

20. First Class Condition: shall mean same as new, excepting normal wear and tear.

A complete set of definitions is set forth in Schedule C to the Declaration of the Condominium set forth in Part II of the Plan.

D. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

This description of the property and improvements is intended to provide a general outline of the land, building and units, but shall not be interpreted as enlarging in any manner, directly or by reference, the obligations or liability of the Sponsor as set forth in this Plan. A more detailed description of the building and property, including the Engineer's report and floor plans is set forth in the "Description of Property," Document No. 1 in Part II of the Plan.

The land will be known by street address as 68 North Henry Street, Brooklyn, New York. All homes have direct access to 68 North Henry Street. There is one six (6) story steel and masonry building currently under construction and the building is vacant and without tenancies of any kind. The building contains in seven (7) residential condominium units. There is an enclosed garage containing four (4) parking spaces on the site and each will be sold as separate condominium unit offered to unit owners on a first come first served basis. Should parking units remain unsold once offered to unit owners, Sponsor reserves the right to sell such unsubscribed parking units to the general public. See the Architect's Description of Property included in Part II, Document No. 1 entitled "Description of Property and Specifications" for further details.

The property will be improved and the Units built in accordance with all applicable zoning and building laws, regulations, codes, and other government requirements.

The Units and Common Elements will be built substantially in accordance with this Plan and with the Plans and Specifications filed with the Building Department as the same may be amended. The Units, when fully completed, will comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction. The Plans and Specifications will be available for inspection at the Sponsor's office on the Property.

The Dimensions of the Units (residential and parking units) shown on the Floor Plans reflect the approximate interior dimensions of each unit within reasonable tolerances. Accordingly, for residential units, they measure the approximate distance from the inner face of the outer wall of the building to the inner face of the wall separating the unit from corridors, stairs, elevators, vestibules and other units. A Parking Unit is an area to be used for the storage of a motor vehicle existing either on the condominium common property or within the building whose location and horizontal dimensions as set forth in the building plans and whose vertical dimension measured from the exterior surface of the asphalt or concrete slab, shall be a maximum of seven (7') feet.

No Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Unit which are utilized for or serve more than one (1) Unit. Any area and/or installation which is designated on the Floor Plans as part of a Unit shall be considered as part of said Unit.

The Sponsor reserves the right to amend or modify such plans, specifications and description of property (including changes in area, floor plans and allocation of space, changes in materials, and other construction details) and substitute in place of any materials and other construction details set forth herein

or in Document No. 1 in Part II of this Plan, materials and other construction details of equal or better quality; provided that the approval of any governmental authority having jurisdiction thereover, if necessary, is first obtained and provided that the Sponsor may not change the site, location of building or units, other improvements or common elements if such changes affect the percentage of common interests, or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. All references in this Plan to "Plans and Specifications" shall mean the aforesaid plans and specifications for the Building prepared by the Sponsor's architects and Engineers as the same may have, from time to time, been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the provisions of this paragraph.

Gas and electricity are supplied by Consolidated Edison Company of New York, Inc. Heating, cooling and cooking appliances for each unit will be powered by electricity. There will be limited natural gas service to the building for use in certain common area. Each unit is separately metered and billed for electricity and shall be paid for by each individual Unit Owner. Water will be supplied by the City of New York. However there will be a single common meter for water the cost of which will be paid through common charges. Sewage disposal is provided by a municipal system owned and operated by City of New York. The cost of usage is a flat-rate fee and will likewise be paid through common charges.

The Sponsor is providing an oven/range, refrigerator, dishwasher, microwave oven, and laundry appliances. The Sponsor will not be providing any blinds or shades to the Units and it will be the responsibility of each Unit Owner to provide them, at his or her own cost. See Part II, "Description of Property" for further details.

The condominium property abuts North Henry Street and Meeker Avenue, each being a public road.

Estimate of Completion

Construction of the project commenced in July of 2019. The Sponsor projects that the project will be completed by July 1, 2021 along with all common utility and site improvements to service these units. However, Sponsor makes no warranty or guarantee that the building will be completed by said date. Upon the issuance of Certificates of Occupancy for these first units, the Sponsor intends to declare the condominium effective and convey those units to Purchasers.

E. LOCATION AND AREA INFORMATION

The following is a general description of the Property, including the Building, the Units and the Common Elements. Reference should be made to the Architect's Inspection Report, reproduced in full as Document Number 1 in Part II of the Plan, for a more detailed description of the Property and its physical condition.

Location

The building is located at 68 North Henry Street, Borough of Brooklyn, City of New York, Kings County, New York. The site is located within an R-6 Multifamily zone which permits residential Multiple Dwellings. The Sponsor is not involved with any other development projects in the immediate vicinity and is not aware of any publicly announced development projects by others that will be adjacent to or across the street from the property. The Sponsor shall disclose any change in the above information that occurs while sales are continuing in an amendment within thirty (30) days after the information becomes known.

Municipal Services

The property abuts Meeker Avenue, a major east west arterial road in Kings County, which road is served by the B-24 local bus service operated by the Metropolitan Transit Authority (MTA). The B-24 bus line runs south to Graham Avenue, approximately one half mile, to the New York City Subway System's L Train at Graham Avenue Station, and service to New York City.

Gas and electricity are supplied by Consolidated Edison Company of New York, Inc. Each unit has its own electric meter. Heating, cooling and cooking appliances for each unit will be powered by electricity. There will be limited natural gas service to the building for use in certain common area. Water will be supplied by the City of New York. Each unit is separately metered and billed for electricity. These services are paid for by each individual Unit Owner. Water will be supplied by the City of New York. However, natural gas and water will be paid through the common charges. Sewage disposal is provided by a municipal system owned and operated by City of New York. The cost of usage is a flat-rate fee and will likewise be paid through common charges.

Manhattan Avenue is a north-south thoroughfare in the Brooklyn neighborhoods of Greenpoint and Williamsburg. It is the major shopping street in Greenpoint and is located within one half mile of the condominium.

The nearest major medical facility to the condominium is Woodhull Medical Center, a 320 bed facility operated by the City of New York and located within 1.5 miles of the condominium at 760 Broadway, Brooklyn, NY 11206 in the Bedford-Stuyvesant section of Brooklyn. Its focus is on preventing disease and promoting healthy lifestyles in the community of North Brooklyn through its fifteen centers.

The nearest recreational area is Monsignor McGorlick Park, a compact neighborhood park featuring historic pavilion, playground, picnic tables & war monuments located two blocks north of the condominium between Nassau and Driggs Avenues.

Public schools in the serving the area are PS 110 Elementary School, 124 Monitor Street, Brooklyn (Grades 1-5); John Ericson Middle School, 424 Leonard Street, Brooklyn (Grades 6-8) and Northside Charter High School, located at 424 Leonard Street Brooklyn (Grades 9-12). In addition, there are a number of private religious schools located in close proximity to the condominium.

The area is protected by the Police & Fire Departments of the City of New York. The nearest Police Precinct is New York City Police Department 94th Precinct, located on 100 Meserole Ave, Brooklyn, NY 11222, approximately one-half mile from the condominium. The nearest fire station is FDNY Engine 229 Ladder 146, located at 75 Richardson St, Brooklyn, NY 11211, Brooklyn, New York, approximately one mile from the condominium.

The condominium property abuts two public roads maintained by the City of New York, North Henry Street and Meeker Avenue. The New York City Department of Sanitation provides sanitation pick-up and snow removal services for public roads adjoining the site.

F. SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION



68 NORTH HENRY STREET CONDOMINIUM

Schedule A

Projected charges are for the initial year of operation as a condominium from January 1, 2022 to December 31, 2021 (12 months).

(1) Unit Number	(2) Location Floor #	(3) No. of Bdrms / Bthrms	(4) Approx. Gross Square Footage	(5) Uninhabitable Area (Limited common elements)	(6) Offering Price	(7) Percentage of Interest in Common Elements	(8) Estimated Common Charges		(9) Estimated Real Estate Taxes		(10) Total Estimated Common Charges and Real Estate Taxes	
							Monthly	Yearly	Monthly	Annual	Monthly	Annual
2-A	Second	2 / 2	934.2	152.25	\$1,285,000	12.7%	\$ 386.85	\$4,642.16	\$1,223.81	\$14,651.10	\$1,611.57	\$19,293.26
2-B	Second	2 / 2	846.93	152.25	1,210,000	10.3%	313.74	3,764.90	994.04	11,882.39	1,309.00	15,647.29
3-A	Third	2 / 2	934.20	23.45	1,235,000	12.7%	386.85	4,642.16	1,223.81	14,651.10	1,611.57	19,293.26
3-B	Third	2 / 2	846.93	31.54	1,185,000	12.1%	368.57	4,422.84	1,162.28	13,958.92	1,530.55	18,381.76
4-A	Fourth	2 / 2	934.20	23.45	1,315,000	12.7%	386.85	4,642.16	1,223.81	14,651.10	1,611.57	19,293.26
4-B	Fourth	2 / 2	846.93	31.54	1,260,000	12.0%	365.52	4,386.29	1,162.28	13,843.56	1,530.55	18,229.85
PH	Fourth and Fifth	3 / 2	1517.10	1460.99	2,315,000	21.5%	654.90	7,858.77	2,065.96	24,803.05	2,720.55	32,661.82
P-1	Handicapped		517		100,000	1.50%	45.69	548.29	144.20	1,730.45	189.90	2,278.74
P-2	Direct Access		380		75,000	1.50%	45.69	548.29	144.20	1,730.45	189.90	2,278.74
P-3	No Direct Access		188		60,000	1.50%	42.18	548.29	144.20	1,730.45	189.90	2,278.74
P-4	Direct Access		485		90,000	1.50%	45.69	548.29	144.20	1,730.45	189.90	2,278.74
Total			7,496		\$10,130,000	100.00%	\$3,042.53	\$36,552.41	\$ 9,613.58	\$115,363.00	\$12,684.96	\$151,915.46

NOTE: The square footage of the units does not include the square footage of the patio roof deck or cellar. These spaces are considered uninhabitable areas which may not be used as a bedroom or living room and to do so may result in a building code violation being issued for the building.



68 NORTH HENRY STREET CONDOMINIUM

FOOTNOTES TO SCHEDULE A

(1) Unit Number

Prospective Purchasers should refer to the Floor Plans in Part II of the Plan for an approximation of the dimensions the Units. Each Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing.

(2) Number of Bedrooms/Bath

The room count is based on the New York City Zoning Resolution.

(3) Approximate Gross Square Footage

The approximate physical dimensions of the interior of each Unit consists of the area enclosed horizontally on each of one or more floors by the interior face (unit side) of the masonry or brick walls of the Building and by the unit side face of the masonry or brick walls dividing the Units from corridors, stairs, or Common Elements. Where there are no masonry or brick walls dividing a Unit from a Common Element, then the unit side face of the stud shall be the Unit boundary. Vertically, each Unit consists of the space between the lower face of the sub-floor and the upper face of the drywall ceiling. The units are not measured from the exterior walls.

There is no uninhabitable space in any of the units.

(4) Approximate Square Footage of Limited Common Elements

Certain Units may have amenities that are appurtenant to the particular unit. Each stated amenity, if any, is described on Schedule A as a Limited Common Element. For a description of the rights and obligations of the Unit Owners with respect to the repair and maintenance of the Limited Common Elements, see the section of the Plan titled, "Rights and Obligations of Unit Owners and the Condominium Board" in Part I of the Plan.

(5) Purchase Price

***THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT
SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW.***

The purchase price and other terms of sale of the Units may be negotiated by Sponsor, and therefore may be changed. In addition, Sponsor reserves the right to change the purchase price of Units not subject to executed Purchase Agreements without notice. Accordingly, Purchasers may pay different prices for similar Units.

However, across the board changes in the total cash purchase prices affecting one or more lines of units, changes in total cash purchase prices that are to be advertised, or increases in total cash purchase prices, shall be made by amendment only. Individually negotiated decreases in total cash purchase prices may be made without amendment to the Plan. See "Changes in Prices or Units" in Part I of the Plan for details.

Each Purchaser should expect to pay for certain other expenses at the closing as explained in the section titled "Unit Closing Costs and Adjustments". Purchaser is advised to consult with the lending institution of his or her choice as to current charges.

(6) Percentage of Common Interest

The percentage of Common Interest Allocated to each Unit is based upon respective floor space, location, uniqueness, overall dimensions and/or similar factors of relative value to other space in the Condominium. The allocations are made pursuant to Section 339-l 1(iv) of the Real Property Law, which is part of Article 9-B of the Condominium Act. The aggregate Common Interest of all Units equals 100%.



DOME PROPERTY MANAGEMENT, INC.

(7) Estimated Common Charges

The total annual projected common charge is based on the projected budget for first year of operation. The monthly common charge payable by each Unit Owner is based on the Unit Owner's percentage of common interest in the Condominium. The annual common charges may vary due to changes in operating expenses, including but not limited to the cost of utilities, snow removal and insurance. See footnotes to Schedule B and Schedule B-1 for a more detailed description of the expenses and services related to ownership of a Unit.

The annual common charges do not include the cost of maintaining the unit, making repair thereto, or electricity or cooking gas for each unit—all of which are the responsibility of each Unit Owner.

If a Purchaser obtains financing for his or her unit, the debt service for said loan would be in addition to the common charges set forth herein.

(8) Estimated Real Estate Taxes

This real estate tax estimate for the Condominium's first year of operation is assumed to begin January 1, 2022 .

After the condominium is divided into individual tax lots, each unit will be taxed as a separate tax lot for real estate tax purposes and the unit owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the non-payment of taxes on other units. Each Unit Owner's real estate taxes may be based on the Unit Owner's percentage of common interest of the real estate taxes for the entire Property.

The projected deductibility of real estate taxes for income tax purposes (where applicable) may vary in future years due to changes in the interest rate on the unit owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

DUE TO POSSIBLE INCREASES IN THE TAX RATE AND/OR POSSIBLE FURTHER INCREASES IN THE PROPERTY'S ASSESSED VALUATION, REAL ESTATE TAXES MAY BE HIGHER THAN AS SET FORTH FOR THE FIRST YEAR OF OPERATION AND IN FUTURE YEARS. NO WARRANTY IS OR CAN BE MADE BY SPONSOR OR ANY OTHER PERSON THAT THE NEW YORK CITY DEPARTMENT OF HOUSING PERSERVATION AND DEVELOPMENT OR THE NEW YORK CITY REAL PROPERTY ASSESSMENT DEPARTMENT, OR ANY AGENCY WITH JURISDICTION, WILL APPROVE THE TAXES AS ESTIMATED. NEITHER SPONSOR NOR ITS COUNSEL SHALL BE LIABLE, IF BECAUSE OF CHANGE IN LAWS AND/OR REGULATIONS OR THE INTERPRETATION OF LAWS AND/OR REGULATIONS OR, AS TO THE LAW OFFICE, IF THE FACTS REPRESENTED BY SPONSOR PROVE INCORRECT.

First Year of Condominium Operation: As set forth the "Letter of Opinion regarding proposed real estate tax liabilities", dated June 23, 2020, prepared by Metropolitan Realty Exemptions, Inc. ("MRE"), 118 Middleton Street, Brooklyn, Sponsor's real estate tax expert:

Building Type: Proposed new construction.

Projected tax assessment for the Building following completion of construction: \$924,901

Projected 2021/2022: Tax rate: \$12.473 per \$100.00; Annual real estate taxes: \$115,363.

(9) Total Estimated Common Charges and Real Estate Taxes

The total estimated common charges and real estate taxes are the sum of the projected annual/monthly common charges (column 7), plus the annual/monthly real estate taxes (column 8). As stated, the Condominium's first year of operation is assumed to commence January 1, 2022 . If a Purchaser obtains financing, the Purchaser's debt service will be an additional expense.

**PURCHASERS SHOULD CONSULT WITH THEIR OWN ATTORNEY
BEFORE SIGNING A PURCHASE AGREEMENT.**

EXHIBIT 1

LIST OF PROJECTED ASSESSMENTS



68 NORTH HENRY STREET CONDOMINIUM

Exhibit 1

Projected assessments for the initial year (12 months) of operation as a condominium commencing January 1, 2022 .

Unit Number	Location Floor #	No.of Bdrms / Bthrms	Approx. Gross Square Footage	Projected Assessed Valuation	
2-A	Second	2 / 2	955	117,771	
2-B	Second	2 / 2	907	95,676	
3-A	Third	2 / 2	955	117,771	
3-B	Third	2 / 2	907	111,851	
4-A	Fourth	2 / 2	955	117,771	
4-B	Fourth	2 / 2	907	111,851	
PH	Fourth and Fifth	3 / 2	1,612	198,792	
P-1	Handicapped	Parking	517	13,874	
P-2	Direct Access	Parking	380	13,874	
P-3	No Direct Access	Parking	188	13,874	
P-4	Parking	Parking	485	13,874	
Total				\$926,979.00	



68 NORTH HENRY STREET CONDOMINIUM

Schedule B

PROJECTED BUDGET FOR THE FIRST YEAR OF OPERATION* FROM January 1, 2022 TO December 31, 2021

PROJECTED INCOME		AMOUNT
A	Common Charges – 7 Residential Units and 4 Parking Units	\$36,552.41
B	Estimated Receipts from Other Sources	0.00
C	TOTAL PROJECTED INCOME	\$36,552.41
PROJECTED EXPENSES		
1.	Utilities	\$20,357.41
	a. Electricity	\$14,582.00
	b. Water & Sewer Charges	5,775.41
2.	Repairs, maintenance and supplies	5,000.00
3.	Insurance	4,380.00
4.	Management Fees	0.00
5.	Legal and Accounting Fees	2,400.00
6.	Taxes	90.00
	a. Real Estate.	0.00
	b. Franchise and Corporate	90.00
7.	Reserve	3,500.00
8.	Other:	825.00
	a. Labor	0.00
	b. Administrative Expenses	275.00
	c. Contingencies, Petty Cash	550.00
9.	TOTAL PROJECTED EXPENSES	\$36,552.41

If the estimated first year differs from the actual commencement of the budget year by six (6) months or more, the Sponsor will amend the Plan to include a revised budget. If the amended budget exceeds this budget by twenty-five (25%) percent or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements and have their deposits returned, together with interest, if any.



68 NORTH HENRY STREET CONDOMINIUM

FOOTNOTES TO SCHEDULE B

This estimate of operating expenses and income has been prepared by the Sponsor's expert, Dome Property Management, Inc., 109 Winant Place, Staten Island, New York 10309, based on operation of comparable condominiums in New York City, in Brooklyn, and other factors.

Since there are many items that can, but do not, arise during the course of a year, it is impossible to predict all of the expenses the condominium will incur, and it is impractical to budget for every possible occurrence. Thus, this budget cannot be constructed as an assurance of the final expenses and is merely based upon information available at this time.

The estimated Common Charges to be collected from Unit Owners during the first year of Condominium operation assumes that the first year of Condominium operation will be the year beginning January 1, 2022 . The actual first year of operation may begin earlier or later.

PROJECTED INCOME:

A.	<i>Common Charges - Residential and Parking</i>	<i>\$36,552.41</i>
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The amount of common charges is the estimated income needed to pay the common expenses attributable to the common elements during the projected first year of operation, and that will be collected from the Unit Owners. The common charges will be used to defray the expenses of the condominium. This figure represents the total common charges to be levied against the residential and parking units.

Common Charges for individual units are derived by evaluating the relative size, layout and amenities of each unit, and assigning a percentage to that unit relative to the rest of the units in the Condominium. For the purposes of this budget only Common Charges are estimated.

B.	<i>Estimated Receipts from Other Sources</i>	<i>\$0.00</i>
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NONE.

C.	<i>Total Projected Income</i>	<i>\$36,552.41</i>
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This represents the total projected income required to operate the Condominium during its first fiscal year.



PROJECTED EXPENSES:

1.	Utilities	\$20,357.41
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a.	Electricity (common areas)	\$14,582.00
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Electricity covers common service(s) such as interior and exterior lighting, the elevator and trash compactor, video intercom and security systems, plumbing pumps, and other common items.

It is not possible to accurately predict usage as it will vary on actual consumption, which will invariably fluctuate due to many factors (i.e. weather conditions, usage, etc.).

In light of the current energy situation, it is not possible to predict with certainty whether the budgeted amount will be in accord with the actual cost to be incurred during the first year of Condominium operation. Increases in electrical rates, which can be largely affected by increases in the price of fuel paid by the utility company, may result in a rising cost of electricity. It is foreseeable that the price of oil used to generate electricity may increase in the, although it is not possible to forecast the amount of such possible increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of utilities during the first year of Condominium operation.

Each unit will have an electric meter for usage within the unit, which will be billed by the utility to the unit owner directly. See Schedule B-1 for an estimate of projected electricity usage for the individual units.

*Common area electric usage and corresponding costs was based on information provided by Sponsor and:
Tecnic Engineering, 6014 11h Avenue, Suite 312, Brooklyn, NY 11219*

b.	Water & Sewer Charges	\$5,775.41
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Water and sewer consumption for the individual units will be billed by the City of New York via a single water meter for the entire building. Sponsor will install the water meter at no cost to the Condominium or Unit Owners. All water and sewer charges will be paid by the Condominium as a common expense.

Current NYC water rates are \$3.99 per hundred cubic feet (approximately 748 gallons). Charges for waste and storm sewer service are billed at 159% of water charges.

*Information on common area water and sewer usage and corresponding costs was provided by Sponsor and:
Tecnic Engineering, 6014 11h Avenue, Suite 312, Brooklyn, NY 11219*

2.	Repairs, Maintenance & Supplies	\$5,000.00
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The Condominium building is new construction. No major repairs, which would typically be covered under warranty, are expected during the first year of operation. The above amount may be used at the Board's discretion for the building (i.e. exterminator, cleaning, snow removal supplies, etc.), and to provide for any needed minor repairs.

Repairs maintenance and supplies covers the cost of maintaining the Common Elements, such as repairs to the video intercom, common doors, electrical systems, masonry, paint, plumbing and roofing.

Each Unit Owner is responsible for the maintenance, repair, and decoration of their Unit including appliances.

*Estimates on the above were provided by:
Dome Property Management, Inc. 109 Winant Place, Staten Island, NY 10309*

3.	Insurance	\$4,380.00
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At closing the condominium will have fire and casualty insurance under an agreed amount replacement cost policy including a 100 percent coinsurance provision so that the insured shall not be a co-insurer. The insurance coverage meets the requirements of any mortgage lender procured by sponsor. This projection is based on the estimates of annual premiums for the below listed coverage(s):

COVERAGE AMOUNTS

BUILDING- Special Form, 100% coinsurance	\$2,368,632
Replacement Cost	Included

COMMERCIAL GENERAL LIABILITY COVERAGES

General Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000

OTHER COVERAGES

Directors & Officers Liability	\$1,000,000
Fidelity Coverage	\$50,000
Deductible	\$5,000



Other insurance coverage may be required and/or desired and are available for additional cost. The Sponsor's insurance expert has suggested additional umbrella coverage and/or workers compensation and disability coverage if required or desired by the Board of Managers.

The insurance provides "replacement cost coverage" for the building. In the opinion of the named insurance broker, this insurance is sufficient to restore the building after a covered loss. However, it is not intended to replace a professional appraiser's estimate in determining the actual replacement cost.

The insurance policy will provide: (a) that each Unit Owner is an insured party as to Common Areas only; (b) that there will be no cancellation of the policy without notice to the Board of managers (c) a waiver of subrogation; (d) a waiver of invalidity because of the acts of the insured and unit owners; and (e) a waiver of pro-rata reduction if unit owners obtain additional coverage.

This quotation is an indication of premiums at current rates. It is not possible to predict if future coverage will be available at the same premium. Generally, the projected premium contemplates a rise in rates.

Section 339-bb of the New York Real Property Law provides that in charging insurance premiums to Unit Owners, consideration may be given to the higher premium rates on some units than others.

The insurance scheduled for the Condominium does not cover fire and casualty losses to the contents of individual Units, nor does it cover replacements of or additions to the fixtures and improvements in individual Units, or liability insurance coverage for occurrences within Units. Unit owners are responsible for purchasing such insurance at their own cost and expense. It is recommended that Unit Owners consult with an insurance broker as to the necessity for, and the desirability of obtaining coverage for one or more of such risks and as to the amount of such coverage.

*The above coverage and annual premium are based on estimates provided by:
RJW Brokerage Corp., 651 Willowbrook Road, Staten Island, NY 10314.*

4.	Management Fees	\$0.00
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The Sponsor has not budgeted for management of the Condominium by a professional management company. Should the Board of Managers elected by the Unit Owners desire to retain professional management, it is estimated that the cost of professional management would be approximately \$400.00 per month.

*Information on management fees was provided by:
Dome Property Management, Inc. 109 Winant Place, Staten Island, NY 10309*

5.	Legal and Accounting Fees	\$2,400.00
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A certified public accountant will be responsible for an annual examination the Condominium's books and records in conformity with generally accepted accounting principles and for preparing the required annual financial statement. In addition, the accountant will be responsible for preparing federal, state and city income tax returns. The amount set aside for this service is \$1,400.

Legal fees of \$1,000 is estimated to engage counsel to cover miscellaneous legal matters that may arise.

*Information on legal and accounting fees was provided by:
Gregg T. Iliceto, CPA, LLC, 3041 Veterans Road West, Ste. 3, Staten Island, NY 10309
Joseph Scarmato, Esq., 80 Red Schoolhouse Road, Suite 110, Chestnut Ridge, NY 10977*

6.	Taxes	\$ 90.00
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a. Real Estate		\$0.00
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The value of all real property owned by the condominium will be reflected in the values and assessments of the individual Units, and thus it is not expected that the Condominium will have to pay any real estate taxes.

b. Franchise and Corporate		\$90.00
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The Condominium will be required to pay taxes to city and state agencies annually. The accountant estimates that only minimum Federal, State, and City income taxes will be due.

*Information on franchise and corporate taxes was provided by:
Gregg T. Iliceto, CPA, LLC, 3041 Veterans Road West, Ste. 3, Staten Island, NY 10309*

7.	Reserves for Maintenance and Replacement:	\$3,500.00
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The reserve fund is intended to provide for the maintenance and eventual replacement of common areas such as the building exterior and roof. It is the opinion of Sponsor that, because the building is new construction and many items will be covered under warranty, the reserve fund should be sufficient to pay for capital repairs or replacement items



needed within the first five years of condominium operation. This amount is a good faith estimate and is not a guarantee of conditions that may occur during the five years. This fund may not be sufficient to cover extensive or extraordinary repairs caused by an unexpected change in conditions.

*Information on common area electric usage and corresponding costs was provided by:
Dome Property Management, Inc. 109 Winant Place, Staten Island, NY 10309*

8.	<i>Other:</i>	<i>\$ 825.00</i>
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a. Labor		\$0.00
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The condominium will not have a building superintendent and there will be no full or part time staff.

Rather than a doorman there will be a video intercom/buzzer system for the front door with an automatic lock. The condominium board or the unit owners will be responsible for functions customarily performed by a janitorial service, such as sidewalk maintenance, including shoveling in the winter, proper refuse disposal for collection by the Sanitation Department, common area cleaning, replacing light bulbs and other light maintenance work required.

Note that the lack of staffing does not violate any applicable housing and labor laws, including but not limited to Administrative Code of the City of New York § 27-2052, et seq., because it contains fewer than 9-units. The Sponsor will provide management and maintenance services, including 24/7 on-call service for emergency repairs, as well as bookkeeping and hiring of maintenance staff, at Sponsor's sole cost and expense during the Sponsor Period of Initial Control. Thereafter, the board of managers may elect to hire an independent professional managing agent to manage and supply cleaning and maintenance services for the condominium. The hiring of a professional managing agent and the attendant fees due that agent will cause an increase in the expenses of the condominium budget and result in higher common charges for the unit owners.

b. Administrative Expenses		\$ 275.00
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Administrative costs cover photocopying, faxing and postage, as well as messenger services as required.

c. Contingencies, Petty cash		\$ 550.00
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The contingency provides a fund for expenses not included in the projected budget, or possible increases in one or more categories of operating expense beyond projected amounts. There is no assurance that such fund will be sufficient to pay for major capital repairs or replacement items that may be needed within the first year of the Condominium's operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all unit owners.

*Information on common area electric usage and corresponding costs was provided by:
Dome Property Management, Inc. 109 Winant Place, Staten Island, NY 10309*

THE FOREGOING "SCHEDULE B" IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY THAT THE ANNUAL COMMON CHARGES OR EXPENSES FOR THE INITIAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE, OR THAT THE FIRST YEAR OF THE CONDOMINIUM'S OPERATIONS WILL COMMENCE ON THE PROJECTED DATE.



DOME PROPERTY MANAGEMENT, INC.
109 WINANT PLACE
STATEN ISLAND, NY 10309

(718) 605-2500
FAX (718) 605-2654

June 7, 2021

Joseph S. Scarmato, Esq.
Scarmato & Associates
80 Red Schoolhouse Road, Suite 110
Chestnut Ridge, NY 10977

Re: **68 NORTH HENRY STREET CONDOMINIUM**
Items for Schedule B

Dear Mr. Scarmato:

Based on Dome Property Management's experience of managing properties and speaking with contractors in this area, we feel that the following amounts are sufficient for the first year of condominium operation for:

- Item 2.* ***Repairs, Maintenance & Supplies: (\$5,000.00)*** – This amount covers general repairs to the building structure as a whole, and in particular to the buildings' equipment and machinery. This includes, but is not limited to, repairs to carpentry, doors and windows, electrical systems, floors, intercom, ironworks, masonry, paint and plaster, plumbing and roofing. This figure only covers the cost of maintaining the Common Elements. During the first year of operation, major repairs are not expected to be necessary, as all materials and systems will be completely new, and many will be covered under warranty.
- Item 4* ***Management Fees: (\$0.00)*** - The Sponsor has not budgeted for management of the Condominium by a professional management company. Should the Board of Managers elected by the Unit Owners desire to retain professional management, it is estimated that the cost of professional management would be approximately \$400.00 per month.
- Item 7* ***Reserve: (\$3,500.00)*** - The reserve fund is intended to provide for the maintenance and eventual replacement of common areas such as the building exterior and roof. Because the building is new construction and many items will be covered under warranty, this amount should be sufficient to pay for capital repairs or replacement items needed within the first five years of condominium operation. This amount is a good faith estimate and is not a guarantee of conditions that may occur during the five years. This fund may not be sufficient to cover extensive or extraordinary repairs caused by unexpected conditions.
- Item 8* ***a. Administrative Expenses: (\$ 275.00)*** - Administrative costs cover photocopying, faxing and postage, as well as messenger services as required.
- b. Contingency: (\$ 550.00)*** - The contingency provides a fund for expenses not included in the projected budget, or possible increases in one or more categories of operating expense beyond projected amounts. There is no assurance that such fund will be sufficient to pay for major capital repairs or replacement items that may be needed within the first year of the Condominium's operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all unit owners.

Very truly yours,

Dome Property Management Inc.,

By: Michael J. Motelson

I. SCHEDULE B-1

ENERGY COSTS FOR UNITS DURING
FIRST YEAR OF CONDOMINIUM OPERATION



68 NORTH HENRY STREET CONDOMINIUM

Schedule B-1

PROJECTED BUDGET FOR INDIVIDUAL ENERGY COSTS FOR THE FIRST YEAR OF OPERATION COMMENCING January 1, 2022

Unit Type	Approx. Gross Square Feet	Number of Bdrms/Bthrms	Gas Cost Footnote 1	Electric Cost Footnote 2
Two Bedroom A-Line	955	2 / 2	900	1,200
Two Bedroom B-Line	907	2 / 2		
Three Bedroom - PH	1,612	3 / 2	1,100	1,500

1. The projected cost for gas for hot water, heating and cooking are estimates and not guaranteed. Actual costs may vary depending on use by the individual Unit Owner. Projected costs are calculated based on the size of the respective unit. These figures are based on an estimate prepared by Dome Property Management, Inc. using rates obtained from National Grid and materials Sponsor furnished.

2. The projected cost for electric for lighting and appliances are estimates and not guaranteed. The projected cost for electric may vary significantly for each individual Unit Owner due to several factors such as size, occupancy and habit. Thus, actual costs may vary depending on use by the individual Unit Owner. These figures are based upon an estimate prepared by Dome Property Management, Inc. using rates obtained from Con Ed and materials Sponsor furnished.

Due to the current volatility of the oil market, it must be expected that the above rates may increase through time. In view of the fact that these averages include use of energy by residents of varying needs, the amount of gas and electricity used by the Purchaser may vary substantially from the average estimates herein provided. In addition, the effect of inflation, gas shortages and other factors may raise the cost of gas and electricity substantially higher than current or projected rate.

NOTES FOR SCHEDULE B-1

1. Each unit owner will be responsible for the costs of gas and electricity supplied to their unit. The building contains separate gas and electric meters for each of the units. Charges for each unit will be payable directly to the utility company
2. The above information is based upon a survey of rates currently being charged (a) for natural gas by National Grid, and (b) for electricity by Con Edison. The building will use natural gas for heating and hot water and electricity for all other power needs. Estimated costs vary based on the location and area of the units. The estimated electricity costs are based on current Con Edison rates, plus sales tax and a 5% inflation factor. This assumes thermostat settings of 70 degrees for 16 hours (day) and 60 degrees for 8 hours (night)
3. The estimated costs are subject to change based on changes in National Grid and Con Edison rates.
4. Water and sewer charges will be assessed in the common charges based on a master water meter for the building.

Although the Sponsor believes that the foregoing is accurate, no warranty or guarantee is being made by the Sponsor, the managing agent or any other person or entity as to what the separately metered electricity, gas and Water and Sewer costs may be.

JOSEPH S. SCARMATO, PLLC

**105 Lewis Drive
Upper Nyack, New York 10960
845-548-1880**

August 12, 2021

68 North Henry Street Condominium
c/o 68 North Henry Street LLC
270 Madison Avenue, Suite 1203
New York, New York 10952

Re: 68 North Henry Street, Brooklyn, New York
Condominium Offering Plan Compliance with Real Property Law §339-i

To Whom It May Concern:

I am the attorney representing the Sponsor of this offering plan. I am not the selling agent or managing agent for this property. I am familiar with condominium units in the area. I have been involved in the preparation of many condominium offering plans and I have consulted with and advised other sponsors as to the allocation of their interests in the common elements.

The method selected for calculating the percentage of common interests in the condominium pursuant to Real Property Law Section 339-i(1) is subparagraph (iv), which provides that:

"the Common Interests of each of the Units have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit."

It is the opinion of the undersigned that the percentage of interest in the common elements in this condominium have been allocated to the units based on and in accordance with the above factors and other factual determinations as required by Real Property Law Section 339-i.

Very truly yours,

JOSEPH S. SCARMATO, PLLC

By: 

Joseph S. Scarmato, Esq.

K. CHANGES IN PRICES AND UNITS

Changes in Purchase Price

The Sponsor reserves the right at any time and from time to time prior and subsequent to the date of transfer of title to the first Unit, to increase or decrease the amount of the purchase price of one or more Units from the amounts shown in Section F–Schedule A–Offering Prices and Other Financial Details for Each Unit."

The offering prices set forth in Schedule A of the offering plan may be changed only by a duly filed amendment to the Plan when the change in price is: (i) an across-the-board increase or decrease affecting one (1) or more lines of units or unit models; (ii) is to be advertised; (iii) is a price increase for an individual purchaser. However, the prices for the Units are negotiable and the Sponsor may enter into an agreement with a purchaser to sell one or more Units at prices lower from those set forth in Schedule A.

In the event of a change in the purchase price of one or more Units, the purchaser of a Unit may pay or have paid more or less than other purchasers of comparable Units having the same Common Interest. However, such change shall not affect the Common Charges or Common Interest of any Unit (including Units whose purchase prices have changed), nor affect the purchase price stated in any Purchase Agreement then in effect.

Changes in Size, Layout and Number of Units

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 or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit(s), or otherwise, including, without limitation, the use of any portion(s) of the Common Elements adjacent to each Unsold Units to the extent that such portion(s) are not required to be maintained as Common Elements pursuant to the terms of the By-Laws. Subject to the terms of the last paragraph of this section, such right may be exercised by Sponsor from time to time, both before and after the First Closing, without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, or any mortgagee. However, Sponsor shall first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law and no changes may be made without an amendment to the plan and when applicable, the declaration.

No change will be made in the size or number of units and/or their respective percentages of common interest, and that no material change will be made in the size or quality of common elements, except by amendment to the plan, and, when applicable, the Declaration.

Unless an affected purchasers consents, no material change will be made in unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the Sponsor for that unit.

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

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 as aforesaid, or otherwise, nor may the Common Interest of any Unit be changed, unless reflected in a duly recorded amendment to the Declaration. 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 consent of all affected Unit Owners. In addition, no change will be made in the unit size, layout or common Interest of any Unit for which a Purchase Agreement is in effect without obtaining the prior written consent of the Purchaser thereof. Additionally, no material change will be made in the size or layout and no material adverse change will be made in the quality of the Common Elements unless all purchasers who have signed Purchase Agreements and are not then in default have consented thereto. Therefore, Sponsor must first obtain consent of all purchasers who have signed Purchase Agreements and are not then in default before amending the Declaration to reflect such change.

L. INTERIM LEASES TO PURCHASERS

All units will be delivered vacant by the Sponsor unless the purchaser has entered into an interim lease. Once a vacant unit is sold, and so long as the Purchase Agreement is in effect, it may only be leased to the purchaser of such unit. No Purchaser shall have the right to occupy the unit purchased by him prior to the closing unless Sponsor-Seller agrees to permit such occupancy under an interim lease.

These units are not subject to rent stabilization or rent protection laws. The lease shall be prepared substantially in accordance with Blumberg Form R 186 which is applicable to apartments not under any rental protection laws. The general form of lease is set forth as Document No. 10 in Part II of the Plan. The term of such lease shall be subject to negotiation. A person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance.

If Sponsor-Seller elects to lease a unit the lease will be for such rent and other terms as may be mutually agreed upon. Such lease will also provide that an uncured default by the purchaser under his Purchase Agreement will constitute a default under the lease entitling the landlord (i.e., Sponsor-Seller), at its sole option, to immediately terminate such lease. The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement in the event the purchaser fails to cure a default under his lease within the applicable grace period (if any) and purchaser has vacated the unit. The interim lessee will have thirty (30) days to vacate the unit after a default under the Purchase Agreement. Before the Sponsor may utilize the default under the lease 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.

M. PROCEDURE TO PURCHASE

Procedure to Purchase

A person desiring to purchase a Unit will be required to execute, in triplicate, a Purchase Agreement in the form set forth as Document Number 2 in Part II of the Plan. Purchaser must deliver all of the above documents to the Selling Agent, together with a check for the down payment payable to the order of Joseph S. Scarmato, Esq., , Attorney Escrow Account." The down payment shall be ten (10%) percent of the purchase price and is subject to negotiation. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed.

The Purchase Agreement is not conditioned on such prospective purchaser obtaining financing of his or her purchase price. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose the deposit if unable to pay the balance of the purchase price. Prospective purchasers who need financing to purchase are advised to consult with a bank before executing a Purchase Agreement to ascertain the likelihood of obtaining financing. No representation is made by the Sponsor as the availability or cost of such financing. The Sponsor may, at its sole option, consent to permit a mortgage contingency, as discussed below under "Terms of Purchase Agreement" paragraph 9c) entitled "Secured Loan Condition Rider."

A purchaser seeking financing will be responsible for all fees and costs imposed by the lender, including (but not limited to) appraisal and origination fees (if any). It is possible that purchaser's financing commitment may expire prior to the Closing and purchaser will incur additional costs.

Purchasers shall have at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement.

A Purchase Agreement submitted by any prospective purchaser will not be binding on the Sponsor until a fully executed duplicate original of such Purchase Agreement is returned to such prospective purchaser. If such duplicate Purchase Agreement is not returned to the prospective purchaser within twenty (20) days after it is received by the Selling Agent, it will be deemed rejected and all monies submitted with such Purchase Agreement will be promptly returned to such prospective purchaser, with interest, if any. Sponsor may reject any Purchase Agreement without cause or explanation so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex, or any other ground prohibited by law.

Notice of Closing: After the Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to his or her Unit. TIME IS OF THE ESSENCE to close on such date. Such notice will be served in compliance with Section 20.1(d)(1) no less than thirty (30) days before the date set for the closing of the units. Purchaser at his option may waive this thirty (30) day notice provision.

At title closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement by his or her unendorsed certified personal check or by official cashier's check drawn on a New

York bank, a member of the New York Clearing House Association, and execute a Unit Owner's Power of Attorney at the closing.

In the event that a purchaser does not close on the Closing Date set forth in the Notice of Closing due to the fault of the Purchaser alone, and Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's closing to his apartment, then Purchaser agrees to pay the Sponsor interest on the unpaid amount of the purchase price from the Closing Date until such amount is paid at the rate of 12% per annum. This rate shall be in effect for as long as there is any unpaid amounts owing towards the full purchase price. This section shall not apply to any delay occurring due to the fault of the Sponsor.

The Sponsor expects the first closing of a unit to occur on approximately January 1, 2022. If such closing is delayed twelve (12) months or more, the Plan shall be amended to offer purchasers a right to rescind.

Terms of Purchase Agreement

The following is a summary of certain material provisions of the Purchase Agreement, but is not intended as a complete statement of these or other important provisions of the same. Reference should be made to the form of Purchase Agreement set forth as Document No. 2 of the Plan for the complete terms of these and other material provisions:

- a. Incorporation of the Plan. The Plan (including, without limitation, the Condominium Documents contained in Part II of the Plan) and any amendments thereto duly filed by Sponsor are incorporated into each Purchase Agreement by reference. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan (Parts I and II) and his or her agreements to abide and be bound by the terms of the same, as well as all amendments to the Plan duly filed by Sponsor. No Purchaser shall have the right to approve or consent to any such amendments, including, without limitation, any changes, modifications, or updating of the estimated Common Charges or estimated real estate taxes and assessments to be paid by the Purchaser on Schedule B—"Budget for First Year of Condominium Operation" and no such amendment will excuse a purchaser from performing his or her obligations under a Purchase Agreement or entitle such purchaser to any credit or offset against the purchase price set forth therein. However, if an amendment materially adversely affects the rights, obligations, or liabilities of then existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements by notifying Sponsor within thirty (30) days of presentation of such amendment and will receive a refund of their Down Payments, without interest (unless interest is earned), within ten (10) days after Sponsor's receipt of Purchaser's election to rescind.
- b. Funds. All funds received from prospective purchasers by the Sponsor will be handled in accordance with the provisions of Sections 352-h and 352-e(2)(b) of the General Business Law and Section 71-a(3)(a) of the Lien Law and shall be used by the Sponsor only in connection with the consummation of the Plan. Section 71-a(3) of the Lien Law requires, at the purchaser's option, that the deposit funds be placed in an escrow account in a bank trust company, savings bank, or state or federal savings and loan association located in New York State. Said monies must be deposited within five (5)

business days of the Sponsor's receiving them. The Sponsor must advise the purchase in writing within ten (10) business days after the deposit has been made of the name of the depository where the funds have been placed.

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, purchasers should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a purchaser is entitled to rescission, the purchase will not receive a refund of any funds used for upgrades or extras.

- c. Secured Loan Condition Rider. Purchase Agreements are not contingent on obtaining a mortgage. The Sponsor may, at its sole option, consent to permit a mortgage contingency. In the event the Sponsor consents to permit the same, the purchaser will have the right to condition his Purchase Agreement upon obtaining a loan from an institutional lender doing business in New York of not more than 80% of the sales price and the Purchase Agreement will be modified by appending to same the Secured Loan Condition Rider set forth as Exhibit A to the Purchase Agreement in Part II of this Plan (the terms of which are also set forth below). Purchasers should note that the financing commitment may expire or that the terms of the commitment may change prior to actual closing. The following are the terms of the Secured Loan Condition Rider:

A. Seller shall send written notice to Purchaser that an application for a mortgage must be made by Purchaser. The Purchaser may make application to the institutional lender of Purchaser's choice provided that Purchaser also makes application to a lender designated by the Seller which lender shall be compliant with Freddie Mac, Fannie Mae or FHA loan requirements such as: (1) requisite occupancy level; (2) reserve fund; and (3) condominium by-laws that comply with agency guidelines. Within two (2) weeks of receipt of said notice, Purchaser must make both mortgage applications. Within seven (7) days thereafter, the Purchaser must provide the Seller and/or Seller's attorney, in writing, with the name and address of the bank or mortgage broker of Purchaser's choice to which application has been made. Seller and/or Seller's attorney shall be permitted to deal directly with Purchaser's bank or mortgage broker. Failure to send such notice or to make application to the Lender designated by the Seller will be considered to be a waiver of the mortgage contingency.

B. The obligations of Purchaser hereunder are conditioned upon issuance on a date which is on or before forty-five (45) days from date of notice set forth in paragraph A ("Mortgage Contingency Expiration Date"), of a written commitment from any institutional lender (which shall include a mortgage banker and broker) pursuant to which such institutional lender agrees to make a first mortgage loan to Purchaser, at Purchaser's sole cost and expense, of eighty (80%) percent of the appraised value or purchase price, whichever is less, or such lesser sum as Purchaser shall be willing to accept, at prevailing interest rates for a term of at least thirty (30) years and on other customary commitment terms such as the payment of lender's points and fees typically attendant to such loans in the marketplace, whether or not conditional upon any factors other than an appraisal satisfactory to the institutional lender.

C. Purchaser shall (a) make such applications within two (2) weeks after receiving the written notice referred to in Paragraph A above, (b) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (c) pay all fees, points and charges required in connection

with such application and loan, (d) pursue such application with diligence, (e) cooperate in good faith with such Institutional lender to obtain such commitment and (f) give notice within three (3) weeks to Seller of the name and address of each Institutional lender to which Purchaser has made such application. Purchaser shall comply with all requirements of such commitment (or of any other commitment accepted by Purchaser) and shall furnish Seller with a copy thereof promptly after receipt thereof. Upon receipt of the same Seller shall be entitled to transmit a copy of such commitment to the lender designated by the Seller. Should the Seller's designated lender issue a commitment within five (5) business days on the same terms and conditions, Purchaser shall be required as a condition of this mortgage contingency clause to accept such commitment from Seller's designated lender.

D. If such commitment is not issued on or before the Mortgage Contingency Expiration Date, or a rejection is received, Purchaser shall within five (5) days of the Mortgage Contingency Expiration Date or rejection date, notify the Seller in writing of the failure to receive a commitment or of the rejection and at such time, Purchaser may cancel this contract by giving notice to Seller, in which case this contract shall be deemed cancelled and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of this contract and the down payment shall be promptly refunded to Purchaser. If Purchaser fails to give written notice of cancellations then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Down payment by reason of the contingency contained in this Rider and the mortgage contingency will no longer apply. In addition, if Purchaser fails to notify Seller in writing within fifty (50) days of the date of the notice set forth in Paragraph A that he has received a commitment, Seller may at its option cancel the contract and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of this contract, and upon cancellation the down payment shall be promptly refunded to Purchaser.

Provided that the Sponsor consents to permit a mortgage contingency, in accordance with the above terms, and the Purchaser complies with all of such terms, if the financing commitment lapses or expires prior to closing and the Purchaser has made a good faith effort to extend the commitment, the Sponsor will grant to Purchaser a right of rescission and a reasonable period of time to exercise such right.

A Purchaser seeking financing will be responsible for all fees and costs imposed by the lender, including (but not limited to) appraisal and origination fees (if any). Purchaser shall pay Sponsor's attorney the sum of \$150.00 for preparing each condominium questionnaire required by Purchaser's lender.

In accordance with the Secured Loan Condition Rider, should sponsor elect to provide the same, the Purchaser will have the right to terminate the Purchase Agreement and be refunded all monies deposited thereunder, without interest, in the event:

- (a) both an institutional lender chosen by the Purchaser and a lender designated by the Seller fail, through no fault of the Purchaser, to issue its commitment on the terms described above within forty-five (45) days (or such greater period as the Sponsor may permit, in Sponsor's sole discretion), provided the Purchaser gives notice of termination not later than five (5) days after the expiration of the aforementioned period; or

- (b) the commitment issued by the lender is not funded by the closing through no fault of the Purchaser, provided the Purchaser gives notice of termination no later than ten (10) days before the closing.

In the event Purchaser fails to exercise the right of termination within time periods set forth above or has failed to satisfy the conditions set forth in the Secured Loan Condition Rider, then, in either case, the Purchase Agreement shall remain in full force and effect.

Escrow and Trust Fund Requirements

The Escrow Agent:

The Joseph S. Scarmato, PLLC , with an address at 105 Lewis Drive, Upper Nyack, New York 10960 telephone number (845) 548-1880, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Joseph S. Scarmato, 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.

The Escrow Account:

The Escrow Agent has established the escrow account at JP Morgan Chase Bank, N.A., located at 20 North Broadway, Nyack, New York 10960 in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Joseph S. Scarmato, Esq. IOLTA Trust Account" ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Joseph S. Scarmato, Esq. as Escrow Agent.

Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

The IOLA account will be interest-bearing with the interest paid to New York State and, therefore, interest will not be credit to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

Escrow Agreement:

The Escrow Agreement is attached hereto as Document No. 9 and is also incorporated in the Purchase Agreement in Document No. 2 in Part II of the Plan. The Escrow Agreement must be executed by the Sponsor, Purchaser, and Escrow Agent.

Notification to Purchaser:

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

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

Release of Funds:

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

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

The Escrow Agent shall release the Deposit if so directed:

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

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days

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

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

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

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

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

Waiver Void:

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

(c) Events of Default. In the event that a Purchaser

(i) defaults in paying the balance of the Purchase Price on the date scheduled by Sponsor for closing title to his or her Unit; or

(ii) defaults in performing some other obligation under the Purchase Agreement and fails to cure such default within fifteen (15) days after Sponsor sends written notice to such Purchaser specifying the nature of the default, the Sponsor's sole remedy is to cancel the Purchase Agreement by sending thirty (30) days' written notice to such Purchaser and, if such Purchaser shall fail to cure such default within the said thirty (30) day period, to retain, as and for liquidated damages the full amount of the down payment (the "Liquidated Sum") except that the actual cost incurred by Sponsor for any special work ordered by Purchaser may also be retained as liquidated damages. Any payments received by Sponsor in excess of the Liquidated Sum, together with any interest earned on such excess payments, if any, shall be refunded to the Purchaser with reasonable promptness after cancellation. The Sponsor may not seek specific performance of the purchase agreement.

If a Purchaser is or becomes a tenant or occupant of the Building and fails to pay rent or otherwise to comply with his or her lease obligations or vacates or abandons his or her Unit, then Sponsor may cancel his or her Purchase Agreement as set forth above whether or not such Purchaser is evicted from the Building by reason thereof. However, if such Purchaser is not evicted from the Building by reason of such default, vacating or abandonment, Sponsor shall return to such Purchaser all monies deposited under the Purchase Agreement, together with the interest earned thereon, if any. See Section L ("Interim Leases").

In the event a Purchase Agreement is cancelled by mutual agreement, both the Sponsor and the Purchaser shall be relieved of all further obligations and liabilities thereunder and under the Plan, and the Sponsor shall be free to sell the Unit to another as though such purchase Agreement had never been made and without accounting to the Purchaser for the proceeds received on such sale.

(d) Fixtures and Appliances. Each Unit is to be sold unfurnished. The Sponsor is providing a kitchen sink, kitchen cabinets/countertops and hookups for gas and electric, and accordingly, the units will be prepared so that a Certificate of Occupancy may be issued prior to closing. The Sponsor is providing an oven/range, refrigerator, dishwasher, microwave oven, and laundry appliances. The Sponsor will not be providing any blinds or shades to the Units and it will be the responsibility of each Unit Owner to provide them, at his or her own cost.. Wall coverings, furnishings, decorations and the like in or about any model are not included in the sale. There will be no modifications or extras unless agreed to in writing by the parties. A Certificate of Occupancy for a unit may be issued before a gas range and refrigerator are installed.

(e) Fee to Sponsor's Counsel. Purchase shall be obligated to pay a fee of \$2,500.00 to Joseph S. Scarmato, PLLC, 105 Lewis Drive, Upper Nyack, New York 10960 for services rendered in connection with preparing documents. Should Sponsor's counsel be required to attend a Unit Closing outside of the office of Sponsor's counsel, the purchaser will be responsible for paying Sponsor's counsel an attendance fee of \$250.00. In addition, purchaser will be responsible to pay Sponsor's counsel a fee of \$150.00 to complete a condominium questionnaire requested by purchaser's lender, and a fee of \$250.00 will be charged to the purchaser in the event he or she has mortgage financing.

(f) Closing of Title. The closing of title to each Unit will be held at the office of the Sponsor's attorney, on such date and at such hour as the Sponsor shall designate to the Purchaser of such Unit on not less than thirty (30) days' prior written notice. The Purchaser may waive this notice provision. Sponsor has the right to postpone the closing date and to fix a new closing date within a reasonable time period. In such event, Sponsor shall give the Purchaser not less than ten (10) days' notice of the new date and time of closing. The closing shall take place only after or concurrently with the occurrence of the events set forth in Section P ("Unit Closing Costs and Adjustments"). Purchasers desiring to arrange for such closing to take place at another location should promptly notify Counsel for Sponsor of that address and, in addition, will be responsible for the payment of an attendance fee to such counsel. See Section P ("Unit Closing Costs and Adjustments").

The foregoing shall not act to extend Sponsor's time to declare the Plan effective as set forth in the Section entitled "Effective Date" and shall not affect the Sponsor's right to abandon or withdraw the Plan as set forth in such section. In the event that the Plan is so abandoned or withdrawn, the Purchase Agreement will be deemed canceled and all monies paid by the Purchaser thereunder, together with interest

earned thereon, if any, shall be disbursed as discussed in the subsection entitled "Trust Funds" of the Plan. After the funds are so disbursed, neither the Purchaser nor Sponsor shall have any claims against each other or against the Selling Agent in connection with the Purchase Agreement or the Plan, and all of the same shall be released and discharged from all liabilities under the Purchase Agreement and the Plan.

(g) Broker. The Purchaser will represent to Sponsor that he or she has not dealt with any broker other than the Selling Agent in connection with the acquisition of his or her Unit and will indemnify the Sponsor against the claims of any other broker, in the event such broker is not disclosed to the Sponsor at the time of execution of the Purchase Agreement.

(h) No Lien. Neither the Purchase Agreement nor any monies deposited thereunder shall constitute a lien against the Property, including the Unit.

(i) Non-Survival of Obligations. No provisions of the Purchase Agreement shall survive the delivery of the deed, except those obligations expressly stated therein or to be performed subsequent to the closing. However, all representations set forth in 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.

Any conflict between the Plan and the purchase agreement shall be resolved according to the terms of the Plan. Acceptance by Purchaser of the deed will constitute Purchaser's acceptance and acknowledgment of the full performance by Sponsor of, and the discharge of Sponsor from, all obligations under the Purchase Agreement, except those obligations expressly stated to survive or to be performed subsequent to delivery of the deed. Nothing contained herein will be in derogation of the rights of Purchasers under Article 23-A of the General Business law of under the Plan.

(j) DAMAGE TO UNITS. IF THE PURCHASER BECOMES THE TENANT OR ACTUALLY OCCUPIES THE UNIT BEFORE THE CLOSING OF TITLE THERETO AND, BEFORE SUCH CLOSING, THE UNIT IS DAMAGED BY CASUALTY OR OTHERWISE, SUCH PURCHASER SHALL ASSUME THE RISK OF LOSSES NOT COVERED BY INSURANCE AND THE OBLIGATION TO REPAIR THE DAMAGE, UNLESS THE CAUSE THEREOF ORIGINATED OUTSIDE OF THE UNIT AND DID NOT RESULT FROM THE ACTS OF SUCH PURCHASER OR OTHER OCCUPANTS OF THE UNIT OR SUCH PURCHASER'S GUESTS, INVITEES, OR WORKMEN. No Purchaser shall have the right to occupy a Unit purchased by him prior to the Closing of title unless Sponsor agrees to permit such occupancy under an interim lease or other written agreement. See Section L ("Interim Leases").

(k) Any conflict between the Plan and the Purchase Agreement shall be resolved according to the terms of the Plan.

Nothing contained in the Purchase Agreement or in the Plan shall be construed to waive a Purchaser's rights or abrogate Sponsor's obligations under Article 23-A of the GBL.

Except as set forth above, all other risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall not be obligated or liable to repair the damage. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with any interest earned thereon. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect; Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price; Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement; and Purchase shall not be required to pay the balance of the purchase price unless and until (i) the Unit has been substantially repaired in compliance with the offering plan and the repairs done with equal quality or in better condition than immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of the tenant to cure or that are caused by the act or omission of the tenant. Sponsor will remove subsequent to closing all violations of record it is obligated to correct.

The Purchase Agreement is not assignable without the consent of the Sponsor.

If there is any conflict between the Plan and the Purchase Agreement, it will be resolved in favor of the Plan. The Purchase Agreement does not contain nor will it be modified to contain a provision waiving a Purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law.

(l) Arbitration. In order to resolve any dispute, controversy, claims or questions arising with respect to the Condominium (with the except of disputes arising under the Housing Merchant Implied Warranty) or the Purchase Agreement, or to break any deadlock in voting, the parties shall consult with an agreed-upon person in order to resolve the issue. In the event that after such consultation, the issue is still unresolved, or if the parties cannot agree upon a person to resolve the matter, then the parties shall submit such dispute or question to arbitration. If the parties cannot agree on the arbitrators, then such dispute or question shall be submitted to the American Arbitration Association, which will give any party the rights he is entitled to under New York law. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment. The fees, costs and expenses of the arbitrators shall be shared equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. Nothing contained in this paragraph shall be construed to preclude any purchaser's rights under Article 23-A of the GBL.

The Condominium Board shall follow the directions of the Arbitrators. The panel will have the authority to file their decision with the Court under the New York Arbitration Law and Article 75 of the CPLR. Any decision or award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in a court of competent jurisdiction. The decision shall be enforceable in a court of competent jurisdiction.

(m) Power of Attorney. At the closing of title, the Purchaser agrees to execute and deliver to the Seller the Power of Attorney in the form included in Part II of this Plan as Document No. 4 in order to

empower the board of Managers to act on behalf of all Unit Owners to purchase at a foreclosure sale any unit abandoned by an Owner, as well as other acts to carry out the provisions of the Offering Plan.

N. EFFECTIVE DATE

The offer to sell the units under this Plan is contingent upon the Plan's being declared effective in accordance with the provisions set forth below.

1. The Plan shall be declared effective (i) by amendment to the Offering Plan; or (ii) by personal service of the Notice of Effectiveness on every purchaser; or (iii) by commencement of service by mail of the Notice of Effectiveness addressed to the Offeree at the last known residence of such Offeree as set forth in Section 20.1(d) of the Regulations and by submitting an amendment to the Office of the Attorney General within five (5) days confirming that the Plan was declared effective on a specified date. Such notice and amendment will state that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective and a list of the units which are being counted to meet the minimum percentage under the terms of the plan to declare it effective. The closing of the first unit shall not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Office of the Attorney General.

2. The Plan may not be declared effective unless *bona fide* purchasers, including investors, have signed purchase agreements for at least fifteen percent (15%) of the units (two (2) unit) offered under the Plan.

3. the Plan will not be declared effective based on 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 did not have three (3) business days to review the offering plan and all filed amendments prior to executing a purchase agreement; or

(c) with any purchaser who is the Sponsor, the Selling Agent, or the managing agent, or is a principal of the Sponsor, the Selling Agent, or the managing agent, or is related to the Sponsor, the Selling Agent or the managing agent or any principal of the Sponsor, the Selling Agent or the Managing Agent by blood, marriage, or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a purchaser, other than a Sponsor or a principal of the Sponsor, may be included in the count if the Sponsor has submitted proof satisfactory to the Department of Law establishing that such purchaser is *bona fide*.

4. The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for eighty percent (80%) of the units (six (6) units) offered under the plan.

The Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before it is declared effective. Sponsor shall promptly file and amendment together with a notice of abandonment on Form RS-3. All monies paid by subscribers shall be refunded to them in full with interest earned, if any, within ten (10) days after the acceptance of an amendment to abandon.

Sponsor may not abandon the plan after effectiveness for any reason other than (a) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering amount, or (b) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than one-half of one percent of the total offering amount, or (c) the taking of any material portion of the Property in condemnation proceedings or by eminent domain. Any amount relied upon as a basis for abandonment after effectiveness excludes attorney fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the plan and are either known to the Sponsor or are a matter of public interest.

If this Plan is withdrawn or abandoned, all purchasers will be so notified in writing. Within fifteen (15) days of abandonment of the Plan, the Sponsor will promptly submit an amendment to the Department of Law reflecting such abandonment and file a notice of abandonment on form RS-3 and such other form as the Department of Law may require and shall refund all monies received from purchasers within ten (10) days after the acceptance of said amendment.

After this Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for closing title to Units for which Purchase Agreements are in effect. The First Closing will be held no later than approximately one hundred eighty (180) days after the Plan is declared effective, unless adjourned by Sponsor, but in no event sooner than thirty (30) days after the date upon which notice is given that the Plan is declared effective. If the First Closing does not occur before July 1, 2022, the plan will be amended to offer purchasers a right of rescission. The Closing of title to each Unit will take place in accordance with the terms of the applicable Purchase Agreement. See Section O ("Terms of Sale") for a more complete discussion of the events that will occur at each such closing of title.

Notwithstanding the fact that not all purchasers used for purpose of declaring the plan effective may actually close, Sponsor will re-declare the plan effective if all purchase agreements are either rescinded or terminated prior to the date of first unit closing, regardless of whether the condominium declaration has been recorded.

O. TERMS OF SALE

1. Deed and State of Title. Upon delivery to Sponsor of: (i) the balance of the Purchase Price, (ii) a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor and (iii) a transferee affidavit or a transfer tax return in the form required to be filed with The State of New York, each of which must be executed and acknowledged by the purchaser, the Sponsor will execute, acknowledge and deliver to the Purchaser a Bargain and Sale Deed with covenant against grantor's acts, conveying title to such Unit to Purchaser subject only to the title conditions set forth in Exhibit A to the Purchase Agreement. The Unit Owner's power of Attorney and Deed will be substantially in the forms set forth in Documents No. 4 and No. 5 in Part II of the Plan.

2. The closing of title to each Unit shall take place only after, or concurrently with, the latest of the following events to occur:

(i) issuance of a Permanent Certificate of Occupancy for the Property or a permanent Certificate of Occupancy covering the Unit being purchased;

(ii) the Plan has been amended to declare it effective and Sponsor or Sponsor's architect has confirmed that any Units to be closed have been constructed in accordance with applicable plans and specifications and compliance with the prerequisites of this subsection;

(iii) the recording or filing, as required by law, of the Declaration, the By-Laws and the Floor Plans and such other documents as may be required by law;

(iv) each mortgagee will either:

(i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units;

(ii) subordinate the lien of its mortgage to the declaration of condominium; or

(iii) release its lien on the condominium unit being conveyed and its interest in the common elements.

(v) if the purchaser of such Unit so requests, the issuance of a title insurance binder insuring fee title to such Unit in the purchaser, at purchaser's expense, subject only to the encumbrances set forth in such purchaser's Purchase Agreement (all other liens will be removed or insured against enforcement or collection out of the Unit by Purchaser's title company prior to or at closing), which binder will also insure that a valid condominium has been created pursuant to the terms of the Condominium Act. See Section P ("Unit Closing Costs and Adjustments") for an estimate of the cost to the purchaser or obtain such title insurance;

(vi) purchaser being given the opportunity to inspect such Unit and other portions of the Property subject to the Declaration not less than 48 hours prior to closing;

(vii) the assignment by Sponsor of any manufacturers' warranties with respect to equipment and appliances in the Unit to the Unit Owner and with respect to the equipment and appliances in the General Common Elements or Limited Common Elements, to the Condominium board; and

(viii) firm, *bona fide* Purchase Agreements for not less than fifteen percent (15%) of the Units having been accepted by Sponsor from Purchasers.

3. Damage to Units. If the Purchaser is or becomes the tenant or the occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. The Sponsor will make a determination whether or not to repair such damage within fifteen (15) days. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with interest earned thereon, if any, unless Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchase shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacements.

4. Title to each unit and its appurtenant interest in the common elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other than those described in the plan and the proposed unit deed. Title exceptions include the state of facts shown on a stated survey and any additional state of facts a subsequent survey would show, provided that such additional state of facts does not render title unmarketable.

5. All personal property located within the unit on the date the Purchase Agreement is signed or located within the common elements on the date the Declaration of Condominium is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance unless specifically excepted in the offering plan.

6. The Declaration of Condominium, By-Laws and floor plans for the condominium and such other documents as required by law, will be recorded or filed prior to the first conveyance of title to a unit in accordance with the New York Condominium Act or applicable state and local law in the Office of the City Register / Clerk of Kings County.

7. As per a recent Order issued by the Financial Crimes Enforcement Network (FinCEN), order entitled "Geographic Targeting Order" (which Order can be obtained by visiting https://www.fincen.gov/sites/default/files/shared/Real%20Estate%20GTO%20GENERIC_11

1518_FINAL.pdf), for all closings on residential properties taking place on or after November 17, 2018, United States title insurance companies are now required to collect and report 83 information regarding purchasers in transactions where:

- (i) the purchaser is a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state or of the United States or a foreign jurisdiction; and
- (ii) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, and Staten Island and total purchase price is in the amount of \$300,000.00 or more; and
- (iii) such purchase is made without a bank loan or other similar form of external financing; and
- (iv) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer or virtual currency

P. UNIT CLOSING COSTS AND ADJUSTMENTS

1. Closing Adjustments. At the closing of title to each Unit, Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and escrows for real estate taxes, if any; (and (ii) rent and other charges, if any, pursuant to a lease for, or tenancy of, such Unit.

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

- a. **Title Search & Insurances** If such purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered through the Regal Title Agency, 90 Broad Street, 18th Floor, New York, New York 10004, or similar title insurance companies, should be \$714.00 for the first \$100,000.00 of fee insurance plus \$4.03 for each \$1,000.00 or fraction thereof of additional fee insurance up to \$500,000.00. General rates for mortgage title insurance should be \$524.00 for the first \$100,000.00 of insurance plus \$4.03 for each \$1,000.00 or fraction thereof of additional insurance up to \$500,000.00. Purchasers are free to use the Title Insurance Company of their choice without penalty.
- b. **Recording Fees** An estimated \$145.00 recording fee for the deed and approximately \$25.00 for recording the power of attorney.
- c. **Mortgage Financing Expenses** If purchaser obtains a mortgage loan, Purchaser will pay:
 - (i) a fee and service charge for recording the mortgage at the same rates given above for recording the deed;
 - (ii) Purchasers will pay a portion of the mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax to the Purchaser is one (1.925%) percent of the face amount of the mortgage for mortgages under \$500,000.00. No representation is made with respect to the amounts or such closing costs and expenses or the availability of or cost of mortgage loans from any sources. As previously stated in Special Risks above, if a mortgage tax credit becomes available pursuant to Section 339-e(2) of the Condominium Act, such credit will inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.
 - (iii) Purchasers will pay a premium through name of title company for the mortgage title insurance policy. In addition, such Purchaser shall pay the costs of filing the UCC-1 Financing Statements (approximately \$15.00), and will also pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee(2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.

(iv) all costs and expenses in connection with such loan in amounts determined by the lender, i.e., application, points, credit report, survey, appraisal, bank's attorney's fees, etc. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

3. At closing, each Purchaser shall pay to the Sponsor the sum of \$5,000.00 to defray the Sponsor's costs of creating the condominium, e.g., architectural costs, filing fees, legal fees and other costs incurred in creating the condominium.
4. State seller's statutory obligation has been contractually transferred to Purchaser. Purchaser shall be obligated to both the New York State Real Property Transfer Tax (currently 0.4% of the purchase price) and the New York City Real Property Transfer Tax (currently 1.425% of the purchase price) imposed by statute on the transferors of the property. For purposes of calculating the transfer taxes to be paid, consideration includes the transfer taxes paid by the purchaser. Purchaser shall reimburse the Sponsor 1/7 of the annual premium for property and liability insurance from the date of inception of coverage which is estimated to be \$1,000.00 by Ari H, Friedman Associates, Ltd., 3023 Avenue J, Brooklyn, New York 11216.
5. The Sponsor has paid a mortgage tax on a construction loan or blanket mortgage on the condominium property. A Purchaser at the first closing to any of the units offered by the Sponsor herein, will credit the Seller at closing with the amount of the credit provided to a Purchaser by GBL Section 339-ee, subd. 2. At the closing, the Purchaser will execute and file any and all necessary applications and certifications in order to obtain such credit against the mortgage recording tax payable on a purchase money mortgage placed on a unit at the first closing of title to the unit, where such tax was previously paid on a construction loan or other blanket mortgage on the condominium property.
6. Purchaser will be required to deposit with the Board of Managers four (4) times the estimated monthly common charges for his unit.
7. Purchaser shall be obligated to reimburse the Sponsor the sum of \$250.00 for the cost of a set of keys for the post box associated with Purchaser's Unit.
8. Purchaser shall be obligated to reimburse the Sponsor the sum of \$400 for the cost of the water meter for Purchaser's Unit.
9. Purchaser shall pay the Sponsor the sum of \$500.00 per Unit for final "as built" survey.
10. Purchaser shall be obligated to pay a fee of \$2,500.00 to the law firm of Joseph S. Scarmato, PLLC for services rendered in connection with recording the Declaration of Condominium and the preparation of documents.
11. In the event the Purchaser elects to obtain a mortgage, the Purchaser agrees to pay Sponsor's attorney the sum of \$250.00 for review of lender's documents. Should the Purchaser's lender

require Sponsor to complete a "Condominium Questionnaire," the Purchaser shall pay Sponsor's attorney the sum of \$150.00 to cover the cost of preparation of the same.

12. In the event that units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, the Sponsor shall place in escrow in the name of the Board of managers an amount equal to the real estate taxes which will be levied against the property for the one (1) year period following the first closing and will collect at each unit closing the estimated amount of taxes attributable to such unit for the balance of the one (1) year period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funding of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. In the event that the Unit has not been separately assessed or has yet to be issued for the then-current fiscal tax year at the time of closing title, the apportionment of real estate taxes shall be based on the Unit's pro rate share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed (if any) shall be paid by the Purchaser and shall not be considered a defect in title.

All the above fees are cumulative to the extent applicable to an individual Purchaser. If, for example, a unit has a purchase price of \$1,260,000.00, a mortgage of \$800,000.00 and title insurance from Regal Title Agency, 90 Broad Street, 18th Floor, New York, New York 10004, the following closing costs are estimated:

Owner's policy:	\$5,185.00
Loan policy:	\$1,079.00
Market value rider (optional):	\$140.00
Residential Endorsement:	\$25.00
Condominium Endorsement:	\$25.00
NYS & NYC transfer tax:	\$23,414.00
Mortgage Tax	\$19,374.00
Legal fee to Joseph S. Scarmato, PLLC	\$2,500.00
Legal fee for review of mortgage documents	\$250.00
Legal fee for condominium questionnaire	\$150.00
Deed Recording:	\$145.00
Mortgage recording:	\$200.00
Filing of UCC-1:	\$15.00
Paid to Sponsor for costs:	\$5,000.00
As built survey	\$500.00
Water meter	\$400.00
Insurance pro rata reimbursement	\$1,000.00
4 months' estimated common charges:	\$1,551.00
Working Capital Contribution:	<u>\$1,551.00</u>
Total:	\$43,630.00

Q. RIGHTS AND OBLIGATIONS OF SPONSOR

Construction Obligations:

Sponsor has undertaken the following obligations in connection with construction of the Building:

1. The Sponsor is reserving the unconditional right to rent rather than sell Units, however the Sponsor may not rent any unit prior to the consummation of the Offering Plan. There are no limits, however, placed on Sponsor's right to rent rather than sell under the terms of the construction loan for the project. Because Sponsor is retaining the right to rent rather than sell units, this plan may not result in the creation of a condominium in which a majority of the units are owned by owner-occupants or investors unrelated to the Sponsor.
2. Sponsor shall be obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnify the Board of Managers and the Unit Owners.
3. All representations under the offering plan, all obligations pursuant to the General Business Law, and such additional obligations under the offering plan which are to be performed subsequent to the closing date will survive delivery of the deed.
4. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold units. Such obligations shall be funded through the rentals and sales of unsold units and from other funds of the Sponsor. No bond or other security has been posted to secure Sponsor's obligations.
5. The Sponsor will cause the Board of Managers to maintain the property in substantially the same condition and manner as on the date of first closing until the Sponsor no longer controls the Board of Managers.
6. If the Purchaser is or becomes the tenant or the occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of losses not covered by insurance and the obligation to repair the damage, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. The Sponsor will make a determination whether or not to repair such damage within fifteen (15) days. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with interest earned thereon, if any, unless Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which even the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages). If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title

to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacements.

7. Sponsor shall procure fire and casualty insurance in an amount sufficient to avoid co-insurance, as reflected in Schedule B.

8. In the event of dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of units in the condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those units under the offering plan, applicable laws or regulations and in the event of dissolution or liquidation, the principals of the Sponsor shall guarantee the performance of such obligations.

9. The Sponsor has obtained construction financing from Colorado Federal Savings Bank, 8400 E. Prentice Avenue, Suite 840, Greenwood Village, Colorado 80111 and there is currently a construction mortgage on the property in the amount of \$4,200,000.00. The terms of the construction loan do not limit the sponsor's obligation to market the units for sale and there is no minimum number or percentage of units which must be under contract before the plan can be declared effective. The lender has stipulated a required minimum payment per sale which must be made to the lender in order for the lender to release its lien from the unit being sold. There are no limits or requirements imposed by the lender for sponsor to rent rather than sell under specified market conditions.

10. (a) Sponsor is obligated to build and complete the condominium in accordance with the building plans and specifications identified in the plan and will, at its sole cost and expense and with reasonable diligence, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete the Building and its appurtenances substantially in accordance with the "plans and specifications" (as hereinafter defined) and with a quality of construction comparable to currently prevailing local standards; however, Sponsor may not substitute equipment or materials of lesser quality or design.

All references in this Plan to "plans and specifications" shall mean the plans and specifications for the Building filed with the City of New York, Borough of Brooklyn and other appropriate governmental authorities (some of which are summarized in Document Number 1 of the Plan), as the same may be amended or changed from time to time in accordance with the provisions of the following sentence. Sponsor reserves the right to amend or modify from time to time said plans and specifications (including, without limitation, changes in layouts and designs or changes affecting the materials, appliances, equipment, fixtures and other construction details) and to substitute materials, appliances, equipment and fixtures in place of those described in the plans and specifications, provided such substitutions are of equal or better quality and design. All the foregoing amendments, modifications and changes to the plans and specifications may be made without prior notice or amendment to this Plan. The Sponsor agrees to deliver a set of "as-built" to the Condominium board.

(b) Sponsor will not be obligated to correct and will not be liable to any Unit purchaser as a result of: (i) any insubstantial variations from filed building plans or the description of the Building set forth in the Plan; or (ii) variations from filed building plans or the description of the Building set forth

in the Plan which are neither in violation or applicable building codes nor require the approval of any governmental authority having jurisdiction or which are necessitated by site conditions or job requirements, or (iii) insubstantial variations in the dimensions or arrangement of rooms, walls or other areas within Units, provided (A) such variations are of equal or better quality and design that originally set forth in said plans or description, and (B) such changes do not affect the common interests or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in effect, unless all Unit Owners affected by such change consent in writing to such change and all contract vendees directly affected by such change are given the right to rescind their purchase agreements and have their down payments returned to them. The foregoing shall not change Sponsor's obligations to complete construction of the Building, including the Units, with materials of substantially equal or better quality and design than those set forth in the Plan. See "Housing Merchant Implied Warranty," below.

11. Prior to closing the first unit, sponsor must obtain a permanent certificate of occupancy for the property or, alternatively, obtain a temporary or partial certificate of occupancy for the unit or the building in which the unit to be closed is located. The sponsor and its principals must obtain a permanent certificate of occupancy for the property within a projected timetable after closing the first unit. Sponsor must obtain the permanent certificate of occupancy before the partial or temporary certificate of occupancy expires, unless extended.

12. If the first closing takes place prior to the issuance of a permanent certificate of occupancy for the unit, Sponsor will maintain all deposits and funds in the special escrow account required by GBL Section 352-3(2)(b) unless the Sponsor's engineer, architect or other expert certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from the special escrow account. Alternatively, the Sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified.

13. (a) Purchaser shall be given the opportunity to inspect the Unit and other portions of the Property subject to the Declaration not less than 48 hours prior to the closing of title. Subsequent to the date a Unit Owner is given possession to, or closing of title of, his Unit, Sponsor shall not be responsible for paint touch-ups, repair or dented appliances, porcelain or Formica chips and scratches, mars, breaks, or other blemishes in the following: windows, sliding glass doors, screens, electric fixtures, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, medicine cabinets, saddles, wood flooring, appliances, woodwork and doors.

(b) Nothing contained in this paragraph 13 or elsewhere in the Plan shall be construed to render Sponsor liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligation hereunder shall be to repair or replace (at Sponsor's option) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the plans and specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph 12 and elsewhere herein.

(c) The foregoing undertakings set forth the entire obligations of Sponsor hereunder with respect to completion of construction and no other warranties or undertakings shall be implied other than those provided for under the Housing Merchant Implied Warranty, discussed below and set forth as Document No. 8 in Part II of the Plan. The construction obligations of the Sponsor under this section shall survive the transfer of the Units to the Unit Owners until the expiration of the periods heretofore set forth. The Sponsor shall not be liable for, or obligated to defend, any suits with respect to the Building or any Unit arising out of any occurrence taking place after the Closing Date, except claims stemming from the acts or omissions of Sponsor. All construction and other obligations of the Sponsor shall be enforceable only by the Condominium Board and not by the individual Unit Owners unless the alleged construction defect relates to one (1) Unit only and is not a common defect affecting two (2) or more Units.

(d) In the event there is a dissolution or liquidation of the Sponsor, the individual principals of the Sponsor will bear the obligations of the Sponsor.

14. Housing Merchant Implied Warranty.

Notwithstanding any other provision of the Offering Plan the following is applicable to this Offering.

Under Article 36-B of the General Business Law, buyers of newly constructed condominium units are granted certain warranties under the Housing Merchant Implied Warranty. The full text of the law is set forth in Part II as Document No. 8.

(a) Housing Affected: Newly constructed single-family homes and cooperative and condominium units in buildings of five (5) stories or less. This law affects the condominium units offered in this Offering Plan.

(b) Coverage: (i) For one (1) year, the home must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for items not covered by code, the construction must be in accordance with locally accepted building practices.

(ii) For two (2) years, the plumbing, electrical, heating, cooling and ventilation system must be free from defects caused by unskillful installation.

(iii) For six (6) years, the home must be free from physical defects in the structural elements (foundation, floors, walls, roof framing).

(c) Not Covered: (i) A defect not caused by defective workmanship, materials or design.

(ii) Defects in items sold with the home, such as stoves, refrigerators, air conditioners, etc. There are implied warranties from the manufacturers of such goods which are described in other laws.

(d) Notice: Buyers must give notice of defects in their home in writing no later than thirty (30) days after the end of the warranty period. The Sponsor shall not be liable for consequential and indirect damages.

(e) Limitation of the Warranty: The Housing Merchant Implied Warranty can be limited. However, the limited warranty cannot permit construction which is below code or below locally accepted building practices, and the limited warranty time periods cannot be shorter than those described above. In this offering plan, the warranty is not limited.

(f) The Sponsor is not providing any other warranties or guarantees with respect to the units and limited common or common elements, other than those provided for in the Housing Merchant Implied Warranty.

(g) The 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 specifications, 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.

15. Prior to the closing of a unit, Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the unit of the Unit Owner and assign any warranties with respect to equipment and appliances installed in the common elements to the Board of Managers.

16. Sponsor agrees to pay for the authorized and prior work involved in the construction, establishment and sale of the condominium that Sponsor is obligated to complete under the plan and shall cause all mechanic's liens with respect to such construction to be promptly discharged or bonded.

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

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

19. Sponsor and its contractors, subcontractors, agents and employees will have a right of reasonable access to each Unit and its appurtenant Limited Common Elements and to all of the Common Elements for purposes of completing construction of the Building or performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan, provided (i) Sponsor repairs any resulting damage to the Unit and restores it to substantially the condition it was in prior to Sponsor's entry and (ii) Sponsor provides reasonable prior notice to the Owner of the Unit to which access is required.

General

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same), the foregoing sets forth the entire extent of the obligations of Sponsor under this Plan and none other shall be implied, except that

noting contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Agreements. Sponsor makes no warranties other than as set forth in this section. The obligations of Sponsor under this section shall survive the delivery of the deeds to the respective Units. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereto to any purchaser or, with respect to the General Common Elements or Limited common Elements, arising out of any occurrence taking place on or after the date of the First closing, except suits or claims arising out of the acts or omissions of Sponsor or the representations made by Sponsor in this Plan.

Sponsor agrees to indemnify the Condominium Board and Unit Owners and hold them harmless from, and defend on their behalf, any suits or claims arising out of acts or omissions of Sponsor or the representations made by Sponsor in this Plan (i) with respect to the General Common Elements or Limited Common Elements (prior to the First Closing) and (ii) with respect to any Unit (prior to the Closing Date for such Unit).

Sponsor agrees that until the units have been separately assessed, all post-closing amendments will disclose the amount of the funds deposited in escrow for the payment of real estate taxes.

Obligations of Sponsor under this section with respect to the Condominium, the General Common elements or the Limited Common Elements shall be enforceable only by the Condominium board on behalf of all Unit Owners. In no event shall any obligations of Sponsor be enforceable by individual Unit Owners unless the Condominium Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of written notice of such claim by any Unit Owner to the Condominium board.

NO BOND OR OTHER SECURITY HAS BEEN FURNISHED TO SECURE THE PERFORMANCE OF THE SPONSOR'S OBLIGATIONS SET FORTH HEREIN. THE ABILITY OF SPONSOR TO PERFORM ITS OBLIGATIONS WILL DEPEND UPON ITS FINANCIAL CONDITION, WHEN AND IF IT IS CALLED UPON TO PERFORM. NO WARRANTY IS MADE THAT SPONSOR WILL BE FINANCIALLY ABLE TO PERFORM ANY OR ALL OF SUCH OBLIGATIONS.

R. CONTROL BY SPONSOR

The Sponsor will maintain control of the Board of Managers of the Condominium until a date which is the earlier of i) three (3) years from the date of the first closing, ii) the date which all units have been sold or iii) such other date on which the Sponsor voluntarily elects to relinquish control (the "Period of Initial Control").

During the Period of Initial Control, the Sponsor shall designate a majority of the Board Members. After the Period of Initial Control, should the Sponsor continue to own a unit, the Sponsor shall have the same right to vote as all any other Unit Owner and no additional voting rights. Within thirty (30) days of the expiration of the Period of Initial Control, the Sponsor will relinquish control by calling a special meeting of the Unit Owners to appoint a new Board of Managers.

The By-laws of the Condominium do not include a provision that, after an initial sponsor voting control period no greater than that described in the previous sentence, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, i.e. purchase of a home as opposed to an investment.

The following is a detailed discussion of the implementation of the above paragraph.

Under the Condominium By-Laws, set forth in Part II of the Plan, until the first sale of a Unit, the initial three (3) member Board of Managers shall be designated by the Sponsor. Within 60 days of the closing of title to the first Home, a meeting of the Home Owners shall be held at which a Home Owner who is independent of the Sponsor shall be elected to the first Board of Managers by majority vote of the Home Owners other than the Sponsor, to serve until the first annual meeting of the Home Owners. Within thirty (30) days of the expiration of the Period of Initial Control, a meeting will be held to appoint a new Condominium Board consisting of three (3) Board Members. At such time, the Sponsor, should he continue to own a unit, shall designate one (1) of the three (3) Board Members, who shall serve for a period of one (1) year. The other Board Members shall be elected by the Unit Owners, other than the Sponsor, for a term of one (1) year. Elections for these two seats on the Condominium Board shall be held annually.

At any regular or special meeting of Unit Owners after the Period of Initial Control of the Sponsor, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and was specified in the notice of the meeting. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. Officers may be removed at any meeting of the Board.

No members of the Board of managers will receive any compensation from the Condominium for acting as such.

The Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required:

- (i) to comply with applicable laws or regulations, or
- (ii) to remedy any notice of violation, or
- (iii) to remedy any work order by an insurer.
- (iv) to insure health and safety of building occupants.

Additionally, Sponsor may exercise veto power over expenses other than those described in the previous sentence for so long as the Sponsor shall own one residential unit or a period of not more than five years after the first closing, whichever is sooner.

S. RIGHTS & OBLIGATIONS OF
BOARD OF MANAGERS, SUMMARY OF BY-LAWS

The Board of Managers

1. Board Members

The affairs of the building of the Condominium shall be governed by the Condominium board, which shall consist of three (3) members. Each member of the Board shall have one (1) vote. The first two anticipated board members are Moshe Katlowitz, the Managing Member of the Sponsor and Aaron Jacobowitz, a business associate of Mr. Katlowitz who shall hold office until the expiration of the period of initial Sponsor control. Within 60 days of the closing of title to the first Home, a meeting of the Home Owners shall be held at which a Home Owner who is independent of the Sponsor shall be elected to the first Board of Managers by majority vote of the Home Owners other than the Sponsor, to serve until the first annual meeting of the Home Owners. The By-laws of the Condominium do not include a provision that, after an initial sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. After the period of initial Sponsor control, the unit owners shall elect either a Unit Owner or a person designated by a Unit Owner as board members. The first meeting of board members will take place within thirty (30) days of the expiration of the Period of Initial Control, board meetings shall take place not less than annually.

There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium either as directed by the Board of Managers or upon a petition signed by a majority of the Home Owners having been presented to the Secretary.

2. Officers of the Condominium

The officers of the Condominium shall consist of the President, the Vice President, the Secretary/Treasurer, all of whom shall be appointed by the Condominium Board. All officers shall serve without compensation from the Condominium. All officers must be members of the Condominium Board and Unit Owners (or officers, directors, partners, employees, beneficiaries (or members of their family) of corporations, partnerships, fiduciaries, or mortgagees that are Unit Owners). Any officer may be removed, without cause, by a vote of a majority of the Condominium Board at a meeting called for such purpose.

3. Liability of the Condominium Board and the Unit Owners

The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence, or otherwise, except that individual members will be liable for their own bad faith, willful misconduct or gross negligence.

Every contract made by the Condominium Board, by any officer of the condominium, or by any superintendent or Managing Agent of the Building, shall state (if obtainable) that (a) it is made only as agent for all Unit Owners, and the members of the condominium board or such officer, superintendent, or Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners), and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) such Unit Owner's interest in his or her Unit and its appurtenant Common Interest, unless otherwise provided by law.

All Unit Owners shall severally indemnify each member of the Condominium Board against any liability or claim, contractual or otherwise, except those arising out of the bad faith, willful misconduct or gross negligence of such member or that are contrary to law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of the indemnification of the Board of Managers will be limited to such proportionate share thereof as the Common Interests of such Unit Owner bear to the aggregate Common Interests of all Unit Owners.

There is no provision for insurance covering indemnification of the board of Managers. It is at the discretion of the Condominium Board to obtain such coverage, the cost of which will be borne by the Unit Owners as a common expense.

4. All members of the Condominium Board shall serve without compensation.
5. Any non unit owner officer may be removed, without cause, by vote of a majority of the Condominium board at a meeting called for such purpose. While the Sponsor is in control, the board may not be prohibited from removing members for cause. After the initial three (3) year period of Sponsor control, a Board member may be removed by a majority of the Unit Owners with or without cause.
6. Voting. When votes of the Unit Owners or Board Members are required, each Unit Owner shall exercise his vote in the manner set forth in the By-Laws, which provides as follows: Each Unit Owner shall cast one (1) vote.

The presence, in person or by proxy, of a majority of all Unit Owners shall constitute a quorum at all meetings of Unit Owners, and unless otherwise provided, the decision of a majority of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners.

7. Amendments to the Condominium Documents

Generally, subject to certain exceptions and provided that any required consent of the Mortgage Representatives is obtained, any provision of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to or deleted by the affirmative vote of seventy-five percent (75%) of the Unit Owners, taken in accordance with the By-Laws. However, for so long as Sponsor or its designee is the owner of one (1) or more Units in the entire Condominium, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect sponsor or such designee without the prior written consent of every Unit Owner affected by such amendment.

Powers and Duties of the Condominium Board

1. The Condominium board shall have the powers and duties necessary for administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the following:

(a) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith: (i) the purchase and leasing of supplies, equipment and material and (ii) the employment, compensation and dismissal of personnel;

(b) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a residential condominium;

(c) to maintain records with respect to the finances and the operation of the Condominium, including, without limitation: (i) detailed accounts of receipts and expenditures affecting the Property; (ii) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (iii) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(d) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (i) a detailed account of the anticipated Common Expenses for the ensuing fiscal year and (ii) a detailed projection of all sources and amounts of income necessary to discharge the same;

(e) to determine the amount and establish the means and methods of payment of, and to collect, the common Charges and Special Assessments from the Unit Owners;

(f) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (i) with respect to the borrowing of any sum in excess of \$25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years), in addition to the affirmative consent of a majority of the members of the Condominium Board, the affirmative consent of a majority of all Unit Owners shall be required; (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (iii) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph f. shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of

any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(g) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(h) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (i) the payment of Common Expenses and (ii) the making of restorations, additions, alterations and improvements to the Common Elements;

(i) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(j) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (i) all Unit Owners; (ii) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(k) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacement of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws.

(l) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(m) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners.

(n) to purchase Units at foreclosure or other judicial sales, in the name of the condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(o) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to exercise the votes appurtenant to any such Unit;

(p) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

(q) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(r) 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 by-laws;

(s) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interest in real and personal property for use in connection with the ownership and operation of the Property as a residential condominium;

(t) to execute, acknowledge and deliver: (i) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, renovation, alteration, repair, or restoration of the Building and (ii) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate.

(u) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same; and

(v) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

2. The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Certain Limitations on the Powers of the Condominium Board

1. Notwithstanding anything to the contrary contained herein, the Condominium Board shall not take any of the following actions unless all members thereof shall approve the same in writing or by vote at a duly constituted meeting called for such purpose:

(i) increase the number or change the type, of employees from those hired at the time of recording the Declaration;

(ii) provide for new or additional services from those being provided at the time of recording the Declaration;

(iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement alteration or addition to the Common Elements or to any Unit, unless required by law or is necessary for the health or safety of residents of the Building (nothing contained herein shall restrict the right and obligation of the Condominium Board to maintain and repair the Common Elements); or

(iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, ore replacements, other than a twelve-month reserve for contingencies not exceeding five percent of the budgeted operating expenses for the ensuing twelve months of operation (nothing contained herein shall restrict the right of the Condominium Board to assess Unit Owners from time to time for any budget deficiency).

The Condominium Board shall be responsible for carrying out the duties upon it under the condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other occupant.

Meeting and Votes of the Unit Owners.

(a) Meeting. Except for the first meeting, the Unit Owners shall hold annual meetings on or about the anniversary of the first meeting and every anniversary thereafter, unless such date shall occur on a legal holiday, in which event the meeting shall be held on the succeeding business day. At each annual meeting, the Unit Owners shall conduct such business as may properly be conducted. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

(b) Quorum. The presence, in person or by proxy, of a majority of Unit Owners shall constitute a quorum at all meetings of Unit Owners.

(c) Voting. In votes of the Unit Owners, each Unit Owner (including Sponsor ir its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to vote as follows: each Unit is allocated one (1) vote. Unless otherwise provided, the affirmative majority vote of the voting interests of Unit Owners at which a quorum is present shall be binding upon all of the Unit Owners. In the case of a deadlock, the issue will be resolved by arbitration as provided in Article 10, Section 10.1 of the By-Laws, which provides that the arbitration board may cast a deciding vote to break the deadlock.

Condominium Board Meetings and Voting:

(a) The Board of Managers will consist of three (3) members.

(b) Quorum. A quorum for meetings of the Condominium Board consists of a majority of the members of the Board of Managers.

(c) Voting. All decisions or acts requiring a vote, resolution, approval, agreement or consent of the Board of Managers must be made by the affirmative vote, approval, resolution, agreement, or consent of a majority of the Board Members at which a quorum is present.

(D) Repairs, Alterations and Improvements to Common Elements

All painting, decorating, maintenance, repairs and replacement to the Common Elements and the Limited Common Elements, whether located inside or outside of Units, shall be made by the Condominium Board, which need not obtain the approval of the Unit Owners or of mortgagees of Units (regardless of the cost thereof), and the cost of the same shall be a Common Expense (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof).

There is no separate line item in the budget for snow removal. The cost of snow removal from Common Elements shall be a Common Expense and included in the Projected Budget in Schedule B hereof as a part of the Repairs, Maintenance and Supplies line item. All maintenance and repairs to the Common Elements shall be performed by employees of the Condominium or by independent contractors and the projected cost of which has been included in the Projected Budget in Schedule B hereof as a part of the Repairs, Maintenance and Supplies line item and unit owners will not be separately assessed.

Whenever, in the judgment of the condominium Board, the Common Elements shall require additions, alterations, or improvements costing more than \$25,000.00, in the aggregate, in any calendar year, such additions, alterations, or improvements shall not be made unless the same have been approved by a majority vote of all the Unit Owners (including Sponsor, if it then owns any Unit) at a duly constituted Unit Owner's meeting and by the representatives of institutional mortgagees of Units, if any, appointed pursuant to the By-Laws (the "Mortgage Representatives"). If approved, the Condominium Board may, in its discretion, assess each Unit Owner his or her pro rata share of the cost of such additions, alterations, or improvements according to his or her Common Interest, as part of the Common Charges. Any additions, alterations, or improvements costing \$25,000.00 or less, in the aggregate, in any calendar year may be made by the Condominium Board without the approval of the Unit Owners or the Mortgage representatives, if any, and the cost thereof shall constitute a Common Expense.

Insurance

The Condominium Board shall maintain fire insurance policies insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners), and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and the holders of all Permitted Mortgages (the "Permitted Mortgagee"), as their replacement value of the Building (exclusive of excavation and foundations), without deduction for depreciation. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the loss proceeds, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear; subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance

Trustee (hereinafter defined) as set forth below. The cost of all such insurance shall be paid by the condominium Board and shall be borne by the Unit Owners as part of the Common Charges.

The proceeds of all such policies of physical damage insurance shall be payable to the Condominium Board. Such proceeds shall be applied for the purpose of repairing, restoring or rebuilding the Building, unless otherwise determined by Unit Owners. In no event shall such proceeds be paid to the holder of any mortgage placed by a Unit owner on his or her Unit unless, in accordance with the provisions of Section 5.5 of the by-Laws, there shall be a determination not to rebuild the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance or on invalidity arising from any acts of the insured and of pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' written notice to all of the insured, including Unit Owners, the Board of Managers and Permitted Mortgagees. 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 Permitted Mortgagees ten (10) days prior to expiration of the then current policies, and each Unit Owner shall receive a certificate of such insurance. The insurance policies will provide that each Unit Owner is an additional insured party.

The Condominium Board shall also maintain, to the extent obtainable: (a) public liability insurance as to personal injury and property damage in such limits and amounts as the Condominium Board may from time to time determine, covering each member of the Condominium Board, and the Managing Agent or manager (if any) and each of the Unit Owners; (b) rent insurance in an amount equal to the Common Charges for one (1) year; (c) workers' compensation and New York State disability benefits insurance; (d) hazard insurance; and (e) such other insurance as the Condominium Board may from time to time determine. Such public liability insurance will also cover cross-liability claims of one insurer against another. However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his or her own Unit.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The cost of all such insurance shall be paid by the Condominium Board and shall be borne by all Unit Owners as part of the Common Charges.

Until the first meeting of the condominium Board elected by the Unit owners, the public liability insurance will be in an amount of \$1,000,000.00 per occurrence or \$2,000,000.00 aggregate covering all claims for personal injury or property damage in respect of any one occurrence, and the fire insurance will be at least in the amount set forth in Schedule B, the "Budget for the First Year of Condominium Operation." The Condominium Board shall review such limits annually.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation and provided, further, that the liability of the carriers issuing insurance procured by the Condominium Board shall not be affected or diminished by reason of any Unit Owner's other insurance. A Unit Owner should consider maintaining, at his or her own expense: (a) separate insurance on the contents (i.e., furniture and other personal property and belongings) in his or her Unit, in such amount as will be adequate to insure against loss by reason of fire or other casualty; and

(b) liability insurance against claims for personal injury or property damage resulting from occurrences in his or her Unit.

See "Schedule B" for further details of insurance coverage.

Repair or Restoration After Fire or Other Casualty

Except as set forth in the next paragraph, in the event that the Building or any of the Common Elements thereof is damaged or destroyed by fire or other casualty, the condominium Board will arrange for the prompt repair and restoration thereof.

If the insurance proceeds are insufficient to cover the cost of repairs or restorations of the building or any Common Elements thereof, the Condominium Board may assess all Unit Owners for such deficit as a Common Expense. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to reduce unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

If a Unit is damaged by casualty and the proceeds of insurance obtained by the Condominium Board are not sufficient to cover the repair of the Unit, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Building will be an expense of the individual Unit Owner. In order to protect himself against the possibility of such an expense, the Unit Owner should obtain additional fire insurance coverage above and beyond that coverage maintained by the Condominium Board.

If seventy-five percent (75%) or more of the Building are destroyed or substantially damaged and if all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of the resulting sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in accordance with the factors set out in New York State Condominium Act Section 339-i(1)(iv), which is based on 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 overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor or its designee is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

Units Acquired by the Condominium Board

All Units acquired or leased by the Condominium Board or its designee shall be held by the Condominium Board or its designee on behalf of all Unit Owners. Any rent, purchase price, closing costs and closing adjustments payable in connection therewith shall be assessed against all Unit Owners as a Common Expense. No Units held by the Condominium Board or its designee shall carry voting rights.

Termination of Condominium; Partition of Common Elements

The Condominium shall continue (unless terminated by casualty loss, condemnation, eminent domain or as provided by the By-Laws) until such time as the Property shall be withdrawn from the provisions of the condominium Act as a result of the vote to do so by at least eighty percent (80%) (six (6) units) of the Unit Owners, taken in accordance with the By-Laws. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in accordance with the factors set out in the New York State Condominium Act Section 339-i(1)(iv), which is based on 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 overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. Before paying any of the proceeds to a Unit Owner, the shares of such proceeds payable to such Unit Owner shall first be applied to the payment of any liens on his or her Unit, in the order of priority of such liens.

Reports to Unit Owners

All Unit Owners will receive annually copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by a certified public accountant (while Sponsor controls the Board of Managers), a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the Annual Unit Owners' meeting.

Review of Real Estate Assessments

The Board of Managers will be responsible for reviewing, appealing and filing any documents necessary for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the Owners. Such Owners shall execute any documents required for such filing.

After the Units have been separately assessed, tax review for each Unit will be the responsibility of the Unit Owner.

Covenant Against Partition of Common Elements

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

Capital Reserves

The Condominium board has the power to accumulate reserve funds for capital replacements or other purposes in accordance with the Declaration and By-Laws, as set forth in Documents 6 and 7 in Part II of the Offering Plan.

T. RIGHTS & OBLIGATIONS OF UNIT OWNERS & BOARD OF MANAGERS

Sales and Leases of Units

Each owner of a Unit (other than Sponsor or its designee with respect to Unsold Units) may sell or lease his or her Unit; provided, however, that such owner first gives the Condominium Board written notice of his or her intention to do so, which notice shall be accompanied by a fully executed copy of the contract of sale or lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or lessee.

Right of First Refusal

The Condominium Board, on behalf of the remaining Unit Owners, shall have the exclusive right of first refusal to either purchase the Unit within fifteen (15) business days after receipt of such notice of sale, or to lease the Unit within ten (10) business days after receipt of such notice of lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article 7 of the By-Laws. The Board of Managers will notify the Unit Owner of its intention to exercise the right within the time periods stated above. If the Condominium Board does not notify the Unit Owners of its election to purchase or lease the Unit, such Unit Owner will have sixty (60) days thereafter to consummate the sale or lease in accordance with the terms state din the contract of sale or lease appended to such notice, failing which the Unit Owner will again be required to offer the same right of first refusal to the Condominium Board as provided above.

The Condominium Board may not exercise its option to purchase or lease any Unit unless those Unit Owners owning a majority of the aggregate Common Interests of all Units affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present. If approval is given, the Condominium Board may assess each Unit Owner (other than the selling Unit Owner), in proportion to his or her Common Interests, an amount necessary to effectuate the purchase or lease. The Unit will be used for its legal use and the rent will be used to defray the operating expenses of the Building. Each one of the Unit Owners may request that the Board of Managers offer the Unit for sale through a broker. In the event that such Unit is sold, the proceeds will be distributed to the Unit Owners in proportion to the amount of funds each Unit Owner provided for the purchase of the Unit. In the alternative, the majority of the Unit Owners present at a Special Meeting may designate one of the Unit Owners to purchase the Unit being offered for sale and it will be the responsibility of such Unit Owner to raise the funds to purchase the Unit. The Unit will be used in such manner as any other Unit may be used.

Notwithstanding the foregoing, any Unit Owner may sell or lease his or her Unit to his or her spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, or may convey his or her Unit by gift, devise it by will, or have it pass by intestacy to the aforementioned persons, without complying with the restrictions described above; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, such restrictions.

The foregoing restrictions upon the sale and lease of Units shall not apply to Sponsor or its designee with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure; they shall be free to sell or lease without first offering to sell or lease to the Condominium Board.

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

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such 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 Permitted Mortgages) are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth as Document Number 4 in Part II of the Plan, in accordance with Article 14 of the Declaration.

Mortgages of Units

Each Unit Owner has the right to mortgage his or her Unit, provided that, with respect to Units other than the Unsold Units, the conditions with respect thereto set forth in Article 8 of the By-Laws are first complied with. As more fully set forth in said Article 8, these conditions include the requirements that:

(a) no Unit Owner shall be permitted to mortgage, pledge or hypothecate his or her Unit unless and until he or she shall have paid in full to the Condominium Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit;

(b) no Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein so that at all times, all of the Units' interests in the Condominium shall remain unsevered.

(c) any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan; and

(d) amounts for such other items as the Condominium Board may deem proper (such as amounts for reserves, to make up deficits for prior years, to prepay indebtedness of the Condominium, or to purchase or lease Units).

Based upon such budget, the Condominium Board will promptly determine and advise each Unit Owner of the Common Charges payable by such Unit Owner during the ensuing fiscal year, which Common Charges shall represent a portion of the projected Common Expenses of the Condominium assessed to such Unit Owner pro-rated according to the Common Interest of his or her Unit.

Pursuant to the terms of Article 6 of the By-Laws, the Condominium Board has the right to revise its projection of the Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any such revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during such fiscal year. However, no such revision shall have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of such new determination.

Unless otherwise determined by the Condominium Board, Common Charges will be payable in monthly installments, in advance. No Unit Owner will be relieved from liability for the payment of his or her common Charges by waiving the use of any of the Common Elements or by mere abandonment of his or her Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale and transfer, or other conveyance by him or her of such Unit.

Any Unit Owner may, by conveying his or her unit, without consideration, to the Condominium Board and complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself or herself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to his or her Unit and such Unit being free and clear of all liens and encumbrances other than statutory lien for unpaid Common Charges. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing, unless:

(a) the aggregate Common Interests appertaining to the Unsold Units constitutes fifteen percent (15%) percent or less of the total Common Interests appertaining to all Units;

(b) at least five (5) years have elapsed since the First Closing; and

(c) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to four (4) months' Common Charges (i.e., the product of the then current monthly Common Charges for the Unsold Units being conveyed multiplied by four (4)).

On a resale of any Unit, the purchaser of such Unit shall be required to pay unpaid Common Charges assessed against such Unit prior to his or her acquisition, except that a mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale shall not be liable, and such mortgaged Unit shall not be subject to, a lien for the payment of any Common Charges assessed subsequent to the recording of such mortgage and prior to the acquisition of title to such Unit by the mortgagee or a purchaser at a mortgage foreclosure sale and such assessments shall be the liability of the owner of the Unit at the time of the assessments. In the event that the Condominium Board forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale shall not be sufficient to pay such unpaid Common Charges, or if such Unit is acquired by a mortgagee or purchaser at a mortgage foreclosure sale, then, in either event, the defaulting Unit Owner shall remain personally liable for the balance of such unpaid Common Charges. The Condominium Board shall have the right to assess such unpaid balance amongst all those who are Unit Owners at the time that the same is levied.

Under the provision of Section 339-z of the Real property Law, and Article 6 of the By-Laws, the Condominium Board will have a lien, on behalf of all Unit Owners, on each Unit for unpaid Common Charges and expenses assessed against such Unit together with interest and costs thereon. All such liens, however, will be subordinate, to the extent required by applicable law, to any liens for real estate taxes and assessments on such Unit.

Any lien for unpaid Common Charges and expenses against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office and until all sums secured thereby, with interest and costs accrued 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-year period), whichever shall be sooner. Such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing the lien.

In accordance with Section 339-aa of the Real Property Law, while the Sponsor is in control of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien on Units in which Sponsor is more than thirty (30) days in arrears of common charges.

Failure by Non-Occupying Owner to Make Payments on its Unit

Section 339-kk of the Real Property Law of the State of New York (the "Condominium Act") applies to all condominium plans in existence after July 22, 1998. The amended section is intended to provide financial protection for a condominium association if a non-occupying owner fails to make monthly payments for its units. The terms of Section 339-kk are as follows:

- (a) For purposes of this section, "non-occupying owner" means a condominium Unit Owner who does not occupy the dwelling unit.
- (b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period after they are due, the Condominium Board shall

provide written notice to the tenant and the non-occupying owner that rental payments from the tenant shall be paid directly to the Condominium Board.

- (c) Such notice shall provide that commencing immediately and until such time as all such payments are made current, all rental payments due subsequent to the issuance of such notice are to be made to the Condominium Association at the address listed on the notice. However, where a majority of the board of Managers has been elected by Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Condominium Board.
- (d) When such payments from the non-occupying owner are once again current, written notice of this fact shall be given within 3 business days to the rental tenant and non-occupying owner; thereafter, all rental payments shall be made payable to the non-occupying owner or a designated agent.
- (e) A non-occupying owner who disputes the Board's claim to rental payments pursuant to Section 339-kk shall be entitled to present facts supporting such position at the next scheduled meeting of the board of Managers, which must be held within 30 days of the date that such Board receives notice that such owner seeks to dispute such claim.
- (f) Nothing in Section 339-kk shall limit any rights of Unit Owners or of the Condominium Board existing under any other law or agreement.
- (g) Payment by a rental tenant to the Condominium Board made in connection with Section 339-kk shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

Repair and Maintenance of Units and Common Elements

Each Unit and all portions of the Common Elements shall be kept in first-class condition (same as new, excepting normal wear and tear), order and repair (and free of snow, ice and accumulation of water with respect to any terrace, balconies, roof or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work that is necessary in connection therewith. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter his or her Unit to perform such acts as are necessary to cure such default. (See the subsection entitled "Rights of Access" for a further discussion.)

Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Condominium Board, the Managing Agent and/or any other person authorized by any of the foregoing a right of access (to be exercised in a reasonable manner) to his or her Unit for the purposes of:

making inspections, removing violations against the Common Elements or any part of the Property, making general repairs, curing defaults by the Unit Owner and for other purposes permitted by the By-Laws.

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(a) in or to any Unit (other than the common Elements contained therein) shall be performed by the Owner of such Unit at his or her sole cost and expense; and

(b) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

In connection with the foregoing, it should be noted that the exterior glass surfaces of all windows located in any Unit are to be washed and cleaned by the Owner of such Unit, at such Unit Owner's sole cost and expense.

Notwithstanding the foregoing, however, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or non-extraordinary, that are necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made by such Unit Owner at his or her sole cost and expense.

Alterations and Improvements of Units and Common Elements

Each Unit Owner shall have the right to:

- (i) make alterations, additions, or improvements in the interior of his Unit;
- (ii) make alterations, additions, or improvements in the interior of to any part of the property allocated to his Unit;
- (iii) change the layout of his Unit;

provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit:

(1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the Owner of such other affected Unit shall consent thereto;

(2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event that any Unit is subdivided, the subdivided units shall jointly exercise and share the vote allocated to the original unit.

The Condominium Board may at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, as set forth in the By-Laws.

Alterations and Improvements of Common Elements:

(A) Generally, all alterations, additions, or improvements in or to the Common Elements will be made by the Condominium Board, and the cost and expense thereof will be charged the Unit Owners as a Common Expense.

(B) All alterations, additions, and improvements by Unit Owners shall be made in compliance with applicable laws and rules and regulations of the appropriate governmental bodies having jurisdiction thereof. In connection therewith, the Condominium Board shall execute applications to any departments or to any governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of Paragraph (A) hereof.

Except as otherwise provided in the By-Laws, no Unit Owner may make any alteration, addition, improvement, or repair in or to the Common Elements.

Sponsor or its designee or the Owners of the Units shall have the right, without the approval of the Condominium Board, the Selling Agent, the Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to:

(a) make alterations, additions, improvements, or repairs in or to any Unsold Unit or Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary; and

(b) subdivide, combine and change the boundary walls of Unsold Unit or Units. (See Section K ("Changes in Prices and Units") for further discussion.

However, no change will be made in the size or number of units and/or their respective percentages of common interest, and no material change will be made in the size or quality of common elements, except by amendment to the Plan, and when applicable, to the Declaration.

In addition, the Sponsor may not substitute equipment or materials of lesser quality and design, nor may the Sponsor change the size, location of building or units or other improvements or common elements if such changes affect the percentage of common interests or adversely affect the value of any Unit to which

title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

At the request of the Sponsor or its designee or the Unit Owner, the Condominium Board will execute any application or other documents required to be filed with any governmental authority having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair proposed to be made by the Sponsor or Unit Owner, at which time Sponsor or the Unit Owner shall execute an agreement to indemnify and hold harmless the Condominium Board and the Unit Owners from any expense or liability by virtue of the execution of the application or such other documents.

The cost of snow removal from Common Elements shall be a Common Expense and included in the Projected Budget in Schedule B hereof as a part of the Repairs, Maintenance and Supplies line item. All maintenance and repairs to the Common Elements shall be performed by employees of the Condominium or by independent contractors and the projected cost of which has been included in the Projected Budget in Schedule B hereof as a part of the Repairs, Maintenance and Supplies line item and unit owners will not be separately assessed.

Insurance Coverage

The insurance coverage provided by the Condominium Board does not include claims for personal injury or property damage occurring within a Unit nor does it include coverage for the contents present in the Unit. Therefore, the Unit Owner should consider obtaining the following at his own cost: insurance covering the contents of the Unit, personal property, and liability for personal injury as a result of occurrences in the individual Unit.

Restrictions on the Use of Units

As more fully set forth in the Declaration and in the By-Laws, each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy.

Pets shall be permitted in the condominium and subject to the reasonable regulation by the Board of Managers. There are no aesthetic controls in the building. The Units and common elements are limited to residential use and no business or professional use may be carried on in the Units. Such limitations are more restrictive than those applicable to the Sponsor. The Sponsor may, without obtaining the consent of the Condominium Board or the other Unit Owners, use any one or more of such Units as model units and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with current laws, statutes or regulations.

A Unit owned or leased by an individual, corporation, partnership, fiduciary, or other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including officers, directors, stockholders, or employees or corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such entity, respectively, or by members of the immediate family or guests of any of the foregoing. However, the foregoing restriction shall not apply to Unsold Units.

No nuisance, or immoral, improper, offensive, or unlawful use, shall be allowed in the Building or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whomever shall have the obligation to maintain or repair such portion of the Property. The Rules and Regulations of the Condominium, which govern the use of all of the Units, may be amended from time to time by the Condominium Board, provided that copies of such amendments are furnished to each Unit Owner prior to the time that they become effective. For further discussion, see Article VIII — "House Rules" attached as part of Document No. 7 in Part II of the Plan.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board, and the Managing Agent, superintendent and other persons authorized by the Condominium Board, will have a right of access or any Unit for the purposes, among others, of making inspection of, or removing violations of governmental laws or regulations against any part of the Property, curing defaults committed by the owner of such Unit under the Condominium Documents, or correcting conditions originating in any Unit and threatening another Unit or any Common Element. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the common Elements for purposes of performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan.

A right of access is hereby granted to the Unit Owners, their successors, heirs and assigns, for the purpose of gaining access to the following areas: common areas; mechanical areas of the building, including but not limited to the boiler room, storage room, meter room or any other facility to which each such Unit Owner has a right of use; or to any area of the property that such Unit Owner has a right to use as part of his Unit or as a Common Element. However, the right shall only be exercised in a reasonable manner. In addition to the specific easements set forth in Article 6 of the Declaration of Condominium, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

Self-Help

In the event that any Unit Owner fails to maintain or repair parts of the Building required to be maintained or repaired by such Unit Owner, or in the event of any breach of the Condominium Documents, then, as set forth in Article III, Section 6 of the By-Laws, the condominium board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

Mechanic's Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. Liens may arise or be created against only the several Units and their respective Common Interests. A lien for labor performed in, or materials supplied to, a Unit may be filed against the Unit of an owner who has expressly requested

or consented to the performance of such work or the supplying of such materials, but may not be filed against the Unit of any other owner who has not expressly requested or consented to the same, except in the case of emergency repairs. No labor performed in, or materials furnished to, the common Elements shall be the basis for a lien thereon, but all Common Charges received by the Condominium Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request, or with the consent of, the Condominium Board or the Managing Agent.

Compliance with the Terms of the Declaration, the By-Laws and the Rules and Regulations

Each Unit Owner must strictly comply with the provision of the Condominium Documents, including, but not limited to: the Declaration, By-Laws, or any other rules, regulations or requirements promulgated by the Condominium Board, and as the same may be amended, modified, deleted, or added to from time to time pursuant to the terms thereof. Failure to strictly comply is grounds for an action for damages, including but not limited to attorney's fees, late charges and interest at the highest legal rate allowable, or injunctive relief, or both.

U. REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment or non-payment of taxes on any other Units, nor will his or her Unit be subjected to any lien arising from the same. In the event that the Units are not separately assessed at the time of the closing, the following procedure will be applicable:

1. To the extent that the taxes have been paid by the condominium for the six-month period, there will be an adjustment made at the time of the closing in the amount of the prepaid taxes with respect to this Unit. The adjustment will be based on the percentage common interest allocated to the Unit.

2. The Unit Owner will be required to pay the entire amount of tax allocated to his Unit at the time that the Board of Managers is required to make its real estate tax payment to the City of New York. The allocation for taxes will be based on the Unit's percentage of common interest allocated to the Unit.

Taxes are assessed by the Real Property Assessment Bureau of the Department of Finance of the City of New York. The tax assessments of condominium apartment buildings are governed by Section 581 of the Real Property Tax Law. This law requires the tax assessor to disregard the condominium form of ownership in valuing such properties and to value the building in the same manner as similar but non-condominium owned rental buildings.

It is projected that assessed valuation of the entire condominium after the completion of construction in early 2021 will be \$924, 901. The real estate tax estimates set forth in Schedule A are based on an opinion letter dated June 23, 2020 from Metropolitan Realty Exemptions, setting the estimated assessed valuation for the Units between \$95,676.00 and \$198,792.00 per residential Unit. The actual taxes were estimated by using the projected tax rate of \$12.473 per one thousand dollars of Assessed Valuation for the real estate tax. The projected assessed valuations for January 1, 2022, the estimated date of commencement of condominium operations, are shown in Exhibit 1 set forth in Section G – "Notes to Schedule A."

Real estate tax assessments are estimated based on the values of the units. No assurances can be given that the taxing authorities will assess the building will allocate the assessments in the same manner and the actual assessments may not be in the same proportion as the common interests set forth in Schedule A.

See Schedule A for the estimated real estate taxes for the units for the first year of condominium operation. Since actual figures are not currently available, the figures set forth in Schedule A are based on estimated data provided by Metropolitan Realty Exemptions in a letter dated June 23, 2020. A copy of said letter is included as Document No. 11 in Part II of the Plan.

As of the present date, there are not tax certiorari proceedings pending on the premises.

Review of Real Estate Assessments. Article III, Section 5, Paragraph 14 grants the Board of Managers the power and responsibility for reviewing, appealing and filing any documents necessary for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the owners. Such owners shall execute any documents required for such filing.

After the Units have been separately assessed, tax review for each Unit will be the responsibility of the Unit Owner.

Due to possible increases in the tax rate and/or possible further increases in the property's assessed valuation, real estate taxes may be higher than as set forth in the first year of operation and in future years. No warranty is or can be made by sponsor or any other person that the New York City Department of Housing Preservation and Development or the New York City Real Property Assessment Department, or any agency with jurisdiction, will approve the taxes as estimated. Neither sponsor nor its counsel shall be liable, if because of change in laws and/or regulations or the interpretation of laws and/or regulations or, as to the law office, if the facts represented by sponsor prove incorrect.

V. COUNSEL'S INCOME TAX OPINION

JOSEPH S. SCARMATO, PLLC

**105 Lewis Drive
Upper Nyack, New York 10960
845-548-1880**

August 19, 2020

68 North Henry Street Condominium
c/o 68 North Henry Street LLC
270 Madison Avenue, Suite 1203
New York, New York 10952

Re: Offering Plan ("Plan") for Condominium Ownership of Premises
known as 68 North Henry Street, Brooklyn, New York (the "Property")

Gentlemen:

You have requested our opinion with regard to certain Federal and New York State income tax matters relating to a person ("Unit Owner") who purchases a condominium unit ("Unit") under the Plan.

In connection with this opinion, we have reviewed the Plan including the exhibits thereto and such other documents as we considered necessary for the purposes of this opinion.

The opinion expressed herein are based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms and condominium ownership of the Property is validly established. All terms not otherwise defined herein shall have the same meanings ascribed to them in the Plan.

I. Compliance with Real Property Law Section 339-i

I am the attorney representing the Sponsor of the captioned offering plan. I am not the selling agent or managing agent for this property. I am familiar with condominium units in the area. I have been involved in the preparation of many condominium offering plans and I have consulted with and advised other sponsors as to the allocation of their interests in the common elements.

The method selected for calculating the percentage of common interests in the condominium pursuant to Real Property Law Section 339-i (1) is subparagraph (iv), which provides that:

"the Common Interests of each of the Units have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit."

It is the opinion of the undersigned that the percentage of interest in the common elements in this condominium have been allocated to the units based on and in accordance with the above factors and other factual determinations as required by Real Property Law Section 339-i.

II. Tax Deductions for Unit Owners

Under the Plan:

- (1) a Unit Owner will receive legal title in fee simple to the Unit coupled with ownership of an individual interest in the land and appurtenances and all other parts of the Property held in common with other Unit Owners (the "Common Elements");
- (2) each Unit will be a separate tax lot for the purposes of real estate tax, and the Unit Owner will be directly liable to the County Collector for the real estate tax assessment with respect to his Unit, but not with respect to any other Unit;
- (3) subject to certain restrictions as to form, a Unit Owner may mortgage his Unit as he wishes, and will be individually liable for payment of principal and interest (and/or finance charges) on such mortgage, but the Unit will not be subject to the lien of any mortgage placed on other Units; and
- (4) a Unit Owner may separately transfer his Unit subject, with certain exceptions, to certain rights of the Condominium Board.

This opinion reflects the changes in federal tax law made by the Tax Cuts and Jobs Act of 2017 that went into effect on January 1, 2018 which significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. A significant change was made to the standard deduction afforded to taxpayers, doubling the standard deduction from \$6,350 in 2017 to \$12,400 for individuals and \$24,800 from \$12,700 for married couples filing jointly or qualifying widow(er)s, eliminating the need to itemize for some Unit Owners with mortgage interest and property tax bills that fall below these thresholds. Note that if the potential itemized deductions total is less than the standard deduction amount for the unit owner's filing status, they will pay less tax by taking the standard deduction instead.

Notwithstanding, it is our opinion that a Unit Owner who chooses to itemize deductions will be entitled to deduct, for Federal income tax purposes:

- a. a portion of his/her real estate taxes assessed against his Unit limited to a \$10,000 deduction for state and local taxes (SALT; \$5,000 if married filing separately), which is a combination of property taxes plus either state and local income taxes or sales taxes;
- b. interest on any mortgage of up to \$750,000.00 indebtedness secured by his Unit.¹; and
- c. should the same apply, private mortgage insurance (PMI), for borrowers who make down payments of less than 20 percent, to protect lenders from loss in the event of default as provided by the Further Consolidated Appropriations Act, 2020, passed in March 2019.

See Sections 163 (interest) and 164 (taxes) of the Internal Revenue Code of 1986, as amended (the "Code"); Revenue Ruling 64-31, 1964-1 (Part I) Cum. Bull. 300.² These expenses will be deductible when paid or accrued in accordance with the Unit Owner's method of accounting.

In addition to the interest and real estate tax deductions discussed above, a Unit Owner may use all or part of his Unit in the conduct of his trade or business or for the production of income may deduct a portion of common charges allocable to such use. Each such Unit Owner will be entitled to deduct cost recovery on his Unit (similar to depreciation), computed separately and based upon the cost of his Unit (see Code Section 1012). Such deduction may be determined under Code Section 168 by using the straight-line method or under ACRS tables which approximate the use of 175% declining balance method, switching to straight-line recovery in later years. The excess of accelerated cost recovery deductions over deductions computed using the straight-line method is an item of tax preference and may result in Unit Owners incurring alternative minimum tax. The amount of permitted deductions have been modified by the Internal Revenue Code of 1986. The deduction of Common Charges is limited to that portion which does not exceed the Unit Owners' share of expenses paid or incurred through the Condominium and which would constitute trade or business expenses under code Section 162 or would constitute expenses for the production of income under Code Section 212, if they were paid directly by the Unit Owner. Common Charges may exceed the deductible amount to the extent that Common Charges are used by the Condominium Board to finance capital expenditures or reserves. The amount used to fund capital expenditures or reserves are not

¹ Tax Cuts and Jobs Act of 2017 provides that if the Unit Owner has more than two (2) residences, he/she will be able to deduct his/her interest of his/her condominium unit loan of up to \$750,000.00 indebtedness. See Section U ("Taxes" – Deductions to Unit Owners and Tax Status of the Condominium).

²The New York State and City tax laws incorporate by reference Federal itemized deductions in regard to resident individuals (see N.Y. Tax Law Section 615; N.Y.C. Admin. Code Section T46-115.0) and for corporations (see N.Y. Tax Law Section 208.9; N.Y.C. Admin. Code R46-2.0.8). Hence, all Federal authorities hereinafter referred to should, for the most part, apply under the New York State and/or City income tax statutes and to the extent that deductions are permitted for Federal tax purposes, they will be permitted for New York State and New York City tax purposes. It should be noted, however, that (i) for New York State and New York City income tax purposes, the interest and real estate tax deductions discussed herein may be reduced for a taxpayer who has certain specified items of tax preference (see N.Y. Tax Law Section 622; N.Y.C. Admin. Code Section T46-122.0); and (ii) for Federal income tax purposes, a Unit Owner may be liable for an alternative minimum tax based upon certain deductions taken (including interest on mortgages) (see Section 55 of the Internal Revenue Code). New York State also imposes a minimum tax based on certain Federal tax preference items including adjusted itemized deductions. See N.Y. Tax Law Sections 601-A and 622.

deductible and must be capitalized by Unit Owners, increasing the basis in the Unit and thus the cost recovery deduction available for that Unit.

III. Tax Treatment and Board of Managers

Under the Plan, the Condominium, via the Board of Managers, will determine, assess to, and collect from, all Unit Owners, in proportion to their respective Common Interests, the Common Charges to pay the costs and expenses of operating, repairing and maintaining the Common Elements.

The tax status of the Condominium Board is uncertain and turns upon whether the Condominium Board is treated as a mere conduit for Unit Owners or as an association taxable as a corporation.

If the Condominium Board is deemed to be the conduit for the Unit Owners, all income of the Condominium, such as investment income earned on interim investments or rent on any Unit it acquires, less the applicable expenses of earning such income, will be deemed income to the Unit Owners and taxable to them. However, Common Charges will not be considered income to the Condominium Board.

The Service, however, may take the position that the Unit Owners, acting through the Condominium Board, constitute an association taxable as a corporation (an "Association")³ because of, e.g.:

- (1) the Board's centralized management powers over the Building;
- (2) the attempt to limit contractual liability of Unit Owners, for the contracts entered into by the Condominium, to the Unit Owners' proportionate share of such liability in accordance with their common interest in the entire Condominium; and
- (3) the possibility of perpetual life. (See Treas. Reg. 301.7701-2, and discussion in Shapiro, Commercial Condominiums: Tax Considerations for Unit Purchasers and the Association, 41 J. TAXATION 204, 206-08 (Oct. 1984) and Wolitzer, Condominium – Organization, Taxes and Accounting, XL N.Y.C.P.A. 893, 899-900 (Nov. 1970).)

If the condominium were treated as an association taxable as a corporation, it would be subject to Federal income tax on the excess of the portion of its receipts including common Charges and laundry concession income which is deemed to constitute gross income over any deductible expenses.

To the extent that any portion of the Common Charge receipts is segregated and used to finance specified capital expenditures or reserves, said portion may be excluded from gross income of the Association. (See Rev. Rul. 74-563, 1974-2 Cum. Bull. 38; L.R.B. 1974-47.6; and Lake Petersburg Ass'n v. Commissioner, 33 CCH Tax Ct. Mem. 259 (1974).) In such event, the Unit Owners might be required to pay further Common Charges to fund the Federal income tax liability of the Association. Any such

³If such an association were found to exist, it is our view that it would not constitute a tax exempt organization under Section 501(c) as an organization operated exclusively for the promotion of social welfare (cf. Rev. Rul. 74-99, 1974-1 Cum. Bull. 131).

Common Charges would probably be deemed to constitute additional gross income to the Association – upon which further federal tax would be owing. See Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929), and cf. Rev. Rul. 74-75, 1974-1 Cum. Bull. 19.

In an effort to resolve the above uncertainty, Section 528 was added to the Code, pursuant to which the Condominium board may, if qualified, elect to exclude from income the Common Charges payable by Unit Owners. (New York State has not adopted a similar statute.) This exemption is available to the Condominium Board only if:

- (i) 60% or more of the gross income for the taxable year is received as fees or assessments from owners of Units ("Exempt Function Income"); and
- (ii) 90% or more of the expenditures for the taxable year are for management, acquisition, maintenance and care of the Common Elements.
- (iii) 85% or more of the total square footage of all Units within the Condominium must be used by individuals for residential purposes; and
- (iv) No part of the net earnings may inure to the benefit of any private individual except through the rebate of excess assessments or indirectly through the acquisition, management and maintenance of association property.

A Condominium meeting the requirements of Section 528 of the code and electing to be exempt from Federal income tax on exempt function income would be taxable at corporate rates, with some minor modifications, on the amount by which its non-exempt function income exceeds the amount of allowable deductions which are directly connected with the production of such income.

It is our opinion that the condominium will meet the requirements for election of Section 528 during its first year of operation. Thus, the condominium may make such election during the first year if it is advantageous. However, since the requirements for election under Section 528 are applied annually it cannot now be determined whether the Condominium may elect Section 528 treatment in any subsequent tax year.

We express no views as to any Federal, New York State and/or local county tax consequences or as to any aspects of the Plan other than those explicitly discussed in this opinion. Nor do we express any view as to the tax status and tax consequences of the Plan under the laws of any other U.S. or foreign jurisdictions. This opinion does not deal with tax consequences 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 are acquired and/or leased by the Condominium Board or with respect to whether a Unit Owner may be deemed a residence of New York due to ownership of a Unit. We therefore strongly advise each person contemplating the purchase of a Unit to consult his own tax advisor as to all such tax matters (including the tax matters discussed in this opinion).

We make no warranty that the Internal Revenue Service, the New York State Department of Taxation and Finance or any other taxing authority will accept any or all of the views stated above. Moreover, the Federal, State and city tax laws and regulations (and the rulings and decisions thereunder) may change and thereby affect, in whole or in part, the views stated above.

IN OUR OPINION, EACH UNIT OWNER WILL BE ENTITLED TO INCOME TAX DEDUCTIONS AS DESCRIBED ABOVE. HOWEVER, THIS OPINION IS NOT A GUARANTEE; IT IS BASED UPON EXISTING RULES OF LAW APPLIED TO THE FACTS AND DOCUMENTS REFERRED TO ABOVE. NO ASSURANCES CAN BE GIVEN THAT THE TAX LAWS UPON WHICH COUNSEL BASE THIS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, COUNSEL TO THE CONDOMINIUM BOARD, THE SELLING AGENT OR ANY OTHER PERSON BE LIABLE IF THERE ARE CHANGES IN THE FACTS ON WHICH COUNSEL RELIED IN ISSUING THIS OPINION, OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR INTERNAL REVENUE SERVICE RULINGS ON WHICH COUNSEL RELIED WHICH CAUSE THE CONDOMINIUM TO CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR THE NEW YORK STATE TAX LAW, AS AMENDED.

We consent to the incorporation of this opinion in the Plan.

Very truly yours,

JOSEPH S. SCARMATO, PLLC

A handwritten signature in black ink, appearing to read 'J. Scarmato', written over a horizontal line.

By: _____
Joseph S. Scarmato

W. RESERVE FUND

A reserve fund will be established in the budget. The basis of the figure projected for this item is approximately ten percent (10%) of the entire budget. This fund shall be used as a reserve to pay for periodic capital replacements or repairs. At this time the Sponsor has no knowledge of any capital improvements that may have to be made during the first five years of condominium operation. In the event there is a need for major capital expenditures in excess of the funds available from the contingency and or reserve fund the Condominium Board will assess a charge to each Unit Owner in accordance with its percentage of common interest. While the Sponsor is in control of the Condominium Board, the reserve fund may not be used to reduce common charges. Neither the department of law nor any government agency passed upon the adequacy of the Reserve Fund. See Special Risks section CC.

X. WORKING CAPITAL FUND

The Sponsor, as agent of the board of Managers, will collect from each original purchaser at the time of Closing an "Initial Capital Payment" equal to four (4) months' common charges for each unit. The Sponsor will deliver the funds so collected to the Board of managers to provide the necessary working capital for the Condominium. Such funds may be used for certain prepaid items, organizational costs, and for such other purposes as the Board of managers may determine and may be replenished as the Board sees fit. While the Sponsor is in control of the Condominium Board, the Working Capital Fund shall not be used to reduce estimated Common Charges. Adjustments for repaid expenses between the Sponsor and the Board of Managers may be deducted only from the working capital fund in the event of a need to replace a capital improvement, which cost exceeds the value of any future reserve or working capital fund created or amended by the Board or the value of insurance proceeds, if applicable. The Board may be compelled to assess the Unit Owners an amount equal to each Unit Owner's proportionate share of such necessary capital expenditure. NO REPRESENTATION IS MADE THAT THE INITIAL WORKING CAPITAL FUND WILL BE ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS, AND IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THE INITIAL CAPITAL FUND, IT MAY BE NECESSARY FOR THE BOARD OF MANAGERS TO INCREASE THE CHARGES.

NEITHER THE DEPARTMENT OR LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE INITIAL WORKING CAPITAL FUND OR THE PHYSICAL CONDITION OF THE BUILDING.

Y. IDENTITY OF PARTIES

Sponsor and Selling Agent

The Sponsor is 68 North Henry Street LLC, a limited liability company formed in 2017 with an address of 270 Madison Avenue, Suite 1203, New York, New York 10952. The principal of the sponsor is Moshe Katlowitz, Esq. who is the Managing Member of the Sponsor. Mr. Katlowitz is an attorney admitted to practice in the State of New York and has maintained a real estate law practice 1980 with offices currently located at 270 Madison Avenue, Suite 1203, New York, New York 10952. Neither the Sponsor nor its

principal have any felony convictions, bankruptcies, injunctions or judgments which are material to the Offering Plan or an offering of securities generally. The Sponsor and its principal have no prior experience as a Selling Agent or as a Managing Agent and have not taken part in condominium offerings in the last five (5) years. Neither the Sponsor nor its principal have any business experience with either the Selling Agent, the Attorney, the Architect or the Engineer prior to their involvement in the development of the subject condominium property.

Selling Agent

An additional Selling Agent is Alan Wieder an associate broker at Bold New York, with offices located at 196 N 10th Street, Brooklyn, New York 11211. Neither the Selling Agent nor Mr. Weider have any felony convictions, bankruptcies, injunctions or judgments which are material to the Offering Plan or an offering of securities generally. The Selling Agent and Mr. Weider have over ten years of prior experience as Selling Agents in metropolitan New York and have taken part in condominium multiple offerings in the last five (5) years.

Attorney

The Sponsor is represented by Joseph S. Scarmato PLLC, 105 Lewis Drive, Upper Nyack, New York 10960 in connection with this offering Plan and the recording of the Declaration of Condominium. The Offering Plan was prepared by Joseph S. Scarmato, Esq.

The Sponsor is also represented by Joseph S. Scarmato, PLLC, 105 Lewis Drive, Upper Nyack, New York 10960 in connection with the preparation of the Unit Deeds, escrows and closings.

The Condominium does not have independent legal counsel. IT IS SUGGESTED AND EXPECTED THAT EACH PURCHASER WILL CONSULT WITH AND BE REPRESENTED BY HIS/HER OWN COUNSEL IN CONNECTION WITH THIS OFFERING.

Architect/Engineer

The architect is Jeff Ackerman, R.A, a principal of Biz Design Group with offices located at 241 37th Street, Suite 440, Brooklyn, New York 11232, which firm is responsible for the creation of the design of Building. The firm is responsible for the design of a number of recent multifamily residential buildings in the area including:

1. 178 Park Place, Brooklyn, New York
2. 286 Atlantic Avenue, Brooklyn, New York
3. 600 Crown Street, Brooklyn, New York
4. 331 22nd Street, Brooklyn, New York

The engineer is Tecnico Engineering, with offices located at 6014 11th Avenue, Suite 312, Brooklyn, New York 11219. The engineer has prepared the description of property in accordance with the

Architect's Drawings and the engineering plans of the Property. Such report is set forth in Part II. The engineer has been involved in the planning and development of condominiums for over ten years. The firm is responsible for the design of a number of recent multifamily residential buildings in the area including:

1. 194 Ainslie Street, Brooklyn, New York
2. 4815 14 Avenue, Brooklyn, New York
3. 1570 60 Street, Brooklyn, New York
4. 179 Richardson Street, Brooklyn, New York
5. 148 West Street, Brooklyn, New York
6. 43 Newell Street, Brooklyn, New York
7. 926 Pacific Street, Brooklyn, New York

The engineer has no financial interest in the Property, the sponsor, the Condominium or any other party interested in this transaction, except for its fee for services rendered in connection with such report.

Z. MANAGEMENT CONTRACT AND LEASES

The ordinary cleaning and maintenance of the common elements, as well as administrative work such as collecting common charges and bookkeeping are typically the responsibility of a managing agent. No Managing Agent has been selected and there is no management contract in place as of the date of this filing. Therefore there is no amount budgeted for this purpose. Likewise, there are also no service contracts, leases or other agreements that are binding on the Condominium as of the date of this filing however, should the Sponsor enter any such contract that will bind the condominium after the date of this filing, the Sponsor be obligated to disclose the same in an amendment to the Plan. After the Period of Initial Control, should the Board of Managers elect to hire a professional managing agent, the cost of such service will result in an increase in the projected annual budget of approximately 6% to cover the fees due to the managing agent. See Section H ("Notes to Schedule B") for further details.

The Sponsor shall provide management services, without a fee, including all administrative work such as bookkeeping and hiring and management of maintenance staff for the during the Period of Initial Control. The Sponsor, acting through the Board shall bear the responsibility to assure that all assessments have been paid, that each Unit Owner adheres to the rules and regulations of the Declaration and By-Laws and to collect any amounts payable to the Condominium.

After the Period of Initial Control, the Board of Managers will be responsible to choose an independent management agent and negotiate a management contract. In the event that the unit owners choose not to hire a managing agent after sponsor relinquishes control it shall be incumbent upon the Board of Managers to actively manage the condominium by assessing and collecting common charges, hiring and supervising cleaning and maintenance laborers or contractors and paying the expenses of the condominium.

AA. REPORTS TO UNIT OWNERS

It is the obligation of the board of Managers of the Condominium to give all unit Owners annually the following documentation:

(a) A financial statement of the Condominium prepared by a certified public accountant or public accountant by June 30th; such statement shall be certified while the Sponsor is in control of the Board of Managers.

(b) Prior notice of the annual Unit Owners' meeting.

(c) A copy of the proposed annual budget of the Condominium by ten (10) days prior to the date set for adoption thereof by the Board of Managers; such budget shall be certified while the sponsor is in control of the Board of Managers.

BB. DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits and documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under the Plan or shall have participated in the offering of such Unit, at the offices of Joseph S. Scarmato, PLLC, attorneys for the Sponsor, 105 Lewis Drive, Upper Nyack, New York 10960, during convenient weekday hours and shall remain available for such inspection for a period of six (6) years from the First closing. There will be a charge of forty cents (\$0.40) per page for copying any documents. The Plan and all other exhibits and documents referred to herein shall also be available for inspection and copying by appointment (at a current charge of \$0.25 per page) at the Department of Law, 28 Liberty Street, New York, NY 10005. In addition, a set of the floor plans showing the layout, locations, and approximate dimensions of each Unit and its unit number designation will be filed with the City Register / Kings County Clerk's Office at the time the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the City Register / Kings County Clerk's Office prior to or concurrently with the First closing and a copy of same will be provided to the Board of Managers. All deeds conveying, and all mortgages covering, individual Units will also be recorded in such office.

CC. GENERAL

There are no lawsuits, administrative proceedings, or other proceedings the outcome of which may materially affect this offering, the purchasers of Units, the Property, Sponsor's capacity to perform all of their obligations under the Plan, the Condominium, or the operation thereof, except as may be further herein expressly set forth.

This property has not been the subject of any prior public offerings. No preliminary binding agreements have been entered into and no money has been collected from prospective purchasers.

In accordance with the provisions of the laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of sex, race, creed, color, national origin, ancestry, sexual orientation, or other ground prescribed by law in the sale of the Units offered by the Sponsor pursuant to the Plan or in the leasing of any such Units or any other portion of the building.

Purchasers have a right to rescind purchase agreements following material adverse amendments. The Purchaser shall have a right to rescind by sending written notice to the Sponsor within thirty (30) days after being presented by the Sponsor with a copy of the amendment. Sponsor will return any deposit or down payment to purchasers who rescind within ten (10) days of the receipt of written notice of rescission. No deposit or down payment shall be returned to interim lessees prior to their vacating of the apartment. See Section L ("Interim Leases").

The Sponsor reserves the right to revise, from time to time, the terms and conditions upon which the Units are to be sold and to otherwise revise the Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, purchasers, or prospective purchasers, without obtaining the consent of purchasers or others. However, the 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 the 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 the right to rescind their Purchase Agreements and be refunded all monies paid thereunder, with interest earned thereon, if any. Unless an affected purchaser consents, no material change will be made in unit size, layout or percentage of common interest if a purchase agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of common elements.

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such document executed by or with the written consent of a purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

The Plan is offered only to persons eighteen (18) years of age or over and entities.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one genera, masculine, feminine, or neuter, includes the other two.

No person has been authorized to make any statement or presentation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

DD. SPONSOR'S STATEMENT OF BUILDING'S CONDITION

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

The number and usage of the units is identical to the number and usage of the units that will be stated in the permanent certificate of occupancy when the construction work is completed.

EE. ASBESTOS STATEMENT

Sponsor represents that there is no Asbestos Containing Material (ACM) and there will be none in insulating or fireproofing material anywhere in the building.

Dated: August 12, 2020

Sponsor:

68 NORTH HENRY STREET LLC
270 Madison Avenue, Suite 1203
New York, New York 10952